

## Notice of a Meeting

### Strategy & Partnerships Scrutiny Committee Thursday, 15 December 2011 at 4.45 pm 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:** 12 January 2012

#### 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>Belinda Dimmock-Smith</i> , Tel: (01865) 816386 <a href="mailto:belinda.dimmock-smith@oxfordshire.gov.uk">belinda.dimmock-smith@oxfordshire.gov.uk</a>



Peter G. Clark  
County Solicitor

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

### SCRUTINY MATTERS

4. **Service and Resource Planning 2012/13 - 2016/17** (Pages 1 - 240)

The report (which is to be considered by each of the Scrutiny Committees on 15 December) forms part of a series relating to the Service and Resource Planning process for 2012/13 to 2016/17.

Each Committee will meet in turn to consider the Business Strategies and savings proposed for their service areas. Comments from each Committee will then be considered by Strategy & Partnerships Scrutiny Committee on 12 January 2012 prior to being fed back to Cabinet in order that they can take the comments into consideration in proposing their budget and Medium Term Financial Plan (MTFP) in January 2012.

The following annexes are attached:

Annex 1	Assumptions in current Medium Term Financial Plan (MTFP)
Annex 2	a) Detail of previously agreed pressures/funding – MTFP 2011/12 – 2014/15 b) Detail of previously agreed savings – MTFP 2011/12 – 2014/15
Annex 3	Autumn Statement Briefing
Annex 4	Summary of changes to Business Strategies & MTFP by Scrutiny Committee responsibility/remit
Annex 5	Updated Business Strategies 2012/13 – 2014/15: a) Children, Education & Families b) Adult Social Care c) Community Services d) Community Safety and Fire & Rescue e) Environment & Economy f) Chief Executive's Office
Annex 6	Capital Strategy
Annex 7	a) Capital Prioritisation Principles b) Capital Prioritisation Assessment
Annex 8	Service Areas considered by each Scrutiny Committee

The Assistant Chief Executive & Chief Finance Officer and Director for Environment & Economy will be available to respond to questions, together with the Deputy Leader and Cabinet Member for Finance and Property.

## 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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## SCRUTINY COMMITTEES 15 DECEMBER 2011

### Business Strategy and Service & Resource Planning 2012/13 – 2016/17

Report by County Council Management Team

#### Introduction

1. This report forms part of a series relating to the Service & Resource Planning process for 2012/13 to 2016/17. The Business Strategy and Service & Resource Planning report to Cabinet in September set out the context for the 2012/13 budget and Medium Term Financial Plan outlining known and potential financial issues for 2012/13 and beyond. It also set out the Service & Resource Planning process for 2012/13 and a timetable of events.
2. The following annexes are attached:

Annex 1	Assumptions in current Medium Term Financial Plan (MTFP)
Annex 2	a) Detail of previously agreed pressures/funding – MTFP 2011/12 – 2014/15 b) Detail of previously agreed savings – MTFP 2011/12 – 2014/15
Annex 3	Autumn Statement Briefing
Annex 4	Summary of changes to Business Strategies & MTFP by Scrutiny Committee responsibility/remit
Annex 5	Updated Business Strategies 2012/13 – 2014/15:  a) Children, Education & Families b) Adult Social Care c) Community Services d) Community Safety and Fire & Rescue e) Environment & Economy f) Chief Executive's Office
Annex 6	Capital Strategy
Annex 7	a) Capital Prioritisation Principles b) Capital Prioritisation Assessment
Annex 8	Service Areas considered by each Scrutiny Committee

#### The Council's Business Strategy

3. The Council's Business Strategy was launched in June 2010 and forms part of the wider vision of what the Council is seeking to achieve as set out in the Corporate Plan. Our overarching goal as a council is to ensure 'a thriving Oxfordshire', by maximising growth, enhancing the environment and sharing the benefits of growth as widely as possible.

4. The Strategy identifies the strands of work that together will deliver the cultural and service changes necessary to meet the challenging and changing strategic and financial landscape and the intention is to ensure that there is a single focussed overview. The strands of the Strategy are:
  - (a) Changing the way we work
  - (b) Reshaping Management
  - (c) Oxfordshire Customer Services
  - (d) Asset Management
  - (e) Customer Focus
  - (f) Service & Resource Planning
  - (g) Big Society and Community Self-Help
  - (h) ICT

### **Directorate Business Strategies for 2011/12 to 2014/15**

5. Directorate Business Strategies were approved by Council in February 2011 the financial aspects of which are set out in the "Service & Resource Planning: Service Analysis 2011/12" booklet. The assumptions on which the current MTFP is based are set out in Annex 1, with details of the funding and savings built into the existing MTFP for the each Scrutiny Committee set out in detail in Annex 2a and 2b.
6. Delivery against the Business Strategies in 2011/12 has been reported monthly through the Financial Monitoring & Business Strategy Delivery Report to Cabinet and the achievement of the savings is reflected in the forecast position for each Directorate. The report to Cabinet on 15 November 2011 sets out that overall around 70% of the 2011/12 savings have already been achieved or are forecast to be achieved. Based on income and expenditure at the end of September 2011 a forecast underspend across all Directorates was reported of -£1.0m.
7. The quarterly Corporate Plan Performance and Risk Management Report to Cabinet on 20 September 2011 headlined the progress the Council has made towards Corporate Plan priorities. The next update will be considered by Cabinet on 20 December 2011.

### **Service & Resource Planning Context and Process 2012/13**

8. The first Business Strategy & Service and Resource Planning report for 2012/13 set out information on government consultations and other announcements that could have implications for the 2012/13 budget and MTFP. Cabinet also agreed the process for Service & Resource Planning to ensure that issues relevant to the budget for 2012/13 and the medium term are addressed.

#### Government Announcements and Consultations

9. A number of government announcements and consultations set out in the report to Cabinet on 20 September 2011 will have implications for the Council in 2013/14 or later years. These include the Local Government Resource Review (LGRR), Council Tax reforms and the future funding of adult social care. At this stage it is not possible to quantify the impact on the Council. In addition some



consultations are likely to have an impact in 2012/13. These are transfers from formula grant for schools converting to Academies and changes to public sector pensions.

10. The local government finance settlement for 2011/12 and 2012/13 transferred funding out of Formula Grant to reflect that local authorities are no longer required to provide some services to schools that have become Academies (known as the Local Authority Central Services Equivalent Grant). The original calculations were based on Department for Education (DfE) estimates of 200 schools converting to become Academies each year. These estimates were far too low and as such the DfE consulted in August 2011 on increasing the transfer from local authorities by reducing further the formula grant in 2012/13.
11. Changes to public sector pensions are currently being consulted on, with increases in employee contributions planned for all schemes from April 2012. For the Local Government Pension Scheme it is not clear whether the Government will legislate to enforce an additional Fund Valuation and adjustment of employer rates from April 2012.
12. The draft Local Government Finance Settlement is expected to be announced in early December 2011. Whilst provisional figures were notified alongside the 2011/12 settlement in January 2011, adjustments relating to Academies and other function changes may result in a different formula grant figure for 2012/13 than that announced in January 2011. An update will be provided at the meeting.
13. The Chancellor's published his Autumn Statement on 29 November 2011. Details are set out in Annex 3. The detailed implications for the council are not yet known, and as such are not reflected in this report.

#### Service & Resource Planning Process 2012/13

14. Star Chambers took place in October 2011 with follow up sessions in the middle of November 2011. Directorates were asked to reflect on their direction of travel set out in the Business Strategies, to review progress against the strategies and determine whether future plans were expected to be achievable.
15. Through this process some changes to the planned savings of £119m in the Business Strategies for 2011/12 to 2014/15 have been identified. These changes relate to the timing or phasing of existing savings, some newly identified pressures and proposed corresponding savings. In the main, the Strategies are being delivered as planned with the majority of savings for 2012/13 to 2014/15 expected to be achieved.
16. Even with thorough forward planning, new pressures emerge which impact on the MTFP due to changes which arise either locally or nationally. Through the Service & Resource Planning process this year some pressures have been identified which relate to:
  - (a) changes to funding such as the Academies transfer (per paragraph 10).
  - (b) external factors such as increasing energy costs, increased demography for physical disabilities and new responsibilities to develop services for adults with autism under the Autism Act;

- (c) new responsibilities such as the duty to support young people on remand; and

17. Where there changes to the existing plans or new pressures have been identified, new savings have been proposed. All of the changes to the pressures/funding and savings assumed in the 2011/12 – 2015/16 MTFP and new savings proposals contained in the Business Strategies are summarised at Annex 4.

18. Information for all Directorates is included to provide context. Annex 8 sets out the areas of responsibility for each Scrutiny Committee. Each committee is invited to consider and comment on the relevant Business Strategy/ies included at Annex 5.

19. Total changes by Scrutiny Committee are set out in the table below:

Year on Year Changes	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Children's Services	-0.725	0.125	0.245	-0.355
Adult Services	3.352	-0.244	-0.144	2.964
Safer & Stronger Communities	0.742	-0.035	-0.110	0.597
Growth & Infrastructure	-2.540	-0.054	0.347	-2.247
Strategy & Partnerships	-0.460	-0.200	-1.314	-1.974
Funding Changes & Allowed Variations	0.584	4.378	0.856	5.818
<b>Total Variations from current MTFP (+ = shortfall / - = surplus)</b>	<b>0.953</b>	<b>3.970</b>	<b>-0.120</b>	<b>4.803</b>

20. The changes relating to funding (e.g. paragraph 10) along with other corporate variations such as additional specific grant funding announced after the budget was set in February 2011 are shown in the table above in addition to the changes by Scrutiny Committee. The total variations to the MTFP of £0.953m in 2012/13 and £3.970m in 2013/14 are proposed to be funded through use of the Efficiency Reserve in those years.

21. Cabinet (Item CA6) will consider proposals relating to the future of the Library Service on 12 December 2011. Annex 4 shows the proposed changes to the savings in the MTFP based on both the revised proposal which went out for public consultation earlier this year, and on the basis set out in the Cabinet report.

## Capital Strategy & Programme

22. The Council considers the capital investment and programming activity as an integral part of the Council's Service & Resource Planning process. In line with this approach, capital implications of service strategies were also reviewed by Star Chamber before decisions are made on either revenue or capital. This ensures that the creation of a new asset or investment in the existing assets and infrastructure network is justified through detailed business strategies and delivery models for the service.

23. The Capital Strategy sets out the Council's capital investment plans and explains how capital investment contributes to the Council's Vision and Priorities. It shows how the Council prioritises, targets and measures the performance of its capital programme. It also provides the framework for determining capital spending plans and the effective use of the Council's limited capital resources.
24. This Strategy has been reviewed and updated in light of the changing financial and business strategy environments and is attached as a draft at Annex 6. The updated Strategy, along with any comments from the Scrutiny Committee, will be reported back to Cabinet in January 2012 and form part of the budget proposals for onward recommendation to Council in February 2012.
25. In August 2011, the Capital Investment Board confirmed that the prioritisation principles set out in the Council's Capital Strategy provide a robust framework for debating the relative importance of each proposal and making decisions about the investment priorities in this new environment. These are set out in Annex 7a.
26. The capital programme agreed by Cabinet on 18 October 2011 shows a balanced position with a sufficient level of contingency across the five year planning period. The following table shows the level of capital resources that are available to be used as part of the capital budget setting process, the new pressures and proposals and the estimated capital programme surplus.

	£m
Additional Flexible Resources : Annex 7b – Sheet 0 (Includes an estimated additional year settlement, prudential borrowing provision and released earmarked reserves banked for capital budget setting)	49.879
Allocations proposed to be returned to the Corporate Pot for reallocation : Annex 7b – Sheet 1 (based on specific proposals or results of initial feasibility studies)	16.588
<b>Total Estimated Flexible Resources</b>	<b>66.467</b>
New Capital Pressures/Proposals : Annex 7b – Sheet 2	-66.202
<b>Estimated Capital Programme Surplus</b>	<b>0.265</b>

27. Annex 7b shows the allocations to be returned to the corporate pot, the new prioritised capital pressures and proposals and the changes to the schemes on hold from last year's capital budget setting process. Each Scrutiny Committee is invited to comment on the prioritisation of all schemes as set out in the annex.

## Next Steps

28. The comments from each Scrutiny Committee will be fed back to Strategy & Partnerships Scrutiny Committee for consideration on 12 January 2012. They will then offer an overall view on the Cabinet's proposed Revenue Budget 2012/13, Capital Programme, MTFP, Review of Charges and Asset Management Plan. The Cabinet will then finalise their budget proposals and propose the Revenue

and Capital Budget for 2012/13 – 2016/17 on 17 January 2012, taking into consideration comments from Strategy & Partnerships Scrutiny Committee.

## **Financial and Legal Implications**

29. This report is mostly concerned with finance and the implications are set out in the main body of the report. In previous years the Council was required under the Local Government Finance Act 1992 to set a budget requirement for the authority and an amount of Council Tax. However, the Localism Act has now passed into law. As a result, Councils will have to set a 'Council tax requirement' instead of a budget requirement.
30. The Localism Act does not give the dates from which this requirement will be in place and secondary legislation needs to be passed by Parliament to implement the changes. However, it is expected that the requirement to set a 'council tax requirement' will be introduced ahead of the 2012/13 budget being agreed in February 2012.

## **Equality and Inclusion Implications**

31. The Equality Act 2010 imposes a duty on local authorities that when making decisions of a strategic nature decision makers must exercise 'due regard to the need to eliminate unlawful discrimination... advance equality of opportunity... and foster good relations.'
32. As part of the Service & Resource Planning process for 2011/12, the Council produced a general assessment of the impact of the budget on customers ahead of the budget being set in February 2011. This document set out the principles that were being followed, identified the main risks to vulnerable groups and established what actions would be taken to prevent these risks. All significant saving proposals received at least an initial assessment to identify potential risk in advance of the budget being set. Further work has since been undertaken on a number of these assessments as the details of how proposals will be implemented becomes clearer and as feedback is received from consultations. These assessments have been renamed Service & Community Impact Assessments to reflect the view that the Council should be aware of all possible risks and not just those that impact on statutory equality groups.
33. Where any new savings are proposed as part of the Service & Resource Planning process for 2012/13, equality issues will need to be considered from the outset. The Council is again producing a general assessment of the impact of the budget on customers ahead of the budget being set in February 2012. Services are also undertaking Service and Community Impact Assessments in consideration of any new proposals, and continuing to review previous assessments to ensure they reflect any changes or developments.

## RECOMMENDATIONS

34. Each Scrutiny Committee is invited to consider and comment upon:

- a. the Business Strategies, savings proposals and pressures for the relevant service areas;
- b. the priority of capital proposals for the relevant service area(s).

JOANNA SIMONS  
Chief Executive

SUE SCANE  
Assistant Chief Executive & Chief Finance Officer

JIM LEIVERS  
Acting Director for Children, Education & Families

JOHN JACKSON  
Director for Social & Community Services

HUW JONES  
Director for Environment & Economy

DAVE ETHERIDGE  
Chief Fire Officer

Contact Officers:

Lorna Baxter - Acting Head of Corporate Finance (01865) 323971

Alexandra Bailey - Senior Performance and Improvement Manager (01865) 816384

December 2011

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## Assumptions in the 2011/12 – 2014/15 Medium Term Financial Plan (MTFP)

### *Inflation*

1. The table below sets out the inflation assumptions built into the current MTFP. These will need to be reviewed in agreeing the MTFP for 2012/13 to 2016/17.

Year	Pay	Non Pay & Income	Contracts
2012/13	0%	2.0%	3.0%
2013/14	2.5%	2.0%	3.0%
2014/15	2.5%	2.0%	3.0%
2015/16	2.5%	2.0%	3.0%

### *Previously Agreed Funding*

2. A total of £28.517m of pressures and funding are built into the MTFP from 2012/13. This includes £27.221m from the 2010/11 MTFP and £1.296m of new pressures agreed in 2011/12. The table at Annex 2a shows the detail behind the amount of previously agreed funding for each Scrutiny Committee. The totals are summarised below.

	<b>2012/13 £m</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>Total £m</b>
Children's Services	-0.460	-0.693	0.210	-0.943
Adult Services	6.338	4.089	5.504	15.931
Growth & Infrastructure	6.141	5.213	1.518	12.872
Safer & Stronger Communities	0.177	0.361	0.055	0.593
Strategy & Partnerships	0.486	-0.599	0.177	0.064
<b>TOTAL</b>	<b>12.682</b>	<b>8.371</b>	<b>7.464</b>	<b>28.517</b>

### *Previously Agreed Savings*

3. The table at Annex 2b shows the savings that were agreed by Council on 15 February 2011 that were planned to be achieved in 2012/13, 2013/14 and 2014/15. The totals are summarised below.

	<b>2012/13 £m</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>Total £m</b>
Children's Services	-6.432	-0.719	-1.197	-8.348
Adult Services	-10.346	-4.128	-6.667	-21.141
Growth & Infrastructure	-6.700	-6.003	-3.010	-15.713
Safer & Stronger Communities	-2.261	-0.832	-0.132	-3.225
Strategy & Partnerships	-3.481	-0.174	-0.339	-3.994
<b>TOTAL</b>	<b>-29.220</b>	<b>-11.856</b>	<b>-11.345</b>	<b>-52.421</b>

The previously agreed savings of £52.4m set out above, less the new pressures agreed in 2011/12 of £1.3m (these are included in the table at paragraph 2 along with the ongoing pressures and new funding from 2010/11), corporate variations of £13.1m and savings planned savings of £54.6m in 2011/12 total the savings target agreed in 2011/12 of £118.8m.

### *Funding*

4. The following table shows the expected amount and decreases of formula grant, Council Tax and the associated tax base (the number of properties that council tax can be collected from) included in the existing MTFP.

	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
Estimated Formula Grant	£108.2m	£98.5m	£89.6m	£89.6m
Council Tax Increase (Band D) (1% = £2.9m)	2.5%	3.75%	3.75%	3.75%
Council Tax Base (+/-0.25% results in a gain/loss of £0.725m)	0.75%	0.75%	0.75%	0.75%



## Children's Services Scrutiny Committee

15 December 2011

## Detail of Previously Agreed Pressures/Funding - MTFP 2011/12 - 2014/15

Children's Services (Children, Education & Families)					
Ref	Description	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
	<b>Pressures/Funding MTFP 2010/11 - 2014/15</b>				
CYPFP1	Increased numbers of Learning Difficulties & Disabilities (LDD) children and young people arriving in county especially with Autistic Spectrum Conditions preventing the achievement of recoupment/income targets and adding to local pressures	0.010	0.010	0.010	0.030
09CY23	Building Schools for the Future (BSF) - planning and preparation costs for accelerated implementation timetable from government. Not now required and removed as savings	0.000	-0.603	0.000	-0.603
CYPFP2	Placements	-0.100	-0.100	0.000	-0.200
CYPFP4	Southwark Judgement. In May 2009, the Court of Appeal issued the Southwark Judgement which has significant implications for the way children's services are delivered to homeless 16 and 17 year olds. The Judgement extends Local Authorities' duty of care for this group	0.200	0.200	0.200	0.600
	<b>Total Pressures/Funding MTFP 2010/11- 2014/15</b>	<b>0.110</b>	<b>-0.493</b>	<b>0.210</b>	<b>-0.173</b>
	<b>Pressures/Funding MTFP 2011/12 - 2015/16</b>				
CEF1	Training and staff development towards new ways of working	-0.100	-0.200		-0.300
CEF27	Cost of implementing Directorate restructure and Business Strategy	-0.400			-0.400
CEF5	Speech & Language and Paramedical Services	-0.070			-0.070
	<b>Total Pressures/Funding MTFP 2011/12- 2015/16</b>	<b>-0.570</b>	<b>-0.200</b>	<b>0.000</b>	<b>-0.770</b>
	<b>Total Previously Agreed Pressures/Funding</b>	<b>-0.460</b>	<b>-0.693</b>	<b>0.210</b>	<b>-0.943</b>

## Adult Services Scrutiny Committee

15 December 2011

### Detail of Previously Agreed Pressures/Funding - MTFP 2011/12 - 2014/15

Adult Services (S&CS)					
Ref	Description	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
<b>Pressures/Funding MTFP 2010/11 - 2014/15</b>					
SCP16	Continuing Care - Reduction in additional activity as a result of improvement in the assessment and use of evidence to agree continuing health care eligibility under the national framework policy (Variation to previous year's plans)	-0.300	-0.300	-0.200	-0.800
08SC17	Additional occupational therapy service in response to increasing numbers of referrals due to demographic pressures to maintain reductions in waiting lists	0.070			0.070
08SC18	Additional equipment required due to increase in older people each year	0.060			0.060
09SC9	Young people transferring to the service requiring equipment and adaptations	0.010	0.010		0.020
09SC10	Increasing levels of dependency of clients requires more expensive specialist equipment	0.010	0.010		0.020
09SC12	Increased occupational therapy capacity will reduce waiting list and response time. Variation to previous years plans	-0.025			-0.025
SCP11	Provision of equipment for an increasing number of large people. Variation to previous years plans	-0.030			-0.030
09SC17	Independent Safeguarding Authority - Cost of implementing new registration requirements for all people working with vulnerable adults	0.001	0.001		0.002
08SC21	Residential & Nursing Beds - Demographic pressure - more people are living longer putting increasing pressure on budgets; this reflects the national situation. This will be allocated to domiciliary care to reflect strategy	1.126			1.126
08SC28	Home Support - Demographic pressure - more people are living longer putting increasing pressure on budgets; this reflects the national situation. This will be allocated to domiciliary care to reflect strategy	0.276			0.276
08SC31	Day Services - Demographic pressure - more people are living longer putting increasing pressure on budgets; this reflects the national situation	0.144			0.144
08SC33	Demographic pressures for Care Management. More people are living longer putting increasing pressure on budgets; this reflects the national situation	0.203			0.203
SCP17	Extra Care Housing (ECH) - additional funding for night care workers (Subject to capital funding for projects)	0.036	0.018		0.054

## Adult Services Scrutiny Committee

15 December 2011

### Detail of Previously Agreed Pressures/Funding - MTFP 2011/12 - 2014/15

Adult Services (S&CS)					
Ref	Description	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
SCP18	Cost of Prudential Borrowing - (capital) for extra care housing schemes	0.021	0.011		0.032
09SC81	Adults Demography - more people are living longer putting increasing pressure on budgets; this reflects the national situation	0.142	1.765		1.907
SCP19	Future Demography - Older People - more people are living longer putting increasing pressure on budgets; this reflects the national situation			2.342	2.342
08SC45	Physical Disabilities - Demographic pressures - due to improvements in healthcare there are more people with complex needs who are living longer putting increasing pressure on budgets; this reflects the national situation. In addition, the number of students with support needs arriving in Oxfordshire to study are increasing. This will be spent on external home support	0.060			0.060
08SC51	Learning Disabilities - Demographic Pressures - numbers of people with learning disabilities are increasing due to longer life expectancy and people with complex physical and health needs surviving into adulthood. Both these factors mean that not only are numbers rising, but the amount of care and support individuals need is increasing	1.827			1.827
09SC48	Demographic pressures - numbers of people with learning disabilities are increasing due to longer life expectancy and people with complex physical and health needs surviving into adulthood. Both these factors mean that not only are numbers rising, but the amount of care and support individuals need is increasing	1.005	1.005		2.010
09SC49	Prudential borrowing costs associated with the supported accommodation project	-0.002	-0.002		-0.004
09SC50	Supporting People - reducing Supporting People contribution as agreed by the Supporting People Commissioning Body	0.407	0.407		0.814
SCP27	Develop flexible respite, shared care and training for family carers to enable families to continue to support family members	0.050			0.050
SCP28	Home Farm Trust are in the process of de-registering their care homes. Under the procedures laid down nationally, the cost of their care transfers over a number of years from the authorities who originally placed them with Home Farm Trust to Oxfordshire, as they become formally residents of Oxfordshire	0.560	0.560	0.000	1.120
SCP30	Future Demography - numbers of people with learning disabilities are increasing due to longer life expectancy and people with complex physical and health needs surviving into adulthood. Both these factors mean that not only are numbers rising, but the amount of care and support individuals need is increasing.			2.900	2.900
09SC46	Mental Health - Temporary Project Manager (0.5fte for 3 years)	-0.024			-0.024
SCP22	Autistic Spectrum Condition national strategy development (50% contribution to service budget)	0.025			0.025
	<b>Total Pressures/Funding MTFP 2010/11- 2014/15</b>	<b>5.652</b>	<b>3.485</b>	<b>5.042</b>	<b>14.179</b>

## Adult Services Scrutiny Committee

15 December 2011

### Detail of Previously Agreed Pressures/Funding - MTFP 2011/12 - 2014/15

Adult Services (S&CS)					
Ref	Description	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
<b>Pressures/Funding MTFP 2011/12 - 2015/16</b>					
S3	Demography Increase - Older People - more people are living longer putting increasing pressure on budgets; this reflects the national situation	0.263	0.131	0.105	0.499
S18	Demographic pressures - due to improvements in healthcare there are more people with complex needs who are living longer putting increasing pressure on budgets; this reflects the national situation. In addition, the number of students with support needs arriving in Oxfordshire to study are increasing. This will be spent on external home support	0.104	0.164	0.164	0.432
S14	Learning Disabilities - Funding of Further Education - change in national policy	0.080	0.080	0.000	0.160
S15	Change to Independent Living Fund policy impacting on local authorities (Older People, Physical Disabilities and Learning Disabilities)	0.175	0.175	0.175	0.525
S30	Cost of borrowing to fund the replacement ICT system for Adult Social Care to improve efficiency	0.064	0.054	0.018	0.136
<b>Total Pressures/Funding MTFP 2011/12- 2015/16</b>		<b>0.686</b>	<b>0.604</b>	<b>0.462</b>	<b>1.752</b>
<b>Total Previously Agreed Pressures/Funding</b>		<b>6.338</b>	<b>4.089</b>	<b>5.504</b>	<b>15.931</b>

## Safer &amp; Stronger Communities Scrutiny Committee

15 December 2011

## Detail of Previously Agreed Pressures/Funding - MTFP 2011/12 - 2014/15

Safer & Stronger Communities					
Ref	Description	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
	<b>Pressures/Funding MTFP 2010/11 - 2014/15</b>				
	<u>Fire &amp; Rescue and Community Safety (S&amp;CS)</u>				
CSP1	Fire & Rescue - Increase the number of Watch Managers to support the Retained Duty System fire stations and improve the overall operational resilience and availability across Oxfordshire. This pressure can be partially addressed by the reallocation of the £0.305m within the MTFP identified for the staffing upgrade associated with Bicester Fire Station	0.208			0.208
CSP1	Fire & Rescue - Re-direct 09CS5 (Bicester) to CSP1		0.307		0.307
	<u>Community Services (S&amp;CS)</u>				
SCP3	Library transformation programme: Introduction of self service (Radio Frequency Identification) Potential cost of prudential borrowing to manage the cash flow between necessary capital investment and the receipt of developer funding)	-0.001	-0.001	-0.001	-0.003
SCP4	Cost of Prudential Borrowing - Combining Oxfordshire Studies and Oxford Records Office on the Oxfordshire Records Office site	0.000	-0.001	0.000	-0.001
09SC5	One Off Funding - Additional short term resources for Cogges Manor Farm to implement the recommendations made to Cabinet on 25 November 2008	-0.161			-0.161
	<u>Coroner's Service (CEO)</u>				
09CC31	Transfer of coroner's officers from Thames Valley Police. OCC to fund 25% in 2011/12, 50% in 2012/13, 75% in 2013/14, 100% in 2014/15	0.051	0.050		0.101
	<b>Total Pressures/Funding MTFP 2010/11- 2014/15</b>	<b>0.097</b>	<b>0.355</b>	<b>-0.001</b>	<b>0.451</b>
	<b>Pressures/Funding MTFP 2011/12 - 2015/16</b>				
	<u>Coroner's Service (CEO)</u>				
12CEP1	Transfer of coroners officers from Thames Valley Police - existing budgetary provision (09CC31) will be inadequate when the Council has to fully fund the Coroner's officers in 2014/15	0.005	0.006	0.056	0.067
12CEP3	Coroner's Service - repatriation of military personnel to RAF Brize Norton from September 2011	0.075			0.075
	<b>Total Pressures/Funding MTFP 2011/12- 2015/16</b>	<b>0.080</b>	<b>0.006</b>	<b>0.056</b>	<b>0.142</b>
	<b>Total Previously Agreed Pressures/Funding</b>	<b>0.177</b>	<b>0.361</b>	<b>0.055</b>	<b>0.593</b>

## Growth &amp; Infrastructure Scrutiny Committee

15 December 2011

## Detail of Previously Agreed Pressures/Funding - MTFP 2011/12 - 2014/15

Growth & Infrastructure (E&E)					
Ref	Description	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
	<b>Pressures/Funding MTFP 2010/11 - 2014/15</b>				
	<u>Highways and Transport</u>				
09EE1	Public Transport Contract Inflation	0.352	0.351	0.000	0.703
EEP1	On - Street Parking Account - adjustments to bring into balance	0.300	0.250	0.000	0.550
EEP2	Parking Account to generate surplus to redistribute	-0.275	-0.225	0.025	-0.475
08EE4	Oxfordshire Highways Contract Inflation	0.527	0.528	0.000	1.055
EE13	Flood and extreme weather pressure	0.210	0.250	0.336	0.796
10/11 MTFP	Estimated shortfall in funding (as at February 2010) following transfer of concessionary fares to the council	1.200	0.000	0.000	1.200
	<u>Sustainable Development</u>				
Waste	Landfill Allowance Trading Scheme (LATS) purchase/fines as per previous tonnage & market assumptions	0.855	-1.788	0.144	-0.789
Waste	Landfill Tax increases £8 per tonne increase	1.540	1.500	0.000	3.040
Waste	LATS & Landfill Tax Adjustment	1.178	3.681	1.456	6.315
09EE26	One off funding - pressures around the delivery of a robust Minerals & Waste Framework	-0.211	-0.020	0.000	-0.231
	<b>Total Pressures/Funding MTFP 2010/11- 2014/15</b>	<b>5.676</b>	<b>4.527</b>	<b>1.961</b>	<b>12.164</b>
	<b>Pressures/Funding MTFP 2011/12 - 2015/16</b>				
	<u>Highways and Transport</u>				
EE70	2012 Olympics - Transport Management	0.070	-0.070		0.000
	<u>Sustainable Development</u>				
EE34	Restructure Waste Recycling Centres	0.278	-0.104	0.123	0.297
EE35	Waste Treatment Procurement - delay in savings realisation	0.000	0.734	-0.734	0.000
EE36	Investment in automated energy readers plus loss of Local Authority Business Growth Incentives funding assumed to be available in 2014/15	0.000	0.000	0.050	0.050
EE39	Carbon Reduction pressures due to change in government policy	0.068	0.053	0.045	0.166
EE41	Carbon Reduction Tax (street lighting and non - school properties)	0.049	0.073	0.073	0.195
	<b>Total Pressures/Funding MTFP 2011/12- 2015/16</b>	<b>0.465</b>	<b>0.686</b>	<b>-0.443</b>	<b>0.708</b>
	<b>Total Previously Agreed Pressures/Funding</b>	<b>6.141</b>	<b>5.213</b>	<b>1.518</b>	<b>12.872</b>

## Strategy &amp; Partnerships Scrutiny Committee

15 December 2011

## Detail of Previously Agreed Pressures/Funding - MTFP 2011/12 - 2014/15

Strategy & Partnerships					
Ref	Description	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
	<u>Property &amp; Facilities (E&amp;E)</u>				
09EE41	Repairs & Maintenance inflation	0.026	0.020		0.046
EEP16	Rent & Service Charges	0.017	0.052		0.069
EEP21	Pressure arising from changes from the original Better Offices Programme business case.	0.000	0.320		0.320
	<u>Oxfordshire Customer Services (E&amp;E)</u>				
CCP2	Changes to ICT maintenance requirements	-0.006	0.061	0.096	0.151
CCP5	Increased demand on Oxfordshire Community Network (OCN)	0.065	0.070	0.075	0.210
CCP7	Internal ICT security & compliance	0.000	-0.200	0.000	-0.200
CCP8	Telephony maintenance	0.005	0.006	0.006	0.017
CCP3	Oxfordshire Community Network (OCN) - existing contract deficit	-0.013	0.000	0.000	-0.013
	<b>Total Pressures/Funding MTFP 2010/11- 2014/15</b>	<b>0.094</b>	<b>0.329</b>	<b>0.177</b>	<b>0.600</b>
	<b>Pressures/Funding MTFP 2011/12 - 2015/16</b>				
	<u>Chief Executive's Office (Excluding Coroner's and Registration Services)</u>				
CC37	Big Society - additional funding to contribute to total fund of £0.600m (£0.364m vired from existing budgets)	-0.236			-0.236
12CES17	Funding available to respond to consultations	0.300			0.300
CC36	Partnership Funding	-0.100			-0.100
	<u>Property and Facilities (E&amp;E)</u>				
EE65	Pump Priming investment to deliver reduction in the number of council properties	0.428	-0.928		-0.500
	<b>Total Pressures/Funding MTFP 2011/12- 2015/16</b>	<b>0.392</b>	<b>-0.928</b>	<b>0.000</b>	<b>-0.536</b>
	<b>Total Previously Agreed Pressures/Funding</b>	<b>0.486</b>	<b>-0.599</b>	<b>0.177</b>	<b>0.064</b>

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## Children's Services Scrutiny Committee

15 December 2011

## Detail of Previously Agreed Savings - MTFP 2011/12 - 2014/15

Children's Services (Children, Education & Families)					
Ref	Description	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
	<b>Savings Identified - MTFP 2011/12 - 2015/16</b>				
CEF2	Reduce Savings - Estimate for potential double counting in other savings	0.500	0.100	0.150	0.750
CEF26	Review existing local authority contribution to Schools Budget	-0.500	-0.500	-0.195	-1.195
	Early Intervention Grant increase	-1.317	0.000	0.000	-1.317
	Changes in Terms & Conditions - Freeze Increments & reduction in mileage rate	0.000	0.428	0.000	0.428
CEF10	Early Years & Children's Centres	-1.500	-0.500	-0.500	-2.500
CEF15	School Improvement - in line with national changes	-0.362	-0.118	-0.352	-0.832
CEF16	Outdoor Education Centres - move to self financing model	-0.100	-0.100	-0.100	-0.300
CEF17	Equality and Diversity Achievement Service reduced	-0.090	-0.050	0.000	-0.140
CEF20	Building Schools for the Future - project funding no longer required	0.000	0.603	0.000	0.603
CEF21	Home to School Transport - procurement efficiencies	0.000	-0.500	-0.200	-0.700
CEF8	Special Educational Needs - out of county placements	-1.000	0.000	0.000	-1.000
CEF9	New Early Intervention Service replaces a number of previous services	-2.000	0.000	0.000	-2.000
SC14	Music Service Change Programme - including the raising of fees and charges, increasing administrative efficiency and restructuring the service delivery	-0.063	-0.100	0.000	-0.163
	Music Service - Changes in Terms & Conditions - Freeze Increments & reduction in mileage rate	0.000	0.018	0.000	0.018
	<b>Total Savings identified in MTFP 2012/13 - 2015/16</b>	<b>-6.432</b>	<b>-0.719</b>	<b>-1.197</b>	<b>-8.348</b>
	<b>Total Previously Agreed Savings</b>	<b>-6.432</b>	<b>-0.719</b>	<b>-1.197</b>	<b>-8.348</b>

## Adult Services Scrutiny Committee

15 December 2011

### Detail of Previously Agreed Savings - MTFP 2011/12 - 2014/15

Adult Services (S&CS)					
Ref	Description	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
	<b>Pressures/Funding MTFP 2010/11 - 2014/15 Not Required</b>				
S24	Independent Safeguarding Authority - Cost of implementing new registration requirements (no longer required as change of government policy)	-0.001	-0.001		-0.002
S9	Reduction in demographic pressures for Learning Disabilities - the predicted increase in funding for demography from previous years is slightly less than anticipated	-0.617	1.118	-0.801	-0.300
S10	Deregistration of Home Farm Trust residential services - this cost was originally included in the medium term plan agreed by the County Council in February 2010. The cost have changed slightly to reflect new information on when the costs will come into effect	0.244	0.344		0.588
	<b>Total Pressures/Funding MTFP 2010/11- 2014/15 Not Required</b>	<b>-0.374</b>	<b>1.461</b>	<b>-0.801</b>	<b>0.286</b>
	<b>Savings Identified - MTFP 2011/12 - 2015/16</b>				
SC37	Ongoing changes to savings relating to the buy out of Servite contract having taken account of the cost of Prudential Borrowing	0.001			0.001
SC38	Net savings from the Care Homes for Older People project having taken account of the costs of prudential borrowing (HOPS project phase 1 new build)	0.056	-0.002	-0.003	0.051
S4	Review of Oxfordshire Care Partnership - working with the Oxfordshire Care Partnership to explore ways of meeting long term care needs in a way which reduces the cost of providing services and leads to developments to achieve efficiencies	-0.741	-1.737	-0.884	-3.362
S39	£1m of expenditure on the Homes for Older People programme will be funded by other capital resources rather than prudential borrowing resulting in a saving on the borrowing costs for the directorate	-0.065	0.002	0.002	-0.061
SC48	Older People - Previous years savings fall out as planned	0.050			0.050
09SC14	Occupational Therapy - The optional national retail model will be replaced in Oxfordshire by developing a local retail model of equipment provision	-0.101	-0.100		-0.201
SC22	A review of the servicing and maintenance of stairlifts, steplifts and through floor lifts	-0.013	-0.013	-0.013	-0.039
SC24	Costs to support secondment of Occupational Therapists to housing (contributions from District Councils)	-0.018	-0.018		-0.036
SC54	Extra Care Housing - Additional charging policy for clients in purpose built Extra Care Housing (ECH) schemes to reflect the additional support available	-0.056			-0.056

**Adult Services Scrutiny Committee****15 December 2011****Detail of Previously Agreed Savings - MTFP 2011/12 - 2014/15**

<b>Adult Services (S&amp;CS)</b>					
<b>Ref</b>	<b>Description</b>	<b>2012/13 £m</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>Total £m</b>
S5	Review of Transport for Day Services in order to cease funding of fleet transport directly by Social & Community Services	-1.300			-1.300
S6	Limit Contract Inflation - work to keep costs of contracted services down by expecting providers to make efficiency savings in the costs of providing their services	-1.814	-1.869	-1.925	-5.608

## Adult Services Scrutiny Committee

15 December 2011

### Detail of Previously Agreed Savings - MTFP 2011/12 - 2014/15

Adult Services (S&CS)					
Ref	Description	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
S7	<b>Savings Identified - MTFP 2011/12 - 2015/16</b> Older People - Savings from the Resource Allocation System - the Resource Allocation System (RAS) allocates personal budgets to service users. Efficiencies from the move to Self Directed Support and Personal Budgets will result in more efficient delivery of care	-1.136	-0.476	-0.391	-2.003
S8	Care Home Placement Reduction - potential savings from reducing the number of older people admitted to care homes and providing alternative services for people in their own homes. This will provide better outcomes for people as well as achieving efficiencies for the council	-0.332	-0.547	-0.490	-1.369
S29	Additional National Health Service Funding		1.500		1.500
	Adult Social Care - Changes in Terms & Conditions - Freeze Increments & reduction in mileage rate		0.296		0.296
	Adult Social Care - Changes in Terms & Conditions - Freeze Increments & reduction in mileage rate		0.034		0.034
S19	Physical Disabilities - Savings from Resource Allocation System - the Resource Allocation System (RAS) allocates personal budgets to service users. Efficiencies from the move to Self Directed Support and Personal Budgets will result in more efficient delivery of care	-0.276	-0.119	-0.098	-0.493
09SC66	Framework Tender - as contracts approach their expiry date they are being re-tendered to providers who hold framework contracts. The framework is an agreement that establishes a lower baseline for costs than the previous contracts	-0.251			-0.251
SC62	Review of provision of day services - review the costs of the County Council's internal services for adults with learning disabilities so that they offer value for money at least as good as external providers	-0.050			-0.050
SC67	Delay admission to supported living through enhanced respite and shared care	-0.050			-0.050
SC69	Increase use of technology and reduce need for paid staff	-0.025			-0.025
SC71	Review Internal Learning Disabilities Service - review the costs of the County Council's internal services for adults with learning disabilities so that they offer value for money at least as good as external providers	-0.500			-0.500
S16	Savings from Learning Disabilities Resource Allocation System - the Resource Allocation System (RAS) allocates personal budgets to service users. Efficiencies from the move to Self Directed Support and Personal Budgets will result in more efficient delivery of care. We therefore aim to reduce people's personal budgets by approximately 12% over 4 years. Proposals are aimed at reducing reliance on paid services and reducing unit costs of services through a wide range of activities so that people continue to be able to meet their eligible needs within the reducing budget	-1.000	-1.300	-1.300	-3.600

**Adult Services Scrutiny Committee****15 December 2011****Detail of Previously Agreed Savings - MTFP 2011/12 - 2014/15**

<b>Adult Services (S&amp;CS)</b>					
<b>Ref</b>	<b>Description</b>	<b>2012/13 £m</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>Total £m</b>
S17	Learning Disabilities - Limit Contract Inflation - work to keep costs of contracted services down by expecting providers to make efficiency savings in the costs of providing their services	-0.268	-0.288	-0.309	-0.865
S39	Additional Learning Disabilities Reform Grant	-0.456			-0.456
	Learning Disabilities - Changes in Terms & Conditions - Freeze Increments & reduction in mileage rate		0.103		0.103

## Adult Services Scrutiny Committee

15 December 2011

### Detail of Previously Agreed Savings - MTFP 2011/12 - 2014/15

Adult Services (S&CS)					
Ref	Description	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
<b>Savings Identified - MTFP 2011/12 - 2015/16</b>					
09SC46	Move to Supported Living (housing with support model) - savings to be achieved through moving to supported living where service users can live more independently and access housing benefit	-0.010	-0.010		-0.020
S20	Potential savings from Oxfordshire & Buckinghamshire Mental Health service workforce as a result of the introduction of self directed support	-0.100	-0.050	-0.050	-0.200
S21	As part of the mental health strategy we will offer self directed support to eligible people that supports greater independence and self-management of care within a recovery pathway		-0.024		-0.024
S22	Keeping People Well - further efficiencies from 2012/13 - the creation of a pathway in day services that both prevents people becoming so unwell that they need to use adult social care services and promotes recovery so that people can self-manage their own care in the wider community	-0.012		-0.150	-0.162
S23	Support to Independent Living - this will be managed by the creation of a housing pathway that supports people to move through from hospital to supported living to independent accommodation and makes the most efficient use of resources. The pathway pools adult social care, health and Supporting People investment in housing for people with mental health problems	-0.133	-0.133	-0.134	-0.400
	Mental Health -Changes in Terms & Conditions - Freeze Increments & reduction in mileage rate		0.001		0.001
SC31	Restructure Adult Placement (Shared Lives) Service	-0.015			-0.015
S31	The need for staff directly employed by the council is reduced as more people take up the option to arrange and purchase their own care through a personal budget	-0.026	-0.025	-0.051	-0.102
S32	Staff reductions due to streamlined processes resulting from the implementation of the new Adult Social Care ICT system	-0.064	-0.054	-0.018	-0.136
S33	Potential savings by limiting contract inflation - work to keep costs of contracted services down by expecting providers to make efficiency savings in the costs of providing their services	-0.049	-0.050	-0.052	-0.151
S34	Restructure community development team	-0.020			-0.020
SC72	Reduction in senior management administrative support	-0.020			-0.020
SC79	Savings from a review of business and systems support	-0.060			-0.060
SC80	Restructuring of contracts team		-0.025		-0.025
SC82	Review of the work of the strategy and performance team	-0.050			-0.050
S35	Savings from the amalgamation of two teams and a reduction in management	-0.100			-0.100
S38	Supporting People - continued reduction in government grant as previously planned to be delivered through more efficient contracts	-0.768	-0.730		-1.498

**Adult Services Scrutiny Committee****15 December 2011****Detail of Previously Agreed Savings - MTFP 2011/12 - 2014/15**

<b>Adult Services (S&amp;CS)</b>					
<b>Ref</b>	<b>Description</b>	<b>2012/13 £m</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>Total £m</b>
	Quality & Compliance - Changes in Terms & Conditions - Freeze Increments & reduction in mileage rate		0.045		0.045
CEF22	Commissioning, Performance & Quality Assurance will become a cross directorate service with S&CS	-0.200			-0.200
	<b>Total Savings identified in MTFP 2012/13 - 2015/16</b>	<b>-9.972</b>	<b>-5.589</b>	<b>-5.866</b>	<b>-21.427</b>
	<b>Total Previously Agreed Savings</b>	<b>-10.346</b>	<b>-4.128</b>	<b>-6.667</b>	<b>-21.141</b>

## Safer &amp; Stronger Communities Scrutiny Committee

15 December 2011

## Detail of Previously Agreed Savings - MTFP 2011/12 - 2014/15

Safer & Stronger Communities					
Ref	Description	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
	<b>Savings Identified - MTFP 2011/12 - 2015/16</b>				
	<u>Fire &amp; Rescue and Community Safety (S&amp;CS)</u>				
CSP1	Re-direct 09CS5 (Bicester) to CSP1 (Watch Managers)		-0.305		-0.305
09CS8	Review of the fire control function following the cancellation of the national project	-0.051			-0.051
12CS3	Review of Service including current Integrated Risk Management Plan projects, the national strategic review of fire policy and synergies with Children, Education & Families and Social & Community Services. Includes removal of technical fire safety post	-0.061			-0.061
12CS3b	Further outcome of Service review linked to movement into Social & Community Services Directorate - removal of one post		-0.041		-0.041
12CS3c	Savings from more effective procurement (including regional and sub regional initiatives)		-0.020		-0.020
12CS5	Savings identified in the Fire & Rescue Service "Budget Justification Exercise" - reduced initial trainee volumes, increased income and removal of Retained Recruitment Officer post. Reductions in Assessment Centre process and medical related expenditure	-0.060			-0.060
	Fire & Rescue - Changes in Terms & Conditions - Freeze Increments & reduction in mileage rate		0.022		0.022
09CS1	Emergency Planning - Renegotiation of external contracts	-0.004	-0.004		-0.008
CS19	Emergency Planning - Income from training courses	-0.001			-0.001
	Emergency Planning - Changes in Terms & Conditions - Freeze Increments & reduction in mileage rate		0.002		0.002
	Safer Communities - Changes in Terms & Conditions - Freeze Increments & reduction in mileage rate		0.001		0.001
	Gypsy & Travellers - Changes in Terms & Conditions - Freeze Increments & reduction in mileage rate		0.007		0.007
CS27	Additional increase in grant funding available to Trading Standards. Raising performance in securing grant funding to a level consistent with highest performing authorities. Higher risk strategy that, if unsuccessful, will necessitate further service reductions	-0.050			-0.050
CS30	Reprovision of Oxfordshire County Council Consumer Advice Service through redirecting Oxfordshire residents to national call centre. Reduction of 3 posts	-0.102			-0.102
CS31	Trading Standards - Delete honoraria payments for emergency call out rota and flexible working etc	-0.010			-0.010
12CS18	Delete Business Community Liaison Officer post	-0.003			-0.003



## Safer &amp; Stronger Communities Scrutiny Committee

15 December 2011

## Detail of Previously Agreed Savings - MTFP 2011/12 - 2014/15

## Safer &amp; Stronger Communities

Ref	Description	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
12CS19	Further savings to be achieved either through adopting an alternate model for provision of a Trading Standards Service (subject to options appraisal and approval) or through further reductions to be identified	0.000	-0.100	-0.100	-0.200
12CS20	Trading Standards - Management restructure, deleting group manager layer in the service structure	-0.112			-0.112
12CS21	Trading Standards - Bring forward deletion of some honorarium payments (CS31)	0.004			0.004
12CS16	Reduced hours for 1 Principal Trading Standards Officer (used as Operational Saving from 2012/13)	0.006			0.006
	Trading Standards - Changes in Terms & Conditions - Freeze Increments & reduction in mileage rate		0.018		0.018
	<u>Community Services (S&amp;CS)</u>				0.000
					0.000
09SC2	Self service at Central Library. Savings will be found from elsewhere within the service for years 2009/10 and 2010/11 until they can be achieved through the Westgate project	0.000	-0.064	0.000	-0.064
SC5	Fallout of one-off saving in 2010/11: 6% reduction in book expenditure falling to 4.9% in 2012/13 . Sustaining expenditure on book stock is a priority for the service and £63,000 is expected to be built back in by 2013/14	-0.004	0.050	0.000	0.046
12COS8	Restructure libraries network, including mobile library network; reduce management and professional staff; savings from the introduction of RFID self-service	-1.334	-0.240	-0.020	-1.594
	Libraries - Changes in Terms & Conditions - Freeze Increments & reduction in mileage rate	0.000	0.059	0.000	0.059
12COS1	Close Heritage & Arts Management Office	-0.051	0.000	0.000	-0.051
12COS2	Museum Service: restructure and increase opportunities for volunteering	-0.199	-0.100	0.000	-0.299
12COS3	History Service: restructure; reduce staffing and combine resources at St Luke's	-0.086	-0.046	-0.012	-0.144
12COS4	Partnerships with Arts Organisations - reduce support & focus on three key organisations	-0.143			-0.143
12COS5	The Mill Arts Centre - reduce support		-0.090		-0.090
	Heritage Services - Changes in Terms & Conditions - Freeze Increments & reduction in mileage rate (subject to consultation)		0.015		0.015
	Cultural Development - Changes in Terms & Conditions - Freeze Increments & reduction in mileage rate	0.000	0.004		0.004

**Safer & Stronger Communities Scrutiny Committee**

15 December 2011

**Detail of Previously Agreed Savings - MTFP 2011/12 - 2014/15**

<b>Safer &amp; Stronger Communities</b>					
<b>Ref</b>	<b>Description</b>	<b>2012/13 £m</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>Total £m</b>
	<b>Total Savings identified in MTFP 2012/13 - 2015/16</b>	<b>-2.261</b>	<b>-0.832</b>	<b>-0.132</b>	<b>-3.225</b>
	<b>Total Previously Agreed Savings</b>	<b>-2.261</b>	<b>-0.832</b>	<b>-0.132</b>	<b>-3.225</b>

## Growth &amp; Infrastructure Scrutiny Committee

15 December 2011

## Detail of Previously Agreed Savings - MTFP 2011/12 - 2014/15

Growth & Infrastructure (E&E)					
Ref	Description	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
	<b>Pressures/Funding MTFP 2010/11 - 2014/15 Not Required</b>				
	<u>Sustainable Development</u>				
	LATS purchase/fines - reduced pressure to reflect increase diversion from landfill disposal and price reduction from original assumptions in the MTFP. Now in line with current market assumptions	0.414	1.687	0.000	2.101
	Landfill Tax escalator - reduction in pressure reflecting increase diversion from landfill disposal. Assumes £80/tonne in 2014/15	-0.372	-0.353	1.110	0.385
	LATS & Landfill Tax Adjustment	-1.178	-3.681	-1.456	-6.315
	<b>Total Pressures/Funding MTFP 2010/11- 2014/15 Not Required</b>	<b>-1.136</b>	<b>-2.347</b>	<b>-0.346</b>	<b>-3.829</b>
	<u>Savings Identified - MTFP 2011/12 - 2015/16</u>				
	<u>Highways and Transport</u>				
	Changes in Terms & Conditions - Freeze Increments & reduction in mileage rate	0.000	0.148	0.000	0.148
EE12	Ongoing impact of changes in park and ride parking parking charging policies	-0.800	0.000	0.000	-0.800
EE11	Increase charge for residents' & other permits - implemented on 15 August 2011	-0.025	-0.025	-0.025	-0.075
	Updated contribution to (+)/from (-) On & Off Street Parking Account following: a) re-introduction of street parking charges (£0.600m per annum) - implemented on 15 August 2011 b) re-introduction of charges at park and ride car parks (£1.000m per annum from 2012/13) - not implemented in full due to Redbridge, Peartree and Seacourt Park and Ride sites being taken back by Oxford City Council which saved the County Council £0.850m per year. Proposed charges for Long Stay use that will capture journeys to London and the airports will be implemented at Thornhill and Water Eaton in April 2012	-1.007	0.078	-1.073	-2.002
EE6	Reduce Policy & Strategy activity	0.000	0.000	0.155	0.155
EE1	Integrated Organisation Structure	-0.400	-0.375	0.000	-0.775
EE2	Reduce staffing	-0.150	0.027	-0.127	-0.250
EE3	Remove additional external funding (relating to road adoptions)	0.000	0.000	0.100	0.100
EE4	Increase use of commuted sums, then reduce in 2012/13	-0.054	0.258	0.000	0.204
EE15	Reduce Section 42 payments	-0.020	-0.010	-0.010	-0.040
EE8	Reduce the use of consultants	0.050	-0.050	0.000	0.000
EE14	Increase part night lighting by 28,000 units (2 phases of £14,000 units) and decommission areas of lighting - not implemented the change to this saving is included in annex 4	-0.100	-0.100	-0.100	-0.300

**Growth & Infrastructure Scrutiny Committee****15 December 2011****Detail of Previously Agreed Savings - MTFP 2011/12 - 2014/15**

<b>Growth &amp; Infrastructure (E&amp;E)</b>					
<b>Ref</b>	<b>Description</b>	<b>2012/13 £m</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>Total £m</b>
09EE1/ EE5	Improve Public Transport Contract Efficiency	-0.352	-0.351	0.176	-0.527
EE9	Reduce levels of Bus Subsidy through contract efficiency	0.000	-0.250	-0.250	-0.500
EE7	Increased support for Thames Valley Road Safety Partnership from 2012/13 as assumed in 2010/11 MTFP (saving of £0.100m in 2010/11 and 2011/12 falls out)	0.100			0.100

## Growth &amp; Infrastructure Scrutiny Committee

15 December 2011

## Detail of Previously Agreed Savings - MTFP 2011/12 - 2014/15

Growth & Infrastructure (E&E)					
Ref	Description	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
09EE15 / EE13	Oxfordshire Highways efficiency & contract savings	-1.370	-1.071		-2.441
EE24	Reduce flooding/drainage activity	0.000	-0.300	0.000	-0.300
	<u>Sustainable Development</u>				
	Changes in Terms & Conditions - Freeze Increments & reduction in mileage rate	0.000	0.084	0.000	0.084
EE46	Directorate Integration Efficiencies	-0.312	0.000	0.000	-0.312
EE45	Integrated Organisational efficiencies (Management cost)	-0.167	0.000	0.000	-0.167
EE47	Early realisation of Integrated Organisational efficiencies (Management cost) in 2011/12 and amendment for future years recognising limitation of saving (direct link to EE45 above)	0.167	0.000	0.000	0.167
08EE27	Savings still to be identified	0.000	0.019	0.000	0.019
09EE55	Contributions from Heads of Service to meet Business Support share of savings target	-0.019	-0.019	0.000	-0.038
EE48	Restructuring Countryside Service	-0.035	0.000	0.000	-0.035
EE49	Rationalisation of Waste Recycling Centres (capital investment required)	-0.079	-0.102	-0.629	-0.810
EE50	Restructuring of Waste Management Services	-0.046	-0.076	0.000	-0.122
EE51	Restructuring of Planning, Planning Implementation and Economic Development teams	-0.076	-0.076	-0.076	-0.228
EE52	Countryside Service - reduction in service level	-0.039	-0.014	-0.013	-0.066
EE56	Reduction in grants to external groups (economic development and rural)	-0.037	0.000	0.000	-0.037
EE57	Reduction in grants to external groups (waste management)	-0.180	-0.050	-0.117	-0.347
EE58	Reduction in monitoring of closed landfill sites	-0.025	0.000	0.000	-0.025
EE59	Waste Management - review financial incentives to Waste Collection Authorities	0.000	0.000	-0.600	-0.600
09EE19	Planning Application and monitoring income	-0.007	-0.006	0.000	-0.013
EE61	Income Generation (renewable energy)	-0.015	-0.015	0.000	-0.030
EE62	Income Generation (renewable energy)	-0.005	-0.005	0.000	-0.010
EE63	Income Generation (countryside)	-0.005	-0.075	-0.010	-0.090
EE64	Income Generation (waste management)	0.000	-0.025	-0.020	-0.045
09EE29	Procurement and Oxfordshire Waste Partnership (OWP) Financial arrangement savings	-0.217	-0.224		-0.441
EE27	Closed landfill	0.000	-0.006		-0.006
EE29	Efficiencies through waste procurement	0.000	-0.978		-0.978
09EE32	Ongoing variations in the expected payments of Diversion credits to Districts reflecting expected activity	-0.021	-0.014		-0.035
EE30	Schools' contribution (20% top slicing energy efficiency)	-0.033	-0.033	-0.033	-0.099
EE31	Directorate contribution (20% top slicing energy efficiency)	-0.015	-0.015	-0.014	-0.044

**Growth & Infrastructure Scrutiny Committee**

**15 December 2011**

**Detail of Previously Agreed Savings - MTFP 2011/12 - 2014/15**

<b>Growth &amp; Infrastructure (E&amp;E)</b>					
<b>Ref</b>	<b>Description</b>	<b>2012/13 £m</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>Total £m</b>
EE33	Carbon Management (reduced carbon allowances from 3% reduction)	-0.020	-0.005	0.002	-0.023
CEF18	Restructure 16-19 Teams	-0.250	0.000	0.000	-0.250
	<b>Total Savings identified in MTFP 2012/13 - 2015/16</b>	<b>-5.564</b>	<b>-3.656</b>	<b>-2.664</b>	<b>-11.884</b>
	<b>Total Previously Agreed Savings</b>	<b>-6.700</b>	<b>-6.003</b>	<b>-3.010</b>	<b>-15.713</b>

## Strategy &amp; Partnerships Scrutiny Committee

15 December 2011

## Detail of Previously Agreed Savings - MTFP 2011/12 - 2014/15

Strategy & Partnerships					
Ref	Description	2012/13 £000	2013/14 £000	2014/15 £000	Total £m
	<b>Savings Identified - MTFP 2011/12 - 2015/16</b>				
	<u>Chief Executive's Office (Excluding Coroner's and Registration Services)</u>				
	Changes in Terms & Conditions - Freeze Increments & reduction in mileage rate		0.081		0.081
12CES16	Reduce annual contribution to the Change Fund		-0.100		-0.100
08CC10 & CC11	Review of the provision of Human Resources services	-0.081	-0.068		-0.149
12CES4	Reduce the organisational development budget	-0.080			-0.080
09CC22	Reduction in the number of ex Berkshire County Council pensioners	-0.042			-0.042
09CC23 & CC14	Savings in early retirement costs in 2010/11 Corporate Finance budget - reduce over the medium-term	0.001	0.002		0.003
CC15	Restructure Corporate Finance	-0.010			-0.010
12CES7	Collaboration with Buckinghamshire County Council enabling retention of skilled resource but less audit days to reflect smaller organisation	-0.036	-0.036	-0.035	-0.107
12CES8	Reduction in posts in Corporate Finance to reflect smaller	-0.030	-0.020		-0.050
09CC25	Further increase in Section 106 income	-0.017	-0.017		-0.034
09CC26	Reduce use of counsel	-0.010	-0.010		-0.020
CC22	Early retirement costs cease - Law & Governance Services	-0.030			-0.030
09CC33 & CC28	Reduce members' services budgets (including IT & training)	-0.007			-0.007
12CES11	Reduce number of council members from 74 to 64 following the 2013		-0.057	-0.011	-0.068
CC34	Review of contracted services with voluntary sector	-0.020			-0.020
CC35	Review of town partnership support	-0.020			-0.020
	<u>Oxfordshire Customer Services (E&amp;E)</u>				
09SS1	Continuous improvement & business development	-0.001			-0.001
	Changes in Terms & Conditions - Freeze Increments & reduction in mileage rate	0.000	0.204		0.204
CS2	Relocation expenses cease by the end of 2011/12	-0.030			-0.030
SS6	Review of Human Resources function & processes	-0.075	0.000	0.000	-0.075
CS4	20% reduction in staffing establishment over 4 years	-0.076	-0.151	-0.151	-0.378
CS5	20% reduction of Learning & Development budget over 4 years	-0.037	-0.037	-0.037	-0.111
CS7	Review of financial accounting function	-0.025	0.000	0.000	-0.025
CS8	Reduction in establishment following implementation of the Business Strategy	0.000	-0.027	-0.099	-0.126
CS9	Reduce bank charges budget to reflect reduced activity	0.000	-0.010	0.000	-0.010
CC5 & 09CC5	Re-tender SAP support contract (current contract ends October 2012)	-0.200	-0.203	0.000	-0.403

**Strategy & Partnerships Scrutiny Committee****15 December 2011****Detail of Previously Agreed Savings - MTFP 2011/12 - 2014/15**

<b>Strategy &amp; Partnerships</b>					
<b>Ref</b>	<b>Description</b>	<b>2012/13 £000</b>	<b>2013/14 £000</b>	<b>2014/15 £000</b>	<b>Total £m</b>
CS10	SAP support contract - additional savings	-0.350	-0.350	0.000	-0.700
CS11	Review of ICT staff structure	-0.074	-0.074	-0.074	-0.222



## Strategy & Partnerships Scrutiny Committee

15 December 2011

### Detail of Previously Agreed Savings - MTFP 2011/12 - 2014/15

Strategy & Partnerships					
Ref	Description	2012/13 £000	2013/14 £000	2014/15 £000	Total £m
CS13	Reduced refresh of desktops & laptops, extension of replacement schedule, virtualisation of the desktop estate				0.000
	- Ongoing Savings	0.000	-0.100	0.000	-0.100
	- One off savings	-0.300	0.450	0.000	0.150
CC12	Customer Services Centre - project savings targets	-0.260	-0.135	-0.068	-0.463
CS16	Additional project savings	-0.017	-0.017	-0.019	-0.053
CS17	Additional Access Team savings (transfer from SCS MTFP)	-0.034	0.000	0.000	-0.034
CC18	Savings resulting from a review of Procurement Services	0.000	0.000	-0.030	-0.030
CEF23	Family Information Service	-0.010	-0.020	0.000	-0.030
	<u>Property and Facilities (E&amp;E)</u>				
09EE49	Reduction in Repairs & Maintenance fees to reflect reduced activity	-0.028	0.047	0.000	0.019
EE40	Further adjustment to reduce Repairs & Maintenance by 40% overall	0.000	0.727	0.180	0.907
EE42	Procurement Savings	-0.550			-0.550
EE43	Reduction in operational costs through Strategic Management of	-0.620	-0.145	0.005	-0.760
EE66	Further reduction in operational costs through Strategic Management	-0.112	-0.108	0.000	-0.220
EE67	Transformation and Restructuring of Facilities Management - includes both staffing and other operational cost savings	-0.300			-0.300
	<b>Total Savings identified in MTFP 2012/13 - 2015/16</b>	<b>-3.481</b>	<b>-0.174</b>	<b>-0.339</b>	<b>-3.994</b>
	<b>Total Previously Agreed Savings</b>	<b>-3.481</b>	<b>-0.174</b>	<b>-0.339</b>	<b>-3.994</b>

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## The Chancellor's Autumn Statement 29.11.11

### Key points for Oxfordshire CC

1. *We will set public sector pay awards at an average of 1% for each of the two years after the pay freeze ends. **Lower pay will reduce the Council's costs but be seen as a negative by Council staff. However the bullet below suggests that funding maybe reduced overall leaving authorities no better off.***
2. *Departmental budgets will be adjusted in line with the pay rises I have announced, with the exception of the NHS and the school budgets – where the money saved will be retained in order to protect those budgets in real terms.*
3. *I can also announce that we are asking the independent Pay Review Bodies to consider how public sector pay can be made more responsive to local labour markets – and we will ask them to report back by July next year (page 63). **This may mean varying pay for teachers, say, across the country.***
4. *The Government does not control pay awards within local government or the devolved authorities; budgets will be adjusted on the assumption of comparable action being taken and in line with devolved funding principles. (page 47). **Supports the previous comment...***
5. *Total Managed Expenditure will fall (during 2015/16 and 2016/17) by 0.9% a year in real terms – the same rate as set out for the existing period of the Spending Review, with a baseline that excludes the additional investments in infrastructure also announced today. **This gives us an indication of funding after the end of the current Spending Review period which will continue to be challenging for local services.***
6. *So starting in the year 2026, we will increase the State Pension Age from 66 to 67 – so we can go on paying a decent pension to people who are living longer. **This may reduce pressure on the Pension fund, if the new local government pension scheme aligns with the state pension age. But is likely to be seen as a negative by Council staff.***
7. *We're already doubling the period before an employee can bring an unfair dismissal claim and introducing fees for tribunals. Now we will call for evidence on further reforms to make it easier to hire people, including:
 
  - a. *Changing the TUPE regulations;*
  - b. *Reducing delay and uncertainty in the collective redundancy process;*
  - c. *And introducing the idea of compensated no fault dismissal for businesses with fewer than ten employees.***TUPE changes will affect transfers to the private sector, other changes will impact HR processes and procedures.***
8. *So today, with the savings we've made, I am providing an extra £1.2 billion – as part of the additional investment in infrastructure – to spend on our schools. Half of this will go to help Local Authorities with the greatest basic need for school places. The other*

*£600 million will go to support my RHF's reforms – and will fund 100 additional free schools. **Effects on Oxfordshire are not yet clear.***

9. New rail link between Oxford, Bicester, Aylesbury, Milton Keynes and Bedford the Government will continue to implement the Intercity Express Programme, which will deploy new trains to run on the Great Western and East Coast Main Lines, with electric services to Bristol, Oxford and Newbury commencing in 2016. **This is announcement about East West rail is very positive as OCC has been lobbying on this issue.**
10. Infrastructure – two key announcements which support major infrastructure developments. One relates to Tax Increment Financing (TIF) on which details are yet to emerge. The other is a Memorandum of Understanding with two groups of UK pension funds to support additional infrastructure investment and establish an Insurer's Infrastructure Investment Forum. The Government aims to raise up to £20bn of investment from these initiatives (see page 31 of the main document for more info). **It is not clear at the moment if this affects the local government pension fund.**
11. Further details on using business rates for TIF will be set out in the Local Government Resource Review in December 2011 (page 56 of the main document). **May provide additional details of these proposals in the near future.**
12. *Support new development, which could include modern garden cities, urban and village extensions. The Government will invite proposals from developers and local authorities for new developments which have clear local support (page 35 of the main document).* **May encourage local development.**
13. *Road Pinch Point fund – The Government will provide additional funding of £220 million for smaller projects which will ease local bottlenecks and improve safety and road layout. This fund will also invest in driver information, signage and closed-circuit television, to improve incident clear up times and assist road users, particularly road hauliers (page 54 of the main document).* **May provide additional funding locally.**
14. *Local transport – The Government will invest an extra £50 million to be distributed to all local transport authorities outside London through the Integrated Transport Block. (page 55 of the main document).* **May provide additional funding locally.**
15. *Low carbon emission buses – The Government will invest £25 million to help bus companies and local authorities in England buy new low carbon buses. (page 55 of the main document).* **May provide additional funding locally.**
16. *The Government today launched an industry-led task force to promote use of fuel efficient, low emission road freight technologies. This will help to broker successful engagement between industry, Local Enterprise Partnerships (LEPs) and local authorities on trialling and implementing measures that support the use of low emission technologies and behaviours at minimal burden to the industry (page 56, main document).* **May provide additional funding locally.**
17. *The Government will provide approximately £15 million to fund up to six pilot Rural Growth Networks to demonstrate how local authorities and LEPs can use the planning regime and targeted infrastructure investment to support economic growth in rural areas. This includes £2 million over the next three years to support rural enterprises*

*led by women, particularly in Rural Growth Networks (page 64 main document). A possibility...*

18. *We're undertaking major simplification of the tax code for businesses and individuals, including this autumn consulting on ideas to merge the administration of income tax and national insurance. This should simplify payroll arrangements.*
19. *The plan was for fuel duty to be 3 pence higher in January and 5 pence higher by August next year. That would be tough for working families at a time like this. So despite all the constraints that are upon us, we are able to cancel the duty increase planned for January and for fuel duty from August to be only 3 pence higher than it is now. Slightly reduces our costs.*
20. **There is a business rate relief holiday but this is unlikely to affect us.** It ends in April 2013 which is when business rates relocalisation could be introduced. 60% of the increases in next year's business rates can be deferred. **This may well affect our costs.**
21. *I can tell the House today that we can double the number of children who will receive free nursery care. Providing more free nursery places may have an impact on our schools.*

## Other announcements

### Pensions and welfare

- The standard minimum income guarantee in Pension Credit will increase by 3.9% in April 2012. This will be paid for by an increase in the threshold for Savings Credit in April 2012.
- Working age benefits, disability elements of tax credits and the child element of child tax allowance will all be increased by 5.2% (from April 2012) in line with September's CPI figure

### Infrastructure, Enterprise and Growth

- Plans to extend the Enterprise Finance Guarantee (EFG) from January 2012 to include businesses with up to £44 million annual turnover, and a number of new lenders will be accredited to offer EFG lending. (The EFG facilitates bank lending to SMEs that cannot usually access a secure commercial loan)
- The current small business rate relief holiday will be extended for a further six months from 1 October 2012. Business will also be able to defer 60% of the increase in their 2012/13 to be repaid across the following two years
- A National Loan Guarantee Scheme will be introduced enabling businesses with a turnover of less than £50m to borrow at closer to the rates the government can borrow at. This is likely to reduce by 1% the interest charged to these companies
- A £1bn Business Finance Partnership aimed at medium sized businesses will also be launched
- National Infrastructure Plan launched which outlines 500+ projects the government wants to see built over the next decade and beyond, equating to a £5bn investment in capital projects. This includes support for the East-West rail project between Oxford and Bedford and electric services to Oxford to begin from 2016
- Plans to work with UK pension funds to unlock additional capital investment – unclear at the moment whether local government pension scheme is to be involved
- Increase in the Regional Growth Fund by £1bn

- 50% reduction in income tax for anyone investing up to £100,000 in a qualifying new start up business
- Train fare increases will be limited to RPI plus 1% rather than the expected 3%
- Petrol prices – increase in duty of 3p to be postponed until August

### **Housing**

- Mortgage indemnities to help 100,000 families buy newly built homes (announced as part of the Housing Strategy)
- A re-vamp of the Right to Buy scheme – families in social housing will be able to buy their home at a discount of up to 50%

### **The national economy and public finances**

The independent Office for Budget Reform (OBR) now expects economic growth to be slower. They give three reasons for this:

- The crisis in Europe caused by the chronic lack of confidence in the ability of countries to deal with their debts;
- The 'external inflation shock' as there were unexpected rises in energy prices and global agricultural commodities; and
- That an even bigger component of the growth that preceded the financial crisis was an unsustainable boom, so the 'bust' was deeper and had a greater impact on our economy than previously thought.

This increases their estimate of the proportion of the deficit that is structural – in other words, the part of the deficit that doesn't disappear even when the economy recovers.

The OBR central forecast assumes that *'the euro area finds a way through the current crisis and that policymakers eventually find a solution that delivers sovereign debt sustainability'*. If this does not happen, OBR say that there could be a *'much worse outcome for Britain'*.

**For further information visit:**

[http://www.hm-treasury.gov.uk/as2011\\_documents.htm](http://www.hm-treasury.gov.uk/as2011_documents.htm)

**National Infrastructure Plan**

[http://www.hm-treasury.gov.uk/national\\_infrastructure\\_plan2011.htm](http://www.hm-treasury.gov.uk/national_infrastructure_plan2011.htm)

**Changes to Business Strategy and Variations to 2011/12 to 2015/16 MTFP**

Scrutiny Committee	Variation to MTFP - Change Year on Year			
	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Children's Services	-0.725	0.125	0.245	-0.355
Adult Services	3.352	-0.244	-0.144	2.964
Safer & Stronger Communities	0.742	-0.035	-0.110	0.597
Growth & Infrastructure	-2.540	-0.054	0.347	-2.247
Strategy & Partnerships	-0.460	-0.200	-1.314	-1.974
<b>Subtotal (a)</b>	<b>0.369</b>	<b>-0.408</b>	<b>-0.976</b>	<b>-1.015</b>
Funding Changes and Allowed Variations (b)	0.584	4.378	0.856	5.818
<b>Total Year on year variation (a+b)</b>	<b>0.953</b>	<b>3.970</b>	<b>-0.120</b>	<b>4.803</b>
<b>Cumulative Shortfall</b>	<b>0.953</b>	<b>4.923</b>	<b>4.803</b>	

## Children's Scrutiny Committee

15 December 2011

## Changes to Business Strategy and Variations to 2011/12 to 2015/16 MTFP

MTFP Line Ref	BS & Page (*)	Variations to Existing MTFP Savings	2012/13 £m	2013/14 £m	2014/15 £m	Total £m	
CEF21 (P1.12)	CEF p9	Bring Forward Home to School Transport saving	-0.500	0.300	0.200	0.000	Saving being achieved earlier than planned - underspend reported in Financial Monitoring Report throughout 2011/12.
CEF9 (P1.12)	CEF p9	Remove further saving for Early Intervention Service	0.500			0.500	Operation of the new Early Intervention Service commenced 5-6 months later than originally planned and has only just commenced operation in a stable situation. There may also be a need to transfer some resources between hubs.
CEF8 (P1.12)	CEF - p11-12	Remove unachievable Special Educational Needs (SEN) saving	1.000			1.000	Residential ASD provision was planned to provide savings of £1m per annum from 2012/13 but the building originally envisaged as appropriate did not become available. The original savings target is now unachievable but the capital programme now includes basic needs funding for alternative accommodation.
CEF26 (P 1.12)	CEF p12	Remove unachievable Schools Budget saving		0.500	0.195	0.695	Overhead costs of Local Authority run Children's Centres could not be eliminated however no longer appear in the Schools Budget.
CEF2 (P1.12)	CEF p14	Remove provision for potential double counting of savings	-0.500	-0.100	-0.150	-0.750	The impact of double counting across multiple savings has been eliminated so provision can be removed.
13CEF1	CEF p13	New duty to support Young People on Remand	0.150			0.150	From April 2012 Local Authorities will be responsible for the costs of young people remanded in custody as a consequence of a court appearance.
13CEF2	CEF p10-11	New duty to provide 25 hours education to unwell children	1.000			1.000	From September 2011 the authority has a duty to ensure that all young people of statutory school age receive 25 hours of education per week. This will be managed through the Hospital School.



## Children's Scrutiny Committee

15 December 2011

## Changes to Business Strategy and Variations to 2011/12 to 2015/16 MTFP

MTFP Line Ref	BS & Page (*)	Variations to Existing MTFP Savings	2012/13 £m	2013/14 £m	2014/15 £m	Total £m	
13CEF3	CEF p10-11	25 Hrs Education Pressure - to be met from Dedicated Schools Grant (DSG)	-1.000			-1.000	Cost of 25 Hour provision should be met from Dedicated Schools Grant
13CEF4	CEF p11	Use of Centrally Retained DSG	-0.300			-0.300	Identify budgets which should be funded from Dedicated Schools Grant
13CEF5	CEF p14	Asylum Budget	-0.300			-0.300	Reduced budget required due to reducing client numbers
13CEF6	CEF p13	Corporate Parenting Restructure	-0.050			-0.050	Restructure corporate parenting on same principles as remainder of CEF
13CEF7	CEF p12	Connexions	-0.250	-0.250		-0.500	Reduce central support as responsibility for all age careers service moves to schools
13CEF8	CEF p13	Youth Offending Service	-0.300			-0.300	Restructure youth offending service on same principles as remainder of CEF
13CEF9	CEF p12	Children's Centres	-0.175	-0.325		-0.500	Protect services and reach to families provided by the county's 44 children's centres whilst making modest savings from eradicating duplication, sharing best practice and exploring innovative management and administrative solutions.
		<b>Total Variations to Existing MTFP Savings</b>	<b>-0.725</b>	<b>0.125</b>	<b>0.245</b>	<b>-0.355</b>	
		Existing MTFP Savings	-6.432	-0.719	-1.197	-8.348	
		<b>Revised MTFP Savings</b>	<b>-7.157</b>	<b>-0.594</b>	<b>-0.952</b>	<b>-8.703</b>	

(\*) CEF = Children, Education &amp; Families Business Strategy

## Adult Services Scrutiny Committee

15 December 2011

## Changes to Business Strategy and Variations to 2011/12 to 2015/16 MTFP

MTFP Line Ref & page (#)	BS & Page (*)	Variations to Existing MTFP Savings	2012/13 £m	2013/14 £m	2014/15 £m	Total £m	
		<u>Older People</u>					
S5 (p2.25)	ASC p6 & p12	Rephasing of Community Transport Saving	1.100	-0.300	-0.100	0.700	The revised proposal is to provide transport for people who meet the eligibility criteria and require transport to access services. For those who are not eligible they will need to access services either through their own means or pay for transport provided by the council or other organisations.
S31 (p2.27)	ASC p6	Locality teams recalculated savings estimate	0.648			0.648	Savings from the reorganisation of the adult social care locality teams and the introduction of the brokerage service have not realised all of the planned savings within the anticipated time.
		<u>Learning Disabilities</u>					
SC71 (p2.25)	ASC p6, p16-18	Review of Internal Learning Disability Service	0.500	-0.250	-0.250	0.000	The plan to reduce funding to the internal supported living and day services by £1m over 2 years has partly been achieved through a management restructure. The remaining savings will now be achieved over 3 years through purchasing the service from external providers to enable the service to be provided more efficiently.

## Adult Services Scrutiny Committee

15 December 2011

## Changes to Business Strategy and Variations to 2011/12 to 2015/16 MTFP

MTFP Line Ref & page (#)	BS & Page (*)	Variations to Existing MTFP Savings	2012/13 £m	2013/14 £m	2014/15 £m	Total £m	
13SCS1	ASC p7	Autism	0.050	0.100		0.150	The Autism Act 2009 and the subsequent statutory guidance requires local authorities and the NHS to seek to improve services for adults with autism, their families and carers. It is envisaged that further investment will be needed to meet the potential demands particularly of the needs of people at the higher end of the autistic spectrum and ensure a robust pathway exists, Work is underway to predict costs, which will include identifying areas where savings can be made through improving this pathway.

## Adult Services Scrutiny Committee

15 December 2011

## Changes to Business Strategy and Variations to 2011/12 to 2015/16 MTFP

MTFP Line Ref & page (#)	BS & Page (*)	Variations to Existing MTFP Savings	2012/13 £m	2013/14 £m	2014/15 £m	Total £m	
		<u>Physical Disabilities</u>					
13SCS2	ASC p6-7	Additional demography	0.800	0.206	0.206	1.212	The calculation for demographic pressures for adults with a physical disability and or brain injury is below those forecast elsewhere and needs to be brought in line with the national average. In addition, it looks likely that the budget has become unrealistic due to the lack of demographic funding in the past.
13SCS3	ASC p6-7	Acquired Brain Injury	0.254			0.254	
		<b>Total Variations to Existing MTFP Savings</b>	<b>3.352</b>	<b>-0.244</b>	<b>-0.144</b>	<b>2.964</b>	
		Existing MTFP Savings	-10.346	-4.128	-6.667	-21.141	
		<b>Revised MTFP Savings</b>	<b>-6.994</b>	<b>-4.372</b>	<b>-6.811</b>	<b>-18.177</b>	

(#) Where these are changes to the existing MTFP the reference provides the relevant page(s) of the "Service and Resource Planning: Service Analysis 2011/12" publication available on the Council's website.

(\*) ASC = Adult Social Care Business Strategy

## Safer Stronger Communities

15 December 2011

## Changes to Business Strategy and Variations to 2011/12 to 2015/16 MTFP

MTFP Line Ref & page	BS & Page (*)	Variations to Existing MTFP Savings	2012/13 £m	2013/14 £m	2014/15 £m	Total £m	
		<u>Community Safety</u>					
12CS19 (page 2.29)	CSafety p15-16	Savings to be identified from an alternative model for the provision of a trading standards service		0.100	0.100	0.200	An options appraisal for shared Trading Standards services between Oxfordshire and Buckinghamshire has been developed. This assessment seeks to exploit economies of scale and further reduce staffing costs. A joint service delivery approach could deliver more effective and resilient services at a lower cost and ensure that the service is able to capitalise on opportunities arising from the Government's consumer protection landscape review. However, the options appraisal did not identify significant savings that could result from shared services.
13SCS4	CSafety p15-16	Trading Standards - Service Restructuring		-0.100	-0.100	-0.200	See above re alternative delivery model 12CS19 - there will need to be some re-structuring to deliver the planned savings as they cannot all be achieved through sharing services
CS26 & CS27	CSafety p17	Trading Standards - grant funding	0.050			0.050	The MTFP includes an assumed £0.090m increase in grant income from 2012/13. Whilst some of this is achievable it is not expected to be possible to fully deliver this proposal.
13SCS5	CSafety p17-18	Gypsy & Traveller Service - income generation	-0.050			-0.050	See above re grant income CS26 and CS27 - additional income will be used to offset grant income savings in Trading Standards that are not deliverable

## Safer Stronger Communities

15 December 2011

## Changes to Business Strategy and Variations to 2011/12 to 2015/16 MTFP

MTFP Line Ref & page	BS & Page (*)	Variations to Existing MTFP Savings	2012/13 £m	2013/14 £m	2014/15 £m	Total £m	
		<u>Fire &amp; Rescue</u>					
13SCS6	CSafety p21	Personal Protective Clothing	0.051			0.051	After extending its current PPE contract which commenced in 2001 for an additional two years, and deciding to step back from a South East contract that would have increased costs of OFRS in the region of £90k per annum on its current PPE budget, OFRS, via OCC procurement has successfully undertaken its own tender exercise and has awarded a new 8-year contract to Lion Apparel Systems. The resulting 'total care' contract will guarantee high-quality, comparable fire kit for OFRS firefighters, at a cost of £0.047m per annum less than the South East contract and avoiding some of the potential cost escalation contract clauses in that contract.
							Nevertheless, despite the clear value for money the OFRS contract offers, it is still £0.051m per annum more expensive than the current budget. The Fire & Rescue Service will manage this pressure from within its total budget.
13SCS7	CSafety p19	Implementation of the Part Time Workers (Prevention of less favourable treatment) Regulations 2000	0.100			0.100	Retained fire fighters are classed as part time workers under these regulations. Claims are in the process of being settled and a one-off cost figure of £0.190m has been established, followed by an estimated annual revenue cost of £0.100m over the next few years, which may change depending on operational workloads and future settlements in terms of pensions, linked to equal pay.

## Safer Stronger Communities

15 December 2011

## Changes to Business Strategy and Variations to 2011/12 to 2015/16 MTFP

MTFP Line Ref & page	BS & Page (*)	Variations to Existing MTFP Savings	2012/13 £m	2013/14 £m	2014/15 £m	Total £m	
13SCS8	CSafety p10	Fire Control - remove double funding	-0.117			-0.117	Notification of Fire Grant was received after Council agreed the 2011/12 budget. The additional budget was retained in Fire & Rescue, subject to a decision on Fire Control. This double funding can now be removed.
13SCS9	CSafety p19	Fire & Rescue - retained & wholetime pay budgets	-0.151			-0.151	See above re part time workers regulations and Personal Protective equipment - see above - this will offset pressures on the budget for retained firefighters who are classed as part time workers and the pressure on the costs of the new personal protective equipment budget.
		<u>Community Services</u>					
13SCS10	CServ p19	Restructure libraries network	0.850	-0.064	-0.139	0.647	Change to planned saving reflecting public consultation
13SCS10	CServ p19	Further proposals as set out in report to Cabinet (item CA6) on 12 December 2011	0.009	0.029	0.029	0.067	
		<b>Total Variations to Existing MTFP Savings</b>	<b>0.742</b>	<b>-0.035</b>	<b>-0.110</b>	<b>0.597</b>	
		Existing MTFP Savings	-2.261	-0.832	-0.132	-3.225	
		<b>Revised MTFP Savings</b>	<b>-1.519</b>	<b>-0.867</b>	<b>-0.242</b>	<b>-2.628</b>	

(#) Where these are changes to the existing MTFP the reference provides the relevant page(s) of the "Service and Resource Planning: Service Analysis 2011/12" publication available on the Council's website.

(\*) CSafety = Community Safety Business Strategy

(\*) CServ = Community Services Business Strategy

## Growth &amp; Infrastructure Scrutiny Committee

15 December 2011

## Changes to Business Strategy and Variations to 2011/12 to 2015/16 MTFP

MTFP Line Ref	BS & Page	Variations to existing MTFP Savings	2012/13 £m	2013/14 £m	2014/15 £m	Total £m	
		<u>Highways &amp; Transport</u>					
EE1/EE2 (p3.15)	E&E p24	Organisational restructure refinement	0.246	0.188	0.127	0.561	Refinement of management structure
09EE1/E5 (p3.15)	E&E p22	Early realisation of Public Transport Contract savings			-0.176	-0.176	Increased level of contract savings
NP-A1	E&E p19	Pressures associated with the Atkins Contract (including capitalisation)	0.200	0.300		0.500	Refinement of partnership arrangement and impact of changing capital programme
CF	E&E p19	Use of the directorate's carryforward underspend from 2011/12	-0.425	0.425		0.000	One off use of forecast underspend to support Business Strategy.
NS1 &2	E&E p24	Ongoing impact of changes in park and ride parking charging policies		-0.650	-0.100	-0.750	Long stay charging, facility income and on street parking charges
NS-A1	E&E p22	Concessionary Fares - payments to bus companies	-0.200	-0.100		-0.300	Saving on bus company reimbursements
AS1		Concessionary Fares second phase funding now not required	-1.200			-1.200	Second phase funding assumed in MTFP now not required
NP1	E&E p12 & 21	Energy cost pressures - Street Lighting (inflationary pressure 15% 12/13 10% thereafter) *	0.312	0.203	0.217	0.732	impact of energy cost inflationary pressures estimated at 50% over 5 years
		<u>Growth &amp; Infrastructure</u>					
EE49/EE34 (p3.17 & 3.14)	E&E p10	Revised Waste Recycling Centre Strategy - as agreed and publicised earlier in 2011	-0.015	-0.064	0.298	0.219	Impact of retaining Redbridge at weekends and on bank holidays
EE35 (p3.14)	E&E p10	Delay in Waste Treatment saving - planning		0.244	-0.244	0.000	Delay in operational implementation of Energy from Waste Facility
EE46 (p3.16)	E&Ep5	Partially met Directorate Integration saving - due to change in operating model	0.242			0.242	Impact of changed directorate operating model
NR3	E&Ep14	Economic Growth	0.200			0.200	Increased support in the Local Economic Partnership (LEP) in helping to address ongoing economic challenges
NR5	E&E p15	Transition to Community Infrastructure Levy (CIL) *	0.100		-0.100	0.000	Transition from the current developer contribution regime
NS4	E&Ep9	Waste Management cost saving due to increased recycling/composting performance (also see AS2).	-0.500			-0.500	increased recycling and composting performance



## Growth &amp; Infrastructure Scrutiny Committee

15 December 2011

## Changes to Business Strategy and Variations to 2011/12 to 2015/16 MTFP

MTFP Line Ref	BS & Page	Variations to existing MTFP Savings	2012/13 £m	2013/14 £m	2014/15 £m	Total £m	
AS2	E&Ep9	Waste Management cost saving (reduced tonnage and better performance) from 2010/11 previously used to fund one-off treatment bid and planning costs. <b>At risk as this assumes tonnage remain low in the future.</b>	-1.000			-1.000	Combined reduction in the overall tonnage disposed of resulting from the impact of the economic climate and increased performance
NS5	E&Ep9	Landfill Allowance Trading Scheme (LATS) budget - reduce by 50% the budget available for LATS due to better waste performance - substantial element is temporary for 2-years as it forms part of the VfM valuation for the Waste Treatment contract.	-0.500		0.325	-0.175	Better recycling/composting performance and reduced levels of tonnage disposed has reduced the pressure associated with LATS fines/trading
NS-C1	E&E p9-10	OWP Financial Arrangements - rebasing the target		-0.600		-0.600	Rebasing of the recycling targets based on better actual performance
		<b>Total Variations to Existing MTFP Savings</b>	<b>-2.540</b>	<b>-0.054</b>	<b>0.347</b>	<b>-2.247</b>	
		Existing MTFP Savings	-6.700	-6.003	-3.010	-15.713	
		<b>Revised MTFP Savings</b>	<b>-9.240</b>	<b>-6.057</b>	<b>-2.663</b>	<b>-17.960</b>	

(#) Where these are changes to the existing MTFP the reference provides the relevant page(s) of the "Service and Resource Planning: Service Analysis 2011/12" publication available on the Council's website.

(\*) E&E = Environment & Economy Business Strategy

## Strategy &amp; Partnerships Scrutiny Committee

15 December 2011

## Changes to Business Strategy and Variations to 2011/12 to 2015/16 MTFP

MTFP Line Ref & page (#)	BS & Page (*)	Variations to Existing MTFP Savings	2012/13 £m	2013/14 £m	2014/15 £m	Total £m	
		<u>Chief Executive's Office</u>					
13CEO1	CEO p15	Support for the military in Oxfordshire	0.100			0.100	Replace Local Authority Business Growth Incentive (LABGI) grant and other one off funding.
13CEO2	CEO p6	External Audit Fee (10% reduction)	-0.027			-0.027	Reduction in 2012/13 fee payable to the Council's external auditors as notified.
13CEO3	CEO p15	Structural Changes	-0.173			-0.173	Changes across the CEO Personal Office and Strategy & Communications
13CEO4	CEO p15	Funding for consultations including libraries	-0.300			-0.300	Being utilised to reduce the shortfall in savings on libraries
		<u>Oxfordshire Customer Services</u>					
CC12 (p3.20)	E&E p29	Re-profiling of Customer Services savings	-0.210	0.078	0.087	-0.045	Re-profiling of Customer Services savings targets
NP7	E&E p29-30	Pressure on existing OCN services - loss of schools income - requiring capital investment (will rise to £0.545m by 2016/17)		0.172	0.213	0.385	Cost of schools pursuing other solutions to the Councils Oxfordshire Community Network (OCN)
NS7	E&E p30	OxOnline Project (replacement of OCN infrastructure) - <u>requiring capital investment</u> *			-0.564	-0.564	Reduced revenue costs of operating the OxOnline project
NS-E1	E&E p29	Telephony Strategy (assumes all budgets transfer to ICT) - requires funding from the Efficiency Reserve.	-0.200	-0.200	-0.200	-0.600	Reduced reliance of fixed line desk based telephony
NS-F1	E&E p29	The New OCS Operating Model	-0.100	-0.150	-0.150	-0.400	Extending the model for Human Resources and Finance
		<u>Property &amp; Facilities</u>					
NR4	E&E p11	Property Asset led reviews and Big Society	0.150			0.150	Pilot programme locality reviews
NR6		Conditions Surveys	0.050			0.050	
NS-D1	E&E p11	Increased realisation of Portfolio Reduction savings (net of dilapidation costs & requires business case approval in 2012/13)		-0.100	-0.450	-0.550	Realisation of additional savings relating to the asset rationalisation programme
NP2	E&E p12	Energy Reduction - Revenue investment	0.250		-0.250	0.000	Further contribution to invest to reduce our energy consumption
		<b>Total Variations to Existing MTFP Savings</b>	<b>-0.460</b>	<b>-0.200</b>	<b>-1.314</b>	<b>-1.974</b>	
		Existing MTFP Savings	-3.481	-0.174	-0.339	-3.994	
		<b>Revised MTFP Savings</b>	<b>-3.941</b>	<b>-0.374</b>	<b>-1.653</b>	<b>-5.968</b>	

(#) Where these are changes to the existing MTFP the reference provides the relevant page(s) of the "Service and Resource Planning: Service Analysis 2011/12"

(\*) CEO = Chief Executive's Office Business Strategy

(\*) E&E = Environment & Economy Business Strategy

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# **Business Strategy 2012/13 to 2014/15**

## **Children, Education & Families Directorate**

## Introduction

1. As outlined in the Business Strategy agreed for 2011/12 to 2014/15 the context for Children's Services has changed significantly in the last two years and will continue to change over the period leading up to 2015/16. In the last year there have been significant changes affecting all aspects of our work. The **Council's Business Strategy** and our **Business Strategy** were devised to support us in proactively meeting the challenges in the last year and enabling us to react swiftly to unexpected changes affecting our work in the years to come.
2. In order to deliver required savings the Business Strategy was designed to fundamentally rethink how we could meet our statutory responsibilities and duties in a different way. In the first year of our Business Strategy significant aspects of service and structure have been redesigned. We have been shaping our services and structure in a more co/ordinated way, based on research of what interventions work and how the most cost effective use of resources can be made. Our aim has been to deliver services that are more efficient *and* effective. We have been implementing change that aims to:
  - Deliver good outcomes for all children and young people;
  - Secure for the poorest and most vulnerable in society, the ability to improve their outcomes by effectively targeting resources to those most in need;
  - Engage non state providers, communities or partnerships in delivering those outcomes locally;
  - Continually strives to improve the economic efficiency and effectiveness of our activities.
3. Over the last twelve months the Directorate has:
  - kept a sustained focus on delivering savings and improving performance;
  - designed, consulted on and implemented service and structural changes which have delivered the savings within the Medium Term Financial Plan (MTFP) for 2011/12 and made significant progress on the delivery of savings for 2012/13 onwards;
  - kept focus on improving outcomes for children, young people and their families ensuring delivery of improved service performance for 2011/12 to date in the face of considerable and sustained demand, particularly in children's social care;
  - supported schools, academies and colleges through a period of financial change and increased our ability to offer services to them that historically we had neither costed, charged for or traded.

4. As experienced by most Directorates within the Council there has been a significant number of Government commissioned reviews, consultations, and policy changes in the last year. These will inevitably require changes to the ways in which we work and these are taken into account in setting the priorities for the services in the coming months and years.

### **Priorities and objectives of the Directorate**

5. The three priorities for the Directorate and its partners for 2010-2013 outlined within the Children and Young People's Plan (CYPP) agreed by the Oxfordshire Children and Young People's Trust (OCYPT) are:

#### Keeping all children and young people safe

- Children and young people to grow up in safe, healthy and supportive environments.
- Children, young people and families to be able to access strong preventative and early intervention services before problems get worse.
- Children and young people, who suffer abuse or neglect, to receive the best possible service. This means that those at risk of harm, or who are suffering actual harm, will be a top priority for all agencies.

#### Raising Achievement for all children and young people

- Children and young people to achieve their full potential by accessing outstanding learning opportunities, play and positive activities.
- Children and young people to feel happy, safe and to strive to do the very best they can.
- Children and young people to become confident to support themselves and actively contribute to their local community and beyond.

#### Narrowing the gap for our most disadvantaged and vulnerable groups

- To narrow the gap in achievement by providing vulnerable children and young people who are missing out with greater access to high quality provision and services.
- To ensure that children, young people and families benefit from effective, early and targeted support when they face additional challenges, in particular, those with learning difficulties and disabilities.
- To ensure that organisations work together, in partnership with children, young people and families, to break the cycle of deprivation and low expectation, particularly for children living in, or on the fringe of poverty.

- The CEF Directorate's services, provision and influence make a major contribution to delivery of the objectives and targets in the CYPP. In order to have more impact on achieving those objectives, CEF has developed the new Early Intervention Service which is charged with contributing to targets that will 'Narrow the Gaps' in outcomes for vulnerable children and will contribute to raising achievement through enhancing school readiness and resilience.
- The new Strategic Plan for Education, currently being consulted upon, recommends new ways of working and a more focussed and accelerated range of actions that when combined have the potential to deliver a positive shift in educational attainment across all Key Stages.
- The Oxfordshire Children and Young Person's Plan produced in 2009 will require renewal with the introduction of the newly created Health and Wellbeing Board. This will need to reconsider priorities and introduce new ways of working as a consequence of the current rapidly changing landscape of public services.

6. The Directorate has contributed to the priority outcomes of the Council in the following manner:

### Thriving Oxfordshire

The introduction of early intervention hubs has focused resources in areas where priority needs have been identified. This has enabled assets to be maximised whilst focusing on what research identifies as the most crucial points in children's lives so as to ensure they achieve best possible outcomes. In addition the child protection and family support service of the County Council working with key partners, under the auspices of the Local Safeguarding Children's Board, help to keep children safe from harm in the range of settings they live, learn and play in.

### Healthy and Thriving Communities

The Directorate is committed to keeping all children and young people safe; raising achievement for all children and young people and narrowing the gap for the most that are most disadvantaged and vulnerable. To achieve this, the service will ensure that organisations work together, in partnership with children, young people and families, so as to break the cycle of deprivation that has such a negative influence on their lives and lives of their families.

The Directorate will work with communities and local partners to broker new ways of working so as to deliver aspects of services that can no longer be funded through mainstream Council revenue budgets. Consultation and engagement with young people through "sounding boards" and other related mechanisms will be central to these ways of working.



All universal services available for children and families are aimed at promoting resilience and independence. There are a range of effective preventative services in place whose main objective is to avoid the need to escalate to more formal statutory levels of intervention. Where additional needs occur these are identified early to ensure that appropriate support can be provided to meet those needs. For children and families with specialist or complex needs services are provided to effectively meet their needs, reduce the risk of family breakdown and appropriately safeguard their welfare.

### Efficient Public Services

The business strategy proposes the development and delivery of simpler structures, where possible combining the functions of teams and significantly streamline management and administrative functions. The ambition of the strategy is to creating lean teams, with decision making devolved whenever possible to the front-line. The intention is to make better and more effective use of resources. The recent establishment of a Joint Commissioning team will contribute to the delivery of the corporate business strategy by creating a single support service across adults and children's directorates. A review of the commissioning and contracting function will follow to ensure that contracted services are managed efficiently. The review will be carried out with a view to enabling further integration with Oxfordshire Clinical Commissioning Group, subject to approval from the nascent Health & Wellbeing Partnership.

**Delivering the Business Strategy****Directorate Statement**

<b>Directorate</b>	<b>Children, Education &amp; Families</b>
<b>2011/12 Gross Budget</b>	£540.447m (Including a Schools Budget of £381.092m)
<b>2011/12 FTE</b>	FTEs

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	-0.460	-0.693	0.210	-0.943

**Variations to MTFP Savings**

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-6.432	-0.719	-1.197	-8.348
Variations to 2011/12 MTFP Savings	-0.725	0.125	0.245	-0.355
<b>Revised Savings</b>	<b>-7.157</b>	<b>-0.594</b>	<b>-0.952</b>	<b>-8.703</b>

7. The business strategy last year outlined the significant transformation required in order to deliver our financial and performance objectives. All of the work that we have delivered has aligned to the Corporate Business Strategy strands:

- Customer Focus;
- Reshaping Management by 25%;
- Changing the way we work;
- Supporting Customer Service Centre;

- Supporting Asset Management Strategy;
- Information, Communication & Technology (ICT);
- Supporting community self-help & Big Society;
- Service and Structure Re/design.

8. The Directorate has implemented significant changes to the design and structure of the service. We have created an entirely new way of delivering our statutory responsibilities and designed our services based on research evidence to deliver a new Education & Early Intervention Service (EIS), redesigned some of our Social Care teams and started the redesign of our performance, quality assurance and commissioning arrangements with Social and Community Services (SCS).
9. We undertook a public service consultation and staff consultation on our structure in February – April 2011. Cabinet approved the reorganisation proposals in April.
10. The changes and reduction in staffing has involved a major commitment from the Directorate and colleagues from HR and Finance. There have been a number of challenges to resolve but overall the implementation of new organisational arrangements has been achieved without a major reduction in the performance of the service. Of significance:
  - The highest levels of reductions have been in management tiers leading to a leaner more focused management group. As we have undertaken our staffing restructure we have reviewed and amended the terms and conditions of some of our staff moving them where appropriate to Green Book conditions.
  - There has been no loss of frontline social work posts
11. These changes do not include staff in the Quality and Compliance Service who are just commencing their restructuring with their colleagues in SCS as part of the new Joint Commissioning Service.
12. We have taken a consistent approach to pay protection using the economic efficiency calculations and have held our protection at the equivalent of one grade for one year only. We believe this will reserve our position against potential changes in the economic position of the Council.
13. Our Business Strategy outlined the importance of ensuring that new structures are supported through good organisational development and training in order to realise the benefits of new ways of working. As a consequence of our work in appointing between May and September we have not been able to commence our entire programme of organisational development

because staff have only recently been appointed. We are asking for these funds to be carried forward for 2012/13. We do not recommend that these funds should be taken as a saving because the success of our revised structure is dependent on supporting staff and managers to work differently through a well-resourced and sustained programme of development and training.

### Early Intervention Service

14. One of the best examples of strands of the Corporate Business Strategy being delivered alongside the CEF Business Strategy is implementation of the new Early Intervention Service (EIS). The programme to set up the EIS Hubs and Satellites has involved a full range of partners including the Police, Health, Schools and children, young people and parents/carers. From a position of having 26 young people's centres, all part of the Council's asset and provision, we now have nearly all of them secured either as a hub, satellite or through a Big Society sustainable solution.
15. Colleagues from Environment & Economy (E&E), ICT and Finance were part of the work streams to ensure that asset management issues, finance and ICT were provided on budget and on time to support the opening of the new EIS. All but one of the hubs were ready for the 1 September 2011 commencement. Health in particular have been part of the work streams designed to bring the hubs on line and they are currently working on how they can further integrate their work alongside the EIS.
16. Our Early Intervention Service (EIS) is an innovative way of working and we have drawn up a comprehensive Performance Management Framework which links all data collection to key outcomes for children, young people and families. These include:
  - Improving children's school attendance and engagement;
  - Improving young people's engagement in Education, Employment & Training (EET);
  - Preventing young offending;
  - Reducing Under 18 conceptions;
  - Maximising take up of early years;
  - Ensuring improved educational outcomes for LAC
  - Reducing referrals to social care and providing sustained support for families leaving social care
  - Reducing level of young people admitted to hospital for non/accidental injuries including self/harm;
  - Improving early years foundation stage profile results for vulnerable and disadvantaged groups;

- Promoting health and well/being;
- Supporting young carers.

17. The establishment of the seven new EIS hubs has been a mammoth piece of work accomplished through a project board with a number of separate task and finish groups. This work has all been completed on time and as initially envisaged for the 1 September 2011. All of the new hubs have been fully operational since 1 September and 6 of the 7 hubs are fully established in their permanent premises. Only the Witney hub is currently operating from temporary premises due to site difficulties and other delays to building works required at their permanent location. The new hubs are operating in line with the restructured budgets for their activities.
18. Over 391 individual families transferred to the EIS as of 1 September. We have sustained the number of youth work sessions across the period of our restructuring. Before the restructuring there were 201 sessions of youth work, we are running the same amount of youth work sessions and planning to increase from that baseline. Since 12 September we have increased sessions from 67 evening and weekend open access sessions to 78 sessions evening and weekend open access sessions, this represents an immediate 14.2% increase. These figures do not include all the targeted sessions that are also taking place so the offer of sessions to youth overall exceeds 78. Comprehensive timetables of activities are in place in all the hubs.
19. Monthly monitoring for September 2011 forecasts that Home to School Transport costs will be lower than the reduced budget. This includes the effect of re/tendering and reorganisation of routes for the September 2011 school admissions round. The Directorate proposes that the further savings on Home to School Transport previously planned for 2013/14 and 2014/15 should be brought forward by one year. There should be no impact on current service delivery.
20. Whilst the required savings for 2011/12 are on track to be met, the future years' proposals present some challenges. Firstly, the medium term financial plan 2011/12 to 2014/15 included £0.5m further savings from the Early Intervention Service during 2012/13. As indicated above, operation of the new Early Intervention Service commenced five to six months later than had originally been envisaged and has only just commenced operation in a stable situation. Differing needs are being identified in each hub area which may give rise to a need to transfer some resources between hubs. Due to these two factors it is now thought inappropriate to set a further significant savings target for the Early Intervention Service. It is proposed to remove this proposed variation from the 2012/13 financial plan.

**Education**

21. As part of our restructuring we have redesigned our Education service and brought it together with the Early Intervention Service under one Deputy Director. The role of the Local Authority (LA) in school improvement remains uncertain. The Education Bill is currently progressing on its passage through Parliament and the House of Lords. All of the grants supporting additional resources for the LA were removed in addition to the funding from National Strategies which was already due to end and which was known prior to the last general election.
22. Funding uncertainties for schools and the LA may affect both CEF and Council. Oxfordshire Schools are in the lowest quartile of per pupil funding in England. The recent Local Authority Central Services Equivalent Grant (LACSEG) consultation could have a significant financial impact on us; however DfE has not yet published any outcomes from the consultation. Assuming the government mechanism to deduct funds from local authorities to pass on to academies is unchanged from proposals in their consultation, if all maintained schools nationally converted to Academies this could give a £24m consequence for us through the LA Formula Grant allocation based on 2012/13 budget values. Since the potential deduction exceeds the amount spent by the Directorate on the relevant services, estimates of the potential impact in each year have been built in to corporate budget assumptions for the authority as a whole.
23. The Schools Strategic Funding Review has delivered a methodology for the Early Years Single Funding Formula and is awaiting further developments on the Schools Funding mechanism to complete its work. Financial modelling has been made and once we know the outcome of the reviews nationally we will be in a good position to move forward with local funding formula changes.
24. As part of the Directorate's engagement with schools we are committed to challenging poor attainment levels. We are ambitious as part of our community leadership role to work with parents, governors and the local media to ensure that in Oxfordshire we are more aspirational for all of our children in young people. The Lead Member for School Improvement will in 2012/13 ensure a targeted focus on improving those schools who are below floor targets or who are seen to be "coasting". Actions have where appropriate been taken to sustain current provision and arrangements. The on/going impact for the Directorate and Schools will be addressed within the planned Education Strategy.
25. During July DfE implemented a long unused provision of the Education Act 1996. This extends our duty to provide education for children out of school with medical needs to 25 hours per week with effect from September 2011. We have been working to quantify the pressure, and find different ways to deliver differently with the Hospital School and Home Tuition service. We have

cautiously estimated a pressure of £1.0m. This cost falls within matters that can be met from the Dedicated Schools Grant however Schools Forum will need to formally consulted on our proposals to meet this duty. If the duty can be met by increasing the budget and activities of the Hospital School there should be no impact on the regulatory Central Expenditure Limit (CEL). For budget setting purposes it is currently assumed that this £1.0m cost can be met within the DSG.

26. Education of young people of statutory school age is a legitimate charge on the Dedicated Schools Grant. Schools Forum must be consulted before such a charge can be made. Making this provision through the Hospital School would ensure that the budget was included in the total delegated budget of the authority, thereby avoiding additional costs falling on centrally retained budgets. The Central Expenditure limit would therefore not apply. Schools Forum has very helpfully supported a proposal that the costs of making this provision during 2011/12 can be met from DSG balances. As there is sufficient available funding within the DSG to meet all formal requirements such as the Minimum Funding Guarantee for schools as well as the provide the increased budget for the Hospital School budget proposals currently assume that this pressure will be met from DSG in 2012/13 and beyond. However it is important to note that Schools Forum has not yet been formally consulted on this proposal and consideration will need to be given to their views once they are known.
27. The directorate is trying to determine the costs associated with the new duty to provide free early education for 'most disadvantaged' 2 year olds. We have yet to see the guidance on what constitutes the most disadvantaged and therefore cannot accurately predict the resource consequences for us. We estimate the costs will over time build up to between £1m and £2m. Indications from government are that a new grant "Fairness Premium" will be introduced from April 2013 which should be used to provide early education for all disadvantaged 2 year olds. Oxfordshire's allocation from this grant has not yet been announced. At present it is assumed that the cost of the required provision will be met in full by the new grant.
28. We have been building up our ability to trade services to schools. An example of this is our Educational Psychology Educational Service which has generated an income of £0.438m in its first year of trading.
29. It is proposed reallocate the funding source for a number of central budgets to improve the clarity of the use of DSG, and at the same time to reduce some existing DSG contingency allocations. Overall these adjustments will result in a £0.300m reduction in funding required from the authority's base budget.
30. We had planned as part of the Business Strategy to deliver an Autistic Spectrum Disorder (ASD) unit within Oxfordshire to meet the special educational needs (SEN) of children and young people who are currently placed outside of the County. This would give us financial savings and be more effective for children and young people. Our number of ASD children placed outside of

the county is higher than statistical neighbours and the needs are growing for ASD SEN children and young people. We had originally planned to utilise a property asset realised through the plans for local Libraries. However, this has not been possible and this has delayed some of our planning, we continued our search and also held consultation meetings with parents/carers and other groups including the voluntary sector. (Cross reference CEF 8 in last year's plans). Members of the Capital Investment Board (CIB) have approved a proposal for a capital investment for basic needs and feasibility study based at the Ormerod special school site (CIB Minute 9 August 2011). This has resulted in us seeking to re/profile the saving for forthcoming years. Current proposals simply remove the existing £1m saving target from 2012/13. The replacement saving is not yet modelled in these papers however should contribute part year effect in 2014/15 with full effect by 2015/16. The Directorate will bring forward proposals to meet the 2013/14 shortfall during 2012, alongside considering the impact of other major changes affecting local authority funding.

31. It was originally intended to reduce the LA contribution to centrally retained elements of the Schools Budget so as to provide £1m savings in 2011/12, a further £0.5m in each of 2012/13 and 2013/14 and £0.195m in 2014/15. In fact the whole of the LA contribution has been removed from the Schools Budget in the 2011/12. Some £0.5m represented overhead costs of the local authority run children's centres and as part of the changes this money is now held within the Children's Centres budget of the authority. Consequently one of the tranches of £0.5m savings cannot be achieved. In effect £1.7m of the total planned saving has been realised during 2011/12. The Directorate proposes to remove the future savings associated with this proposal from the medium term plan.
32. The coalition government has made schools responsible for providing an all age careers service since September 2011 however OCC has continued to fund some transitional support for schools through 2011/12. It is proposed to further reduce that extra support during 2012/13 and cease support from April 2013. It is intended that the Early Intervention Service will pick up responsibility for tracking and assisting young people who are not in employment, education or training.
33. Work has commenced to review the management structure and commissioning arrangements currently in place for Children's Centres. This review would seek to align the service provision along the hub model ensuring a seamless service for children and their families from birth to 19 years old. Savings with the review are expected to be £175k in 2012/13 with a further £325 in 2013/14. This will protect services and reach to families provided by the county's 44 children's centres whilst making modest savings from eradicating duplication, sharing best practice and exploring innovative management and administrative solutions.
34. The cost of the City Schools Re/Organisation (which was implemented during 2003/04) was repaid in full ahead of schedule during 2010/11, therefore releasing a saving earlier than previously anticipated.



**Children's Social Care (CSC)**

35. The reorganisation of services has been completed and new managerial arrangements have been put into place. Teams (although not changed in size) have changed the way in which they are organised. CSC has continued to work with increased and sustained demand for child protection services over the last year.
36. The £0.050m savings required from the corporate parenting budget will be met from the reorganisation work currently underway. It is intended that current management arrangement within the service be reconfigured so as to create better fit, improve management arrangements and reduce staffing costs. This will be achieved without recourse to redundancy.
37. As part of 2012/13 business strategy refresh we will be re/designing the Youth Offending Service (YOS). Work to review the YOS was already underway and we paused this work during the YOS inspection. We are undertaking benchmarking of the service against other YOS in order to assist our review and redesign. Redesigning management and staffing structures consistently with the restructuring of other parts of the Directorate is estimated to save £0.300m per annum. Changes in regulations will require local authorities to pick up the remands to custody costs for young people sentenced by the youth courts. This is likely to take affect from April 2012. On the basis of previous sentencing patterns it is estimated that the additional revenue cost that will fall to local authority are likely to be in the region of £0.150m.
38. The demand for CSC has continued to increase year on year:
- **Contacts** to CSC have increased year on year, in 2008/09 they were 10,208, increasing in 2009/10 to 12,046 and we estimate based on the first six months of this year will increase to 16,265
  - **Referrals** have increased from 4,928 (2008/09), to 5,501 (2009/10) and we estimate based on the first six months of this year will increase to 6,398.
  - **Initial assessments** have increased from 2,715 (2008/09), to 3,292 (2009/10) to 3,373 (2010/11) and we estimate based on the first six months of this year will increase to 3,521.
  - **Core assessments** have increased from 880 (2008/09), to 1,317 (2009/10) to 1,859 (2010/11) and we estimate based on the first six months of this year will increase to 2,210.
39. The service will need to implement the recommendations of the Professor Eileen Munro Reports and will continue to work closely with the Oxfordshire Safeguarding Children Board to ensure adequate provision of safeguarding services.

40. The number of children with a child protection plan has increased and the number of care proceedings has seen a corresponding increase. Legal services will quantify these pressures in their contribution to the Chief Executives Star Chamber. The service is meeting increased demand, and sustaining performance improvements this is a significant achievement although clearly increased demand may lead to additional resource and capacity pressures.
41. Over the past 12 months, the number of eligible young people for the Unaccompanied Asylum Seeking Service have reduced, with the trend likely to continue in the upcoming years. The expected current year underspend is proposed to be carried through to the rest of the financial plan as an additional £0.300m savings.

### **Cross Directorate Delivery**

42. The creation and transfer of The Business & Skills Team has replaced our 14-19, 16-19 and Oxfordshire Education Business Partnership arrangements. The budget and savings targets associated with this team were transferred to Environment & Economy on 1 October 2011. Savings targets for 2010/11 are forecast to be achieved and budget planning show that savings will be met as agreed for 2011/12.
43. As part of the service and resource planning last year, the Music Service was transferred to CEF. A saving for the Music Service to achieve a greater saving as part of this year's Business Strategy was set and is on target to be met. Our approach has been consistent with the Outdoor Centres, in that we expect the Music Service to be self-funding. The Music Service has a plan to deliver and will be assisted to deliver further reductions, for example any new appointments for music tutoring will be made on Local Government terms and conditions unless a qualified teacher is required for the role.
44. In addition to the above, due to the complexity of the restructuring proposals for Children's Services during 2011/12, the medium term financial plan included a provision for the potential impact of double counting across multiple savings proposals. As the restructuring nears completion it is now becoming clear that the impact of double counting was much less than was provided for. Accordingly this provision is no longer required for future plans and will also be removed.

## Performance Achievements

45. During 2011/12 the Directorate has sustained performance in most areas and delivered a number of key performance improvements including:

### Ofsted Inspections:

- Unannounced Inspection of Referral and Contact arrangements (November 2010) – no priority actions.
- Safeguarding and Looked After Inspection (May 2011) Judgement Overall Good (20 summary judgements of good, one outstanding, one adequate, none inadequate)
- Children's Homes (July 2011) - Good with outstanding features
- Adoption Inspection (July 2011) awaiting publication.

### Performance improvement in

- The proportion of CP plans lasting 2+ years has decreased from 8.8% (2009/10) to 5.5% (2010/11)
- The timeliness of LAC reviews improved during 2010/11 (from 88.4% to 93.7% which is 0.7% above target)
- The number of children adopted in 2010/11 was 21 and over 90% of them were adopted within 12 months of agency decision. This compares favourably with similar authorities.
- The LAC population has reduced from 450 (Mar 2010) to 430 (Mar 2011) even though there has been a rise in care proceedings indicating that the needs of the LAC population are elevated, but the LAC population has been well/controlled by our edge of care services.
- More families have been supported by our Family Information Service (FIS) during the first quarter of the 2011/12 business cycle (April / June 2011); we supported 105 vulnerable families with the provision of in/depth, brokerage support.
- The percentage of care leavers in employment, education and training (EET) has held up well and improved during 2010/11, up from 76.5% in Q1 to 78.4% (well above the national average) by Q4, this is despite the difficult economic climate.
- The proportion of 16-18 year olds not in education, training or employment (NEET) fell from a high of 8.1% in 2010/11 to 5.7%, despite the continuing difficult circumstances. This is below the national rate of 6.0% and the latest figures show some of our statistical neighbours are as high as 19%.
- We have had particular success this year with 71% of our Early Years / Childcare providers being judged Good or Outstanding. The number of childminders getting a good grading on their first inspection has improved and there are improved ratings for childminders who previously had inadequate inspection results.

- The percentage of Key Stage 2 pupils attaining the threshold Stage 2 achievement of level 4 or above in both English and Maths remains above the national average, at 75%.
- Progression rates from Key Stage 1 to Key Stage 2 have improved to above the national average.
- Rates of teenage pregnancy have fallen for the last two years, with a 13% reduction from last year to a rate of 26.1 conceptions per 1000. This is the lowest level since the start of the Teenage Pregnancy Strategy in 1999. Our latest figures show a continuing improvement in 2010.
- Permanent Exclusions have been reduced by over half in two years (81 in 2008/09, 44 in 2009/10, 36 in 2010/11). There were two permanent exclusions from Primary schools in 2010/11, compared to six in 2008/09. There were no special school permanent exclusions in 2010/11 compared to two in 2009/10. There have been no permanent exclusions of Looked After Children in the last three academic years.

46. We have increased the number of centres offering Duke of Edinburgh (DoE) awards from 37 to 53. There has been a 13.59% increase in the number of active participants with 3294 young people now engaged on a programme. Within the overall growth is an increase of 190% for vulnerable young people, this includes a 6.25% increase of young people with disabilities and a 75.25% increase in Black & Asian Minority Ethnic participants. The number of adult volunteers has risen by 10.45%. These figures raise Oxfordshire to above the national average with numbers still on the increase.

47. We have successfully run a pilot of the National Citizen Service within the county. 34 young people successfully completed their National Citizen Service in Oxfordshire in the summer 2011, and a further 17 young people completed the initial phases of the programme. The programme reached a wide and diverse range of young people including 11 young people in the care system and 14 with disabilities. The 6 week programme involved completing an outdoor adventure residential, an in/county residential exploring the concept of 'social action'; and 3 further weeks planning and undertaking social action projects in 4 areas across Oxfordshire:

- Witney young people raised £484.17 for Witney Community hospital by holding a fundraiser day
- Abingdon young people raised £245 for The Abingdon Bridge project by holding a fundraiser day
- Oxford young people raised £304.05 for Oxford Homeless Pathways by doing a 12 hour fast, dressing up in fancy dress and completing challenges to "Make Oxford Smile"
- Banbury young people raised £785 for Katharine House Hospice by undertaking a "Teen Zoo" - 30 hours sitting in a cage which they constructed in the centre of Banbury dressed as zoo animals.

48. We have developed, with over 250 young people a new website (OXME), for children and young people in Oxfordshire. This has reduced thirteen separate websites into one and it now has space for different ages of children and young people.

### **Conclusion**

49. This report outlines the current position of the Directorate in relation to its current operational and financial performance along with the key risks that must be addressed. It provides proposals to address the financial challenges facing the service in 2012/13 along with details of how variations to the agreed medium term financial plan will be managed.

50. There have in recent months been considerable challenges for the Directorate, in particular, the reorganisation of our services, the delivery of significant savings and the outcomes of a number of major service inspections from our regulators. These have in large part been met and place ourselves in a position to move positively forward in 2012/13.

51. There is a need to refresh the current business plan in order to capture current Government thinking and address the priorities and ambitions of the County Council. This needs to be done against a backcloth of reducing resources and new relationships with partner organisations. It is intended to develop this work in the coming months and present to Cabinet in March of 2012 for consideration.

**Jim Leivers**  
**Acting Director of Children, Education and Families**

**2 December 2011**

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# **Business Strategy**

**2012/13 – 2014/15**

## **Social & Community Services Adult Social Care**

## **Directorate Statement**

The Social & Community Services vision is to support and promote strong communities so that people live their lives as successfully, independently and safely as possible.

There are four key elements of our overall Social & Community Services strategy as explained below:

### **1) Prevention “keeping people well”**

By supporting people early on some individuals may not need to use adult social care services. Other people may need less support or not need it until later. Savings will be delivered through developing long term support options that prevent more people from having to go into hospital or a care home. We can also create other ways to care and support people safely which will save money at the same time.

### **2) Personalisation “promote choice and control”**

Personalisation is a new way of working which the council was developing before the most recent changes to public spending. It is a way of working which makes sure people have more choice and control over the way they are supported in living their lives. One part of this is called self directed support. Using this new way of working people who are eligible for social care support from the council, can decide how they want to be supported through their personal budget. People are allocated a personal budget which is calculated using a formula called the Resource Allocation System. Savings are possible through providing services more efficiently. Personalisation is also about developing services that can be used by anyone and not only people who have care and support needs.

### **3) Protection “keeping people safe”**

We have to ensure that people do not have to worry about becoming vulnerable. We have to ensure that they can live a life free from both abuse and the fear of abuse and can have care and support which meets their needs. We will treat people as individuals and with dignity and respect.

### **4) Partnerships “working together”**

We will achieve our overall strategy and efficiencies through working together with people who use services, carers and the wider community alongside our partners in the

- health sector
- district, parish and town councils



- community, voluntary and faith sector
- fire & rescue and police services
- independent sector

## Adult Social Care

### The Adult Social Care Strategy

In partnership with the Health Service, Social & Community Services delivers crucial care services to the adult population of the county. We support the health and wellbeing of all adults by managing, designing and delivering/ procuring adult care services – this includes services for older people, adults with learning disabilities, adults with mental health problems and those with physical and sensory impairments. The key elements of the strategy over the next 5 years are:

- 1) Keeping people well through investment in services that prevent some people from needing to access social care services and by reducing or delaying the need for care for others. The types of services include information and advice, reablement (short term help people to recover their abilities to look after themselves after an operation or accident), falls prevention, continence services, dementia services, carers support services, services for social isolation, employment, assistive technology, occupational therapy, equipment and day opportunities.
- 2) To ensure people can live a life free from abuse and the fear of abuse and can have care and support which meets their needs. We will treat people as individuals and with dignity and respect. We will take action to protect people where appropriate.
- 3) Ensuring people have more choice and control over the way they are supported in living their lives. Self directed support is the means by which people are allocated a personal budget, based on their needs, to arrange and purchase their own care and support. Most services are purchased from providers external to the County Council and this will increase over the next 2 years. The Resource Allocation System uses a formula to calculate personal budgets for people who are eligible for support from adult social care. This personalisation stream will significantly change both our workforce and our relationship with service users and providers. We need to manage demand and unit costs and we need to do this in partnership with service providers to ensure that personal budgets will be sufficient to enable people to purchase their care from a range of providers and still meet their needs.
- 4) To develop long term support options that increasingly reduce the number of people admitted to care homes and increase alternatives to care and support that continue to keep people safe in their own homes. This will provide better outcomes for people as well as achieving efficiencies for the council. We have to reduce the number of people going into residential care and we are generally low

users of residential care except for older people. In the past, we have had very little Extra Care Housing. We have a major programme to significantly increase provision in Oxfordshire. We are also developing other models of care.

- 5) To promote services that can be used by everyone and that support the development of communities and opportunities for meaningful occupation

We will achieve this strategy through working together with people who use services, carers and the wider community alongside our partners in Health. There is scope for much closer working with Health and in genuinely pooling resources which could achieve more effective use of public resources.

### Adult Social Care Overview

#### The Budget

The table below represents the gross budget for adult social care in 2011/12 and the proposed net savings from 2011/12 to 2014/15. It also confirms the total number of adult social care employees in 2011/12 and the planned reductions in staff.

<b>Directorate</b>	<b>Adult Social Care</b>
<b>2011/12 Gross Budget</b>	<b>£229.940m</b> (includes £16.197m of Support Charges and £158.685m contribution to Pooled Budgets with the NHS)
<b>2011/12 FTE</b>	<b>975.65 FTE</b> (as of the 30 <sup>th</sup> June 2011). This does not include those employed by externally purchased services but does include internally provided services. Nearly all of these are being transferred to other organisations or in the case of the Internal Home Support service being closed down

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	6.338	4.089	5.504	15.931

Includes the effect of National Insurance variations and savings relating to terms and conditions now allocated to Directorates

#### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total

Previously Agreed Savings	-10.346	-4.128	-6.667	-21.141
Variations to 2011/12 MTFP Savings	3.352	-0.244	-0.144	2.964
<b>Revised Savings</b>	<b>-6.994</b>	<b>-4.372</b>	<b>-6.811</b>	<b>-18.177</b>

### Adult social care comparative spending in 2011/12

Overall Oxfordshire is a low spending authority on adult social care. Final figures for 2009/10 show the county to be the 10<sup>th</sup> lowest spending authority out of the 150 authorities with adult social care responsibility, with provisional 2010/11 figures ranking Oxfordshire as the 9<sup>th</sup> lowest spending authority. Authorities are split into families of similar demographic characteristics. Oxfordshire was the 4<sup>th</sup> lowest spending authority in our family of 16 authorities in 2009/10 with a provisional ranking of 5<sup>th</sup> for 2010/11.

### Annual Adult Social Care Performance

Overall adult social care is a low spending, but high performing service. In February 2011 questionnaires were sent to over 2000 people who used services purchased by adult social care and 558 responses were received. 90% of people who responded were satisfied with the services they received, compared to only 3% of people who expressed dissatisfaction with services. In some client groups there are waiting lists for assessments, for new services and for reviews. Significant additional funding has been made available to ensure delays are reduced across the system combined with a renewed focus on assessment and reviews. There is also a question of whether there are emerging demands for health and social care which are greater than we had anticipated.

### Adult Social Care Statutory offer

The offer that we are obliged by statute to offer can be summarised as:

- Statutory requirement to assess and meet care needs providing people meet our eligibility criteria
- Individuals have to pay towards their care if they have the means to do so (this will continue if the Dilnot report commissioned by the government is implemented but there will be a cap on contributions)
- The council can arrange care directly if people do not wish to do so themselves
- Care plans cannot be changed by the Council without a reassessment of need
- Offering Direct Payments if individuals want one
- Keeping people safe but also supporting people to make their own decisions providing they are capable of doing so
- Support informal carers to care
- Advocacy and Involvement e.g. Local Involvement Network

## Overview of Adult Social Care progress in 2011/12

Oxfordshire County Council's overarching goal is to ensure 'a thriving Oxfordshire', by maximising growth, enhancing the environment and sharing the benefits of growth as widely as possible. Adult Social Care continues to support 'a thriving Oxfordshire' by promoting strong communities so that people live their lives as successfully, independently and safely as possible.

The key elements of the adult social care strategy remain the same. Adult social care continues to promote services that keep people safe, give people more choice and control and keep people well whilst preventing people from needing to access social care services and delaying the need for care for others.

- Overall, adult social care service will achieve its savings in 2011/12. Whilst people who receive services say they are satisfied, there have been significant pressures due to increasing demand. The development of new locality teams and the performance management arrangements that accompany them will improve the capacity of teams and enable them to have a greater focus on assessments and reviews as well as bringing decision making closer to where people live.
- Working with the Oxfordshire Clinical Commissioning Group, work is being carried out to understand what is happening to demand across the health and social care system and to invest in the right new developments which will deliver the strategy. Progress has been supported by targeted extra money from the NHS which has contributed to a significant increase in the level of adult social care.
- The budget for the internal home support service has been reduced and there are no unanticipated impacts or delays.
- We are developing alternative long term support through extra care housing and other supported housing models to reduce the number of people admitted to care homes.
- Partnerships with providers of services in Learning Disability and Mental Health have enabled a joint approach to delivering savings which are on target.
- A joint commissioning strategy will be developed with Health to improve the commissioning arrangements for people with a physical disability and/or brain injury. However, there is an underlying pressure on this budget which needs to be resolved.
- We have negotiated and agreed fees with individual service providers for 2011/12. Further assessment, negotiation and consultation with those providers about fees will be necessary for each forthcoming year of the Business Strategy.

### Service areas where proposals agreed in the 2011/12 Business Strategy need to be revised

The majority of the savings proposed in last year's detailed Business strategy are in the process of being delivered. The following are a few areas where savings need to be revised:

- We have delivered significant savings from reducing the number of employees directly employed by the Council as more people take up the option to arrange and purchase their own care through a personal budget. However, the potential savings from the reorganisation of the adult social care locality teams and the introduction of the brokerage service were overstated last year by mistake. This leaves a shortfall of £0.648m which needs to be funded.
- Transport – we plan to provide transport for those who meet eligibility criteria and require it to access services. For those who are not eligible they will need to access services either through their own means or pay for transport provided by the council or other organisations. This approach which is a change to the proposals set out in the Business Strategy for 2011/12 – 2014/15 will deliver fewer savings than anticipated previously and will take longer to deliver the savings.
- The plan to reduce funding to the Learning Disability internal supported living and day services by £1m over 2 years has partly been achieved through a management restructure. The remaining savings will now be achieved over 3 years through purchasing the service from external providers to enable the service to be provided more efficiently.

#### Potential financial pressures in 2012/13

There are challenges involved in delivering the existing proposed efficiency savings and some of the pressures have been reviewed as more information has become available.

- **Demography** – Oxfordshire identified demographic pressures of £4.3m for 2011/12 – in line with the national average of £4.1m. The current pressures for older people and people with a learning disability in the medium term financial plan appear to be robust. Although some authorities identify a demographic pressure for adults with mental health problems, Oxfordshire does not and can see no compelling case for doing this. The calculation for demographic pressures for adults with a physical disability is below those forecast elsewhere and is believed to be unrealistically low and needs to be brought in line with the national average. The calculation should be worked out based on the numbers of people receiving mobility allowance. This would increase the pressure by £0.204m and restore the link to the proper demographic level.
- The low level of **demographic funding for adults with physical disability** has led to the current budget being out of line with spending despite the pursuit of potential savings. It will require an additional £0.596m extra in 2012/13 (on top of the £0.204m set out above) to bring the budget to a realistic level. In addition, it will be necessary to find resources to eliminate the overspending that is expected on this budget during the current year.
- The number of people with an **acquired brain injury** has increased and the budget needs to be increased accordingly.
- **Autism** - The Autism Act 2009 and the subsequent statutory guidance requires local authorities and the NHS to seek to improve services for adults with autism, their families and carers. It is envisaged that further investment of £0.050m in 2012/13 rising to £0.150m in 2014/15 will be needed to meet the potential demands particularly of the needs of people at the higher end of the autistic

spectrum and ensure a robust pathway exists, Work is underway to predict costs, which will include identifying areas where savings can be made through improving this pathway.

- We are working with the **Oxfordshire Care Partnership** to explore ways of meeting long term care needs in a way which reduces the cost of providing services and achieve savings. This proposal has been subject to an extensive review. Further work is still required. However, we expect to be able to deliver most of the £3.8m savings set out in the existing Service and Resource Plan. Any shortfall will have to be managed within the overall budget for older people.

### **The Directorate is making the following contributions towards delivering the Council's business strategy**

**1. Changing the way we work** - Adult Social care is contributing to new ways of working by re-structuring services, merging support functions with the Children, Education and Families directorate and implementing an upgraded information system which supports efficiency and improved data recording.

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**2. Reshaping Management** - all of the teams within adult social care have been reorganised or are in the process of being reorganised and streamlined and some of the services provided by the Council will now be provided by organisations outside of the County Council. A new joint commissioning service that creates a more efficient service across adults and children's services is in the process of being established.

**3. Customer Services Centre** - the Social and Health care team has moved into the corporate customer services centre and is providing the first point of contact for people regarding social care and support.

**4. The Asset Management strategy** – the strategy for Adult Social care is focused on preventing the need for people to be admitted to care homes and the development of extra care housing which supports people to live in their own homes.

**5. Customer Focus** – Adult social care supports an annual event (“Hearsay”) where service users and carers meet with senior managers to discuss the issues that are important to them. An action plan is then developed and monitored to ensure customers views are heard and enacted upon. The transformation of adult social care has resulted in service users having greater control over how their needs are met by directing their own support through a personal budget. The Director of Social & Community Services is working closely with health colleagues to develop future partnership approaches to support effective customer focused commissioning of services.

**6. Streamlined Service and Resource Planning** processes and delivery of **efficiencies** by Directorates – the Social & Community Services and Children, Education and Families directorates are streamlining the service and resource planning process through greater integration and working together.

**7. Big Society** – The move towards personalisation and personal budgets within adult social care is enabling a joint approach to supporting the development of communities. This builds on the longstanding use of volunteers such as in day services.

**8. ICT** – the Council has invested in an upgraded adult information system to significantly streamline the current processes and an information system that will support a central resource of information for service users that will provide a more efficient way of identifying the right service to meet needs.

### **Detailed plans for 2013/14 and 2014/15**

The total planned savings for adult social care for the four years of the current Business Strategy are £38m. Of this £28m is planned for 2011/12 and 2012/13. This leaves £10m to be delivered in 2013/14 and 2014/15. Proposals to achieve these savings have been identified.

The broad and high level proposals put forward in the Business Strategy are set out to assist members in giving consideration to the likely budgetary provision that will be necessary for the Directorate. Many of the proposals have or will required detailed work. They will be subject wherever appropriate to formal consultation with the public/stakeholders and an equality impact assessment culminating in a formal report to Cabinet for a final decision. A determination of the likely demand on the Council's budget for the Directorate should not be taken as any form of final decision on any operational policy changes.

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### **General risks and opportunities**

- The strategy assumes a reliance on informal carers to continue caring. The value of the contribution from carers is several times greater than the resources spent by the local authority. Spending on carers has been protected in recognition of their contribution.
- The Government's proposals on the future funding of adult social care are expected in April 2012. The proposals of the Dilnot Commission have been widely welcomed. However, if they are implemented they will need to be properly funded at a national level and implemented effectively. Dilnot will not address the demographic pressures that we face.
- The implications of the NHS White Paper. This is a major opportunity which encourages joint working across health and social care that focuses on the best outcomes for individuals and ensures the best use of limited public resources. Extra health funding available in 2011/12 and in the medium term represents a real opportunity for assisting closer working with Health.
- Impact of changes in partner organisations such as the restructuring of the PCT, eligibility for continuing health care and the reduction in partners' budgets will have implications for adult social care and may distort the council's spending priorities.

- The health and social care system is under considerable pressure. Demand for services for older people this year is greater than demographic growth. In some budget areas one client with high needs and therefore high costs can have a significant impact on budgets and this cannot easily be predicted or mitigated against in that service area. Greater demand can lead to delays.
- The market may not deliver the capacity and quality of care at the price available to service users through the personal budget allocation. This will become clearer over time as new providers become established and service users more familiar with the new arrangements.
- We want to encourage more people who fund their own care to explore alternative options to care homes.
- Management capacity to cope with the scale of change that we are managing will continue to be a challenge.
- Current information systems need reviewing and updating.



## Activity Area - Older People

<b>Service Area</b>	<b>Older People</b>
<b>2011/12 Gross Budget</b>	£100.138m (including £80.288m contribution to Older People, Physical Disabilities and Equipment Pooled Budget)

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	2.007	1.646	2.247	5.900

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-5.470	-2.931	-3.704	-12.105
Variations to 2011/12 MTFP Savings	1.748	-0.300	-0.100	1.348
<b>Revised Savings</b>	<b>-3.722</b>	<b>-3.231</b>	<b>-3.804</b>	<b>-10.757</b>

### Current service activity

The service supports older people (people aged over 65 years) and their carers to live healthy, safe and valued lives through the provision of information, professional assessment and support, rehabilitation, reablement, brokerage and the implementation of support plans that promote independence and keeping well.

The service also ensures there is an adequate supply of good quality, cost-effective services that people want to purchase and that meet the needs of older people and their carers. There is a focus on developing a range of preventative approaches aimed at keeping people well. The budgets for residential and nursing home placements, home support, initial assessment and enablement, day services and equipment are within a pooled budget with Oxfordshire Primary Care Trust. Specialist care management activity is funded from budgets outside of the pooled budget. This pooled budget is a budget that includes services for older people and people with a physical and sensory impairment.

### Proposals to deliver efficiencies

To be able to deliver cost effective services and deliver efficiencies we need to work jointly with the NHS to support strong and safe communities, develop services that everyone can access, reduce demand and provide more for less. The strategy has therefore focused

on reducing demand and reducing costs of services. A significant opportunity exists to make large scale savings whilst continuing to meet people's needs with good individual outcomes. This is to stop people needing and choosing a care home to meet their needs.

### Plans for Efficiencies

**1)** Deliver a change of policy for long term support in line with the 'Ageing Successfully' framework that potentially reduces the number of older people admitted to care homes and increases alternatives to care and support that keep people safe and well in their own homes. This will provide better outcomes for people as well as achieving efficiencies for the council. The plan is to provide alternative services that will allow people to live in their own home rather than a care home e.g. extra care housing, more equipment and assistive technology.

The net cost to the council of placing a person in a care home is currently £338 per week compared with £216 in extra care housing and a potential £197 per week through 2 hours per day of traditional home support. Diverting one person per week from a care home placement to extra care housing at the current costs would save in the region of £0.165m per year.

The work being done to achieve savings:

- Review of the Oxfordshire Care Partnership care home and extra care housing contract. We are working with the Oxfordshire Care Partnership to explore ways of meeting care needs in a way which reduces the cost of providing services and leads to developments to achieve efficiencies.
- Continue with our major programme of extra care housing as an alternative to care homes
- Continue to develop assistive technology (telecare and telehealth) to keep people at home safely
- Continue to improve availability of equipment and practical support at home
- Develop adult family placement services (Shared Lives) as an alternative to care homes
- A significant proportion of care home placements funded by adult social care each month are people who have chosen to purchase a place with their own funding often before they really needed it and then their funding has run out. We need to provide information before self funders make this choice and encourage them to choose options in the community.

We will focus resources on prevention and early intervention so we can limit unnecessary need for adult social care whilst continuing to keep people safe. Improving information so that individuals and their families can plan better is crucial.

**2)** The Resource Allocation System uses a formula to allocate personal budgets to people who are eligible for support for adult social care. Efficiencies from the move to self directed support and personal budgets will result in more efficient delivery of care. Costs included in the Resource Allocation System reflect best practice nationally.

The medium term target is to reduce the unit cost of an hour of home support to £15 per hour in line with other Local

Authorities. A survey conducted by the Association of Directors of Adult Social Services (ADASS) identified that the average cost of home support was approximately £15 per hour. In 2010/11 the average cost in Oxfordshire was £23 per hour. The budget for 2011/12 was built on an assumption of £18 per hour. In August the unit cost of an hour of home support was £19.57. This has reduced from £21 per hour the month before and is reducing month by month as individuals transfer across to the new providers.

As a consequence of the introduction of self directed support and the high unit costs of internal home support combined with pressure for efficiencies it has been agreed that the Council will cease to fund the internal home support service by April 2012. Most of the funding would be transferred to personal budgets. Services currently provided by the council could be purchased directly by service users or re-commissioned through external contracts at a reduced cost. The council is facilitating the availability of personal assistants directly employed by service users.

**3)** Reduce the number of care packages through continuing to deliver the prevention strategy – Preventive services are those that prevent ill health across the whole population so that people are healthier for longer, and services that prevent or delay the need for more costly and intensive health and social care services. The reablement strategy is about ensuring that there are effective and efficient services in place in Oxfordshire so that most older people do not need care packages after their stay in hospital or accident or illness and sufficient support to learn or relearn the skills necessary for daily living. Regular reviews of support that focus on enabling people to be independent will also reduce the need for care. Another goal is to improve the stroke, dementia and continence pathways and enable more people to be independent.

We will also continue to develop the 'Whole System' approach to test a new health and social care model of care that aims to prevent hospital admission, provide care closer to home and facilitate quicker discharge from hospital. This whole systems approach is now known as the Appropriate Care for Everyone (ACE) programme. It aims to reduce demand and therefore costs to adult social care. It is led by Dr Stephen Richards, the Chief Executive of the Oxfordshire Clinical Commissioning Consortium and is supported by the Oxford University Hospitals Trust, the Primary Care Trust, Oxford Health and the County Council. It was initially piloted in Abingdon and will be repeated across the rest of the county in 2012/13.

**4)** Work to keep costs of contracted services down by working with providers to make efficiency savings in the way they provide services and manage inflation.

**5)** Support carers to continue caring – the value of the contribution from carers is several times greater than the resources spent by the local authority.

**6)** Maintain spending on day opportunities for older people and ensure that they are more effective and efficient and meet the needs of local people and communities – We believe there is room to increase the proportion of service users who use their

personal budgets for day opportunities providing that the services provide good outcomes and are well marketed.

7) Transport for day services – we plan to provide transport for those who meet eligibility criteria and require it to access services. For those who are not eligible they will need to access services either through their own means or pay for transport provided by the council or other organisations. We will work with providers to support their transport offer to their services.

### **Additional resources available to help us deliver this agenda**

In 2011/12, £6.1 million of additional funds from the Department of Health (DH) was made available for social care, via the Primary Care Trust. These funds were used to relieve immediate pressures on hospitals through funding additional home support hours to enable people to go home more quickly and in the short term additional care home placements, than were originally planned. The rate of additional funding for 2012/13 is £5.9 million. The NHS Operating Framework published in November 2011 has confirmed that this additional funding is available until 2014/15 (the end of the Spending Review period).

The additional funding has also funded the following services which will have on-going commitments in future years

- £0.300m for the Alert Service (personal alarms and other forms of technology to allow people to remain safely at home) which is supporting 20% more older people as a result.
- £0.500m to set up and maintain a new emergency home support service
- £0.750m for additional community equipment to support people in their own home and reduce demand for care packages

The table below summarises the commitments that have been made this year together with the expected resources available from the NHS for adult social care and the additional resources provided by the County Council for demography. This table shows that there are resources in hand within the older people budget in each of the first three years (although the amounts involved are relatively small in the context of the budget of approximately £100m). There will inevitably be pressures on this budget over the next three years if demand increases in a similar way to that experienced this year, if costs should increase more than expected or if savings are not realised in full. On the other hand, if the whole systems work described above starts to reduce demand especially for more expensive bed based care then this will increase the resources available. The table assumes that the additional money from the NHS comes to an end at the current spending review period. Whether this happens or not will depend on the outcome of the Government's next Spending Review scheduled for the summer of 2014. If the additional resources do not continue then this will increase the pressures on the older people budget.

	2012/13	2013/14	2014/15	2015/16
<b>Costs of additional activity (£m)</b>				
Alert Service	0.300	0.300	0.300	0.300
Emergency Home Support Service	0.500	0.500	0.500	0.500

Additional community equipment	0.750	0.750	0.750	0.750
Cost in future years of additional care home placements agreed in 2011/12. (The costs fall as people die)	2.063	1.135	0.624	0.343
Additional home care capacity (11/12) clearing current waiting list and supporting people at home in line with the strategy	2.430	1.458	0.875	0.525
Additional home care capacity - maintaining current injection of activity over future years. This will help increase the number of home care hours available each week.	1.596	5.427	7.726	9.105
<b>Total</b>	<b>7.639</b>	<b>9.570</b>	<b>10.775</b>	<b>11.523</b>
<b>Additional Funding (£m)</b>				
DH additional funding for adult social care from the NHS	5.900	5.900	5.900	
Demography	2.154	4.050	6.497	9.289
<b>Total</b>	<b>8.054</b>	<b>9.950</b>	<b>12.397</b>	<b>9.289</b>
<b>Shortfall (+) / Resource in hand (-)</b>	<b>-0.415</b>	<b>-0.380</b>	<b>- 1.622</b>	<b>2.234</b>

#### **Impact of the proposal on service users and communities**

People will be encouraged to choose options in the community to meet their long term needs as opposed to a care home. The strategy is intended over time to encourage people to be more independent and more able to direct their own support. Although service users will have sufficient budget to meet their eligible care needs this will involve them working with the brokerage service or their social worker or independent adviser to design support in a more efficient and effective way. Any delays could increase the need to protect people but we have good safeguarding processes and we have enhanced our risk management arrangements.

#### **Impact on providers**

Self-directed support and the changes in the way services are commissioned means that there will be few if any guaranteed block contracts. We are working with providers to ensure there is sufficient quantity and quality services available at an affordable price for people with a personal budget. Care home providers could be impacted upon by Social & Community services purchasing less care home placements.

#### **Impact of the proposal on other council services**

We will need to work in partnership with Environment and Economy to deliver transport savings not only in terms of the impact on the Integrated Transport Unit but also in the way that voluntary transport is supported. To deliver Extra Care Housing we will need to work jointly and creatively with Property and Facilities, especially in terms of the way that we use land owned by the County Council.

## **Capital implications of proposed changes**

### **1) Review of the Oxfordshire Care Partnership (OCP)**

Since the commencement of the Oxfordshire Care Partnership contract the commissioning strategy for Older Persons residential care has changed. This has given rise to a review of what should be delivered under the next phase of the 'Homes for Older People' programme. The main aim of the new strategy is to stop people needing and choosing residential care and encourage the use of Extra Care Housing (ECH). However, it is recognised that there is a need for some specialist care homes and some preventative bed-based services. As a consequence it is proposed to replace 8 residential care homes, that have not already been refurbished, with 4 new Extra Care Housing developments and 1 new care home delivering specialist and preventative nursing care in an area of the county that currently has low capacity and 1 refurbished home delivering residential dementia care.

### **2) Development of Extra Care Housing (ECH)**

There are 1,400 Extra Care Housing units planned by 2015. This is crucial to our strategy to make revenue savings from the older person's budget from avoiding the use of care homes if at all possible.

### **3) Day Opportunities Strategy and Transport Strategy**

Social & Community Services currently funds a range of day services for older people that are building based and rely on an integrated transport service. The planned model assumes three tiers and will include a review of the way transport is provided.

The capital implications of this strategy are additional capital resources may be required to develop Resource and Well Being Centres in Didcot and Wantage. We are working with the PCT on potentially combining the day hospitals in those towns with the existing County Council owned Day Centres.

### **4) Supported Housing**

Adult social care is currently preparing a supported housing strategy that will identify the housing needs of people known to adult social care and the types of housing with support that people need to enable people to remain living in the community.

### **5) Adult Social Care Systems Capital Investment**

The Adult Social Care Systems review confirmed that the system is dated and has suffered from a lack of development. Our current system will not adequately sustain the changes required by the service or the efficiencies and savings being demanded from the service generally. It was agreed to purchase an upgraded Adult Information System which is in the process of being implemented.

## Activity Area - Learning Disability

<b>Service Area</b>	<b>Learning Disabilities</b>
<b>2011/12 Gross Budget</b>	<b>£75.368m (including £64.613m contribution to Pooled Budget)</b>

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	4.206	2.389	3.239	9.834

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15 £m	Total
Previously Agreed Savings	-2.973	-0.023	-2.410	-5.406
Variations to 2011/12 MTFP Savings	0.550	-0.150	-0.250	0.150
<b>Revised Savings</b>	<b>-2.423</b>	<b>-0.173</b>	<b>-2.660</b>	<b>-5.256</b>

### Current service activity

The Learning Disability Service supports people with learning disabilities aged 18 and over and their carers to live healthy, safe and valued lives. There are approximately 2,000 people over age 18 with severe to moderate learning disabilities known to services in Oxfordshire. Learning Disability is defined as a significantly reduced ability to understand new or complex information, combined with a reduced ability to cope independently which started before adulthood having a lasting effect on development (Valuing People 2001). Learning disabled people with additional physical or mental health needs come under the remit of the Learning Disability service, as do older people with Learning Disabilities. The team provides professional assessments, care planning, social work support and information and ensures there is an adequate supply of good quality, cost effective services. The team supports 1,185 people to live in the community and 265 people are supported in a permanent residential placement.

### Proposals to deliver efficiencies

<b>Plans for Efficiencies</b>
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The Resource Allocation System allocates personal budgets to people who are eligible for support from adult social care. Efficiencies from the move to self directed support and personal budgets has resulted in more efficient delivery of care. As more cost-effective services and supports are developed, we aim to reduce people’s personal budgets to reflect this. People will still receive enough funding to purchase support to meet their eligible needs. Plans are aimed at reducing reliance on paid services and reducing unit costs of services through a wide range of activities so that people continue to be able to meet their eligible needs within the reducing budget through for example -

- employing personal assistants
- focusing on support that enables people to be independent through regular reviews
- a review of transport
- investing in developing independence skills and confidence, including work with teenagers

Contracts are being retendered to providers who hold framework contracts. These contracts are based on a zero number of hours but establish an agreement with providers of lower costs for people to spend their personal budgets to be able to manage unit costs.

Limit contract inflation - work to keep costs of contracted services down by expecting providers to make efficiency savings.

Externalisation of internal independent living services

Increase the availability of assistive technology and equipment options that enable people to stay in their own homes and reduce the need for paid staff

Delay admissions to more costly supported living through improved respite and shared care services

Reduce the cost of supported living through the supported accommodation review

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**Impact of the proposal on service users and communities**

The strategy is intended over time to encourage people to be more independent and better supported to direct their own support. Although service users will have sufficient budget to meet their eligible care needs, this will involve service users working with the brokerage service or their social worker to design support in a more efficient and effective way that meets their needs. The Council is working closely with providers to identify ways of reducing costs whilst retaining good quality services. Any delays could increase the need to protect people but we have good safeguarding processes and we have enhanced our risk management arrangements. Pressures may result in a need to return to providing support in larger groups or larger properties or clusters of smaller properties. There is a chance that informal carers may need to provide more support to meet need so carers’ assessments will continue to be a priority and we would seek to involve carers in circles of support and explore the use of volunteers and wider family members.

**Impact on providers**



Self directed support and the changes in the way services are commissioned means that there will be few if any guaranteed block contracts. We are working with providers to ensure there is sufficient quantity and quality services available at an affordable price for people with a personal budget. Providers have been involved in discussions with commissioners around developing more cost effective approaches of support and some innovative approaches are being pursued.

### **Impact of the proposal on other council services**

Any increased need to protect people will increase demands upon the Learning Disability teams and the safeguarding team.

### **Capital implications of proposed change**

Delivery of the savings through the Supported Accommodation Review is dependent on the availability of previously agreed prudential borrowing. It will also be dependent on successfully re-negotiating the legal charge on properties previously owned by the health service so that they can be reconfigured.

## Activity Area - Physical Disability and Sensory Impairment

<b>Service Area</b>	<b>Physical Disabilities and Sensory Impairment</b>
<b>2011/12 Gross Budget</b>	£7.490m (includes £6.880m contribution to Older People, Physical Disabilities and Equipment Pooled Budget)

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	0.060			0.060

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-0.276	-0.119	-0.098	-0.493
Variations to 2011/12 MTFP Savings	1.054	0.206	0.206	1.466
<b>Revised Savings</b>	<b>0.778</b>	<b>0.087</b>	<b>0.108</b>	<b>0.973</b>

### Current service activity

The Physical Disability Service supports disabled people and their carers to live healthy, safe and valued lives by enabling people to make choices while maintaining dignity and respect. The team provides professional assessments, rehabilitation, care planning, social work support, brokerage and information services to people aged over 18 years (primarily aged 18-64 years) with a permanent physical impairment and/ or sensory impairment and/or brain injury and their family/ carers. The team also provides services to children aged 0 – 18 years with visual, hearing or dual sensory loss and their families. The budgets for residential and nursing home placements, home support, initial assessment and enablement, day services and equipment are within a pooled budget with Oxfordshire Primary Care Trust. Specialist social work activity is funded from outside the pooled budget. This pooled budget is a budget that includes services for older people and people with a physical and sensory impairment.

### Proposals to deliver efficiencies

#### **Plans for Efficiencies**

Oxfordshire spends less than the national average on services for people with a physical disability and/or brain injury. The current

key issue is that the current budget does not support the number of adults with a physical disability and/or brain injury with eligible needs and people who use the service are reporting lower levels of satisfaction compared to other groups in Oxfordshire (User Survey 2011).

There is no nationally agreed method for identifying demographic pressure for adults with a physical disability/ brain injury and it is clear that the way that demography has been calculated in previous years has understated the increasing demand for services. The low level of demographic funding has led to the current budget being out of line with spending despite the pursuit of potential savings. It will require an additional £0.596m extra in 2012/13 (on top of the £0.204m outlined on page 7) to bring the budget to a realistic level. In addition, it will be necessary to find resources to eliminate the overspending that is expected on this budget during the current year.

The proposals are to

- 1) Develop a joint commissioning strategy with Health to ensure more effective and efficient commissioning arrangements for people with a physical disability and/or brain injury.
- 2) Continue to promote self directed support and personal budgets

#### **Impact of the proposal on service users and communities**

The strategy is intended over time to encourage people to be less dependent and more physically and psychologically able to direct their own support. Although service users will have sufficient budget to meet their eligible care needs, this will involve service users working with the brokerage service or their social worker or independent adviser to design support in a more efficient and effective way. Any delays could increase the need to protect people but we have good safeguarding processes and we have enhanced our risk management arrangements.

#### **Impact on providers**

Self-directed support and the changes in the way services are commissioned means that there will be few if any guaranteed block contracts. We are working with providers to ensure there is sufficient quantity and quality services available at an affordable price for people with a personal budget.

#### **Impact of the proposal on other council services**

To deliver supported housing we will need to work jointly and creatively with Property and Facilities especially in terms of the way that we use land owned by the County Council.

#### **Capital implications of proposed change**

To achieve greater efficiencies there is a need to develop a range of supported housing options that will enable people to live in their own homes in the community.

## Activity Area - Mental Health

<b>Service Area</b>	<b>Mental Health</b>
<b>2011/12 Gross Budget</b>	<b>£7.682m</b> <b>(including £6.903m contribution to Pooled Budget)</b>

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	0.001			0.001

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15 £m	Total
Previously Agreed Savings	-0.255	-0.216	-0.334	-0.805
Variations to 2011/12 MTFP Savings				
<b>Revised Savings</b>	<b>-0.255</b>	<b>-0.216</b>	<b>-0.334</b>	<b>-0.805</b>

### Current service activity

Almost all of Social & Community Services investment in mental health is managed within a joint commissioning pooled budget by Oxfordshire PCT. The County Council contribution purchases professional assessment (including mental health act assessments), support, and care planning, that promote recovery and keeping well within integrated teams within Oxford Health NHS Foundation Trust. It funds residential placements, direct payments to support independence and support for carers managed by the Trust. It also contributes to day and housing support services that provide universal information, preventative and recovery services that are largely delivered by the voluntary and community sector. The Better Mental Health in Oxfordshire Strategy 2009-12 is reviewing this provision in line with Creating a Healthy Oxfordshire and Transforming Adult Social Care. We are redesigning services along a pathway that helps people take control, stay well, maximise the use of mainstream activity to support well-being and provide more intensive support to enable people to self-manage long term conditions.

### Proposals to deliver efficiencies

#### Plans for Efficiencies

**1) Supported into Independent Living**

This will be managed by the creation of a housing pathway that supports people to move through from hospital to supported living to independent accommodation and makes the most efficient use of resources. The pathway pools adult social care, health and Supporting People investment in housing for people with mental health problems. The new services were introduced in March 2011. It will deliver efficiencies over time by reducing the number of small contracts and by moving people who are receiving support towards self-management of their care with the support of Keeping People Well

**2) Workforce restructure**

A review of the structure of the community mental health and specialist teams. It is currently subject to consultation. Detailed plans to support these efficiencies have not yet been agreed.

**3) Personalisation**

As part of the mental health strategy we will offer self directed support to eligible people that supports greater independence and self-management of care within a recovery pathway. We plan to achieve savings through the move to self-directed support and the use of brokerage

**4) Keeping People Well**

The creation of a pathway in day services that both prevents people becoming so unwell that they need to use adult social care services and promotes recovery so that people can self-manage their own care in the wider community. New services were introduced in March 2011.

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**Impact of the proposal on service users and communities**

The strategy is intended over time to encourage people to be more independent and more able to direct their own support. It is intended to facilitate an environment where communities can grow. The focus on prevention and recovery will mean that fewer people need to use adult social care, and those that are will be able to move on to self-management of their care. Services will work to help people remain in or move towards mainstream lifestyles and activity both by helping people plan to meet their needs and by helping develop more inclusive communities where it is easier for people living with mental health problems to participate fully.

**Impact of the proposal on other council services/ providers**

All services are currently being re-commissioned. The potential impacts of this are being mitigated through co-ordinated transition plans. The current procurement activity under Supported to Independent Living and Keeping People Well will have a significant impact on the provider market place. There may be an impact on carers services and on brokerage contracts to support self directed support. The pathway developments in Supported to Independent Living and Keeping People Well will support the development of the clinical pathway within mental health.

## Service Area – Services that support all client groups

Service Area	All Client Groups			
2011/12 Gross Budget	£4.751m			
Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	0.064	0.054	0.018	0.136

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-0.174	-0.129	-0.121	-0.424
Variations to 2011/12 MTFP Savings				
<b>Revised Savings</b>	<b>-0.174</b>	<b>-0.129</b>	<b>-0.121</b>	<b>-0.424</b>

### Current service activity

The service supports all client groups and their carers to live healthy, safe and valued lives through the provision of information, professional assessment and support, rehabilitation, reablement, brokerage and the implementation of support plans that promote independence and keeping well. This budget now includes all social work staff apart from those working with adults with learning disabilities. This reflects the reorganisation of Adult Social Care which has taken place during the course of this year. There is a focus on developing a range of preventative approaches aimed at keeping people well.

### Proposals to deliver efficiencies

#### Plans for Efficiencies

##### Occupational Therapy Services

A range of initiatives to allow people to be more independent, be in control and make decisions about how they meet their own needs, such as the selection and purchase of small items of equipment and prescriptions for equipment now needs to be reviewed as there has been an increase in demand for equipment to enable people to stay living in their own home.

Restructure of the adult social care locality teams – the need for staff directly employed by the council is reduced as more

people take up the option to arrange and purchase their own care through a personal budget.

**Impact of the proposal on service users and communities**

The adult social care restructure introduces a locality approach to service delivery.

**Impact on providers**

Greater access to equipment and technology.

**Impact of the proposal on other council services**

Social & Community Services will no longer be a provider of services which will change the market in Oxfordshire.



## Service Area - Strategy & Transformation

(To be redeveloped as part of the new Joint Commissioning service and the revised Business Systems and Change Management Services)

<b>Service Area</b>	<b>Strategy &amp; Transformation</b>
<b>2011/12 Gross Budget</b>	<b>£34.511m (including £16.197m Support Charges)</b>

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding				

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-1.198	-0.710		-1.908
Variations to 2011/12 MTFP Savings				
<b>Revised Savings</b>	<b>-1.198</b>	<b>-0.710</b>		<b>-1.908</b>

### Current service activity

The key elements of this work are: facilitating the development and delivery of the directorate strategy and key partnerships; analysis of the population of Oxfordshire and performance management; facilitating 'involvement' in service development and monitoring; supporting delivery of future systems and technology to deliver the long term service strategy; managing comments, complaints & compliments; facilitating change management; maintaining supply of services through contract management and market development; developing and monitoring housing related support for vulnerable people; supporting the directorate in its relationship with internal service providers e.g. shared services, customer service centre, property and facilities and asset management ensuring that needs are met, changes are facilitated and standards are upheld.

### Proposals to deliver efficiencies

The County Council is moving towards being a predominantly commissioning organisation rather than one directly providing services. Adult social care has been developing its approach to commissioning since the early 1990s; commissioning of children's services, within children's social care and schools, is a more recent development. Consequently it has been decided for the commissioning of adults and

children's services to be carried out in one place so that experiences and knowledge can be shared to improve the outcomes for people who receive services.

The restructure of Strategy & Transformation has developed into a wider reorganisation which establish a joint commissioning team (with children services) to improve our commissioning and contracting arrangements and strengthen our capacity to work with NHS partners. This will mean that commissioning functions from older people and learning disabilities will transfer into this area and the whole section will be renamed 'Joint Commissioning'. The business systems team and the change management teams will also be reviewed.

### **Impact of the proposal on service users and communities**

The development of the joint commissioning team will improve the focus on outcomes for people who receive services and enable greater involvement in commissioning decisions. It will deliver an improved and more joined up approach to information and performance management and quality assurance.



# **Business Strategy**

**2012/13 – 2014/15**

## **Social and Community Services - Community Services**

**Directorate Statement: Service Area Community Services**

<b>Directorate</b>	<b>Community Services</b>
<b>2011/12 Gross Budget</b>	<b>£11.797m</b>
<b>2011/12 FTE</b>	<b>288.08 FTE</b>

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	-0.162	-0.002	-0.001	-0.165

**Variations to MTFP Savings**

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-1.817	-0.412	-0.032	-2.261
Variations to 2011/12 MTFP Savings	0.859	-0.035	-0.110	0.714
<b>Revised Savings</b>	<b>-0.958</b>	<b>-0.447</b>	<b>-0.142</b>	<b>-1.547</b>

**NB: the budget and savings are for the whole of Community Services including Heritage, Victoria County History and Arts funding. Savings in these areas have been delivered or are on track to be delivered. This document concentrates on the delivery of the strategy in the Libraries, Museums and History services together with the Mill Arts Centre.**

**The Social & Community Services vision is:**

**“To support and promote strong communities so that people live their lives as successfully, independently and safely as possible.”**

**The directorate therefore has two primary functions:**

- the delivery of targeted services to the most vulnerable members of the community of Oxfordshire to keep them safe and well
- the delivery of universal community services to the whole population in Oxfordshire.

**There are four key elements of our overall Social & Community Services strategy which Community Services work towards:**

• **Prevention “keeping people well”**

Through targeted investment in support for example reading for health schemes and heritage reminiscence work we will reduce the need for more intensive and expensive services later on. Creativity and cultural opportunities for engagement and participation: demand currently outstrips our ability to respond.

• **Personalisation “promote choice and control”**

Through Self Directed Support we will allocate people – a personal budget – to exercise choice and control, and to arrange and purchase their own care and support to meet their assessed eligible needs.

Personalisation is also about developing universal community services that are available to the whole population and support the development of communities and ensure opportunities for participation and involvement e.g. library services providing reading and information services; day opportunities; support to carers; volunteering and opportunities that can improve quality of life through cultural and community activity. Older people are choosing to access cultural services rather than traditional day care services and recognise the value and benefits of creative activity.

- **Protection “keeping people safe”**

We have to ensure that people do not have to worry about becoming vulnerable and that they can live a life free from both abuse and the fear of abuse and can have care and support in accordance with their needs. We will treat people as individuals with dignity and respect and take action to protect people where appropriate. Cultural and creative projects and services provide positive activities for young people – diverting from otherwise possible negative behaviour. Intergenerational work breaks down barriers that exist between younger and older people and promotes greater understanding, respect and builds cohesive communities.

- **Partnerships “working together”**

We will achieve our overall strategy through working in partnership with service users and the wider community alongside our key partners e.g. in health with the book gifting scheme, Bookstart; parish, town, city and district councils e.g. in providing museum services, the voluntary sector e.g. in delivering home library services; and the independent sector. Many of the heritage and arts partnerships are longstanding and have been built up through mutual trust, hard work and commitment – and in many cases they are examples of the ‘Big Society’ already in action.

### **Overview of progress 2011/12**

The original business strategy included the Music Service which has since transferred to the CEF directorate. There is some limited grant funding for arts organisations which in future will be focused on only three countywide arts and cultural organisations (Oxfordshire Theatre Company, Oxfordshire Youth Arts Partnership, and Oxfordshire Visual Arts Development Agency) and Pegasus Theatre

### **Service areas where proposals need to be revised**

In general many of the savings proposed and accepted in last year’s detailed Business strategy are in the process of being delivered. These include those for the History Service which brought together the services of The Oxfordshire Record Office and Oxfordshire Studies on one site at St Luke’s, Cowley; the restructure of the Museums Service and the reduction in arts grant

funding. Cogges Manor Farm Museum has now transferred to an external trust and the Victoria County History reduction in staffing and funding has been achieved.

The two areas which deserve most attention are Libraries (with proposals to be considered by Cabinet (Item CA6) on 12 December 2011 following completion of the consultation process and therefore detailed plans have yet to be approved) and The Mill Arts Centre where there is still doubt about the future redevelopment of the site.

#### **Detailed plans for 2013/14 & 2014/15**

Within the Museum Service, although the proposed efficiency savings will impact on the type of service being offered they are on track to be delivered. Staff consultation on the proposed new structure has taken place and the final structure has been costed to ensure it delivers the savings for 2012/12 and 2013/14 whilst continuing to deliver the core service albeit reduced in depth and extent and reliant on the successful recruitment of volunteers.

The potential to further develop partnership working with the University Museums and other local authority providers through the Oxfordshire Heritage Partnership has been strengthened by the development of the Accessories Project (completes March 2012) funded by Renaissance via the University Museums and managed and delivered by the County's Museums Service.

Demolition work has started at The Oxfordshire Museum to prepare the site in advance of a start on site for the construction of the new Soldiers of Oxfordshire Museum in the spring of 2012 which will work alongside The Oxfordshire Museum.

#### **Pressures**

The proposals in respect of the library services will require additional funding in excess of that included within the current Medium Term Financial Plan. That additional funding amounts to £0.859m in 2012/13 reducing to £0.714m by 2014/15.

## **The Council's Strategic Objectives**

Our overarching goal as a council is to ensure 'A thriving Oxfordshire', by maximising growth, enhancing the environment and sharing the benefits of growth as widely as possible.

#### **World Class Economy**

Oxfordshire Library Service provides free access to books, information and knowledge, to support the recreational, cultural and educational needs of those who live, work, visit or study in Oxfordshire.

Oxfordshire Libraries deliver services and activities, often in collaboration with partners, to encourage adults and families to use libraries for learning and to promote libraries as places where people can improve their educational attainment, skills and economic prospects and so contribute to their local economy.

Oxfordshire Library Service provides:

- A comprehensive countywide collection of books and online resources, accessible to all, that support reading and literacy; learning; economic wellbeing and healthy living.
- Public access computers, deployed across the building network, that provide access to online information, encourage and support digital citizenship and combat digital exclusion.
- Online and telephone based remote services that provide access to library services across the county.

### **Healthy and Thriving Communities**

Library services support the corporate vision to promote and sustain strong and thriving communities, enabling people to live independent, successful lives. Library services support children's, young people's and family's literacy and learning, support older people's independence, provide a focus for community life and promote activities to reduce inequality.

The Library Service works with local partners and other service providers on local initiatives, such as 'Brighter Futures for Banbury'. Service delivery is informed by demographic change and population shift.

Oxfordshire Library Service:

- Has a commitment to involve local people in shaping and delivering services at a local level. The County Council is currently seeking to work more closely with communities and Friends Groups to engage wider community participation.
- Engenders community cohesion by offering and exploiting library services that are accessible to everyone and that add value to community life - family learning and literacy activities; job search and computing sessions; home library services for those unable to leave their homes; services for carers and library services for people at risk of exclusion – and by developing strong links with community groups and other service providers to deliver their services in the library building.
- Targets work to support and increase the literacy of children and adults, digital inclusion and employability.
- Works with community groups and other service providers to widen the participation in library services – Children's Centres, Adult Learning Centres, Early Intervention Hubs.
- Increase the confidence and enjoyment of reading for everyone and can be tailored to meet specific need (Rhymetimes; Summer Reading Challenges; Six Book Challenges; Pictures to Share to encourage people with dementia to enjoy books and engage in conversation; Reading Groups; Bookfeast TeaBook Groups for older people and those for whom travelling is difficult). Library services and activities that provide access to books and information to support mental health and general wellbeing (Unwind your Mind; Get into Reading).



- Supports learning, attainment, aspiration and achievement (family learning; activities for children, young people and families, partnerships with children's centres, schools, colleges, universities and wider initiatives such as World Book Capital).
- Offer choice of access appropriate to need and available to all – self service; staff assistance; building based; online access; home services.
- Involve local people in service delivery so offering opportunities for people to contribute to their community and benefit from volunteering. Volunteers traditionally have supported the work of the Library Service by helping in their local communities and adding value to existing library services.

### **Efficient Public Services**

The 2011/12 Business Strategy for Community Services brought forward plans for all service areas to develop more efficient ways of working in order to meet the required level of savings. These will continue to be delivered through to 2015 with new models still to be developed for the Library Service and the Mill Arts Centre.

## Delivering on the Council's Business Strategy

### 1. Changing the way we work

- Self Service, installed in 15 libraries (and potentially all libraries if the proposal to be considered by the Cabinet on 12<sup>th</sup> December is agreed) will enable customers to manage their own library transactions and free up library staff to assist them in providing advice.
- The Library Service will further develop e Platforms and support for digital citizenship, introducing new services that will support existing customers and attract new customers. This work includes: the implementation of an eBook and eAudio service for Oxfordshire library users; the development of direct communication with the public and library customers through social media; the development of the Library Service website; the investigation into free WiFi provision across the network.
- The Library Service will support the Council's objectives for the use of volunteers. There is a commitment to involve local people in shaping and delivering services at a local level. The County Council is currently seeking to work more closely with communities and Friends Groups to engage wider community participation.
- We will continue to work collaboratively with community groups and other service providers and will look to develop the use of our libraries as community resources and to deliver services in other community buildings (Children's Centres; Adult Learning Centres; Early Intervention Hubs) where people already access services.
- All History Services have been brought together on a single site (Oxfordshire History Centre) creating economies and efficiencies of scale: integrated availability of all resources; single public consultation area to staff instead of two; joined-up knowledge base. All staff being on one site means there is no need to duplicate administrative systems e.g. there is one procurement system, one business continuity plan, etc. History Services have always delegated a good deal of decision making to the front line level, retaining overall strategy at senior management level. Investment has been obtained from external bodies to digitise major collections to enable customers to have access to them at home.

Museum Services have -

- Significantly reduced staffing means that the level of public service in all areas including outreach, formal and informal education, exhibitions, and public information services will be significantly reduced. In an attempt to mitigate the impact of this we are actively seeking to extend partnership working both within and beyond the sector.
- In addition to improving storage conditions for the collection and providing for future storage needs, the recent extension to the Museums Resource Centre will improve access to collections and enable staff and volunteers to work more effectively and efficiently. The temporary availability of additional managed storage space will enable income generation to continue as we store collections on behalf of other museums.
- Currently the Museums service generates income through the provision of technical services also collections storage and care to our local authority Partners and other museums and heritage services in Oxfordshire and beyond. The new structure to be implemented from April 2012 sees the establishment of a Business Unit whose key focus is to generate income from the delivery of these services to external partners on a cost recovery basis. This will enable us to retain staff and with them greater breadth and depth of skills, knowledge and expertise which can be used to the continuing benefit of the County Service as well as our Partners.
- The Museums Service is working actively with the University and other major providers of museum services in Oxfordshire to develop an agreed strategy for Museum provision countywide with the intention of maximising the benefits to be gained from working in Partnership. To this end a draft Heritage Strategy is being prepared and will shortly be made available for comment.

## 2. Reshaping Management

The current library management, professional and support services structure needs to be changed to make it more efficient. Current structures will not meet the requirements of the service as it develops for the future. A new structure is being proposed which will see a reduction of senior management posts in the service from 15 posts (full time equivalent) to 9 posts (full time equivalent)– a reduction of 40%.

In the History Service the management team is being re-shaped to align with the new service being provided. In museums the leadership and direction of The Oxfordshire Museum will be transferred from the Curator to the Museums Service Manager and the former post replaced by an Assistant Curator who will take curatorial responsibility for the Museum. At the Museums Resource

Centre the post of Collections Officer will combine the functions of Curator of Social History and the current post of Museums Resource Centre Manager will be made redundant

### **3. Customer Service Centre**

This work stream aims to deliver the next-generation of Shared Services, by evaluating different operational models and developing a cost-effective solution which will deliver high levels of customer service. Community Services will benefit from this work stream. All these areas have key front line customer facing staff who need to work in an integrated way with our developing customer service centre. Sharing and providing information with other services and members of the public will become a key area for development over the next few years which already support the provision of Concessionary Bus Passes.

### **4. Developing a comprehensive Asset Management strategy**

A key partner in the development of any property strategy in this area will be the district councils and other local service providers. The Library Service is updating its Property Strategy to ensure it works closely with the Asset Led Locality Reviews, looking at opportunities for co-location and linking with other public sector properties. The revised briefs for library new builds and refurbishments aim to reflect the continued evolution in provision, in particular the opportunities to incorporate complementary services such as coffee facilities and to develop the use of libraries as community facilities.

In the History Service all documentary and published history resources are now in a single building designed to protect them, instead of spread across buildings which cannot meet the necessary storage conditions. However, within the next 6 to 8 years this building will be full and new storage will have to be found. Plans for Banbury's Cultural Quarter have been prepared in partnership with Cherwell District Council and The Mill Management Committee. This joint approach has secured the commitment of necessary land, a new access bridge and substantial additional funding towards the project. The vision for an integrated Library, learning and Arts Centre offers the prospect of significant savings in revenue costs as well as meeting the expectations of the public in an innovative way

Museum services with colleagues from Property and Facilities are reviewing the future use of Swalcliffe Barn as a facility for accessible storage of large objects from the collections.

Discussions are continuing with the Soldiers of Oxfordshire to ensure the most effective use of the range of facilities at the Oxfordshire Museum site in Woodstock.

## 5. Customer Focus

- Library staff will be supported to deliver the highest level of service for customers in this current period of uncertainty for the Service.
- The Library Service will maintain the high quality of the customer experience drawing on its customer focused interventions – customer comments, customer engagement activities and consultation.
- Service planning will reflect customer need; demographic, user and performance data informs the planning process.

Direct service to the public has always been a high priority, and the History Services continue to score well above average in national surveys. In partnership with ICT, the Mill Management Committee has introduced a new online booking system which has generated increased revenue and positive customer feedback. Student evaluations of the classes and workshops programme have also demonstrated high levels of satisfaction.

The key focus for the Museums Service is to develop a dialogue with the public. If people are to engage with, enjoy and understand our collections we need to engage with them to ensure that they are able to understand the potential of our collections and how they can best access, use and contribute to them.

Our concerns for the future is that the budget reductions will seriously impact upon our capacity to maintain a flow of information to the public in a way which will engage their interest and enable them to appreciate the potential of our services and collections.

## 6. Streamlined Service and Resource Planning processes and delivery of efficiencies by Directorates

Service and Resource planning is being led across Social & Community Services and Children, Education and Families by a newly appointed Strategy and Performance Manager. A governance scheme has been developed for monitoring savings delivery, with the support of the finance business partner, ensuring that progress is effectively monitored at Directorate Leadership team.

In museums, plans are in place, ratified by Finance, to make the savings required by 2014/15. In introducing these savings we have attempted to maintain as wide a range of skills, knowledge and expertise as possible. The continuation of this breadth and depth, particularly in respect of collections care and knowledge will, however, be dependent upon the future success of the Business Unit in attracting externally funded work to meet the costs of their salaries.

However the result of these savings may result in a level of service reliant on our success in involving volunteers in ever greater numbers to undertake a much wider range of tasks. To this end a temporary Volunteer Project Officer will be appointed for 6 months to drive forward recruitment and training of volunteers.

## 7. Big Society

The Library Service currently offers opportunities for people to contribute to their community and benefit from volunteering by helping in their local libraries. Work is continuing to extend volunteer activity that adds value to existing library services, especially to support reading and digital skills initiatives.

There is a commitment to involve local people in shaping and delivering services at a local level. OCC is currently seeking to work more closely with communities and Friends Groups to engage wider community participation and expand the use of volunteers. The Library Service would, if the proposal that has emerged from the consultation process is to be taken forward, work with communities and Friends Groups to develop community led library services that are responsive to local need.

The History Service has a long track record of using volunteers. Currently there are 24 volunteers against 16 staff. The Mill's operations are underpinned by the involvement of many individual volunteers and community based organisations. The voluntary Mill Management Committee is responsible for approximately 70% of the Centre's turnover and enables the Centre to act as a community resource for partnership projects such as The Banbury Job Club.

There is a long history of volunteer/community engagement in the Museums Service- this is a huge strength which can be used effectively but it requires careful nurturing and diplomatic leadership. The role of Oxfordshire Museums in supporting the Oxfordshire Museums Council, providing Curatorial Advisors to support smaller community museums and managing the Museum Development Officer are demonstrating how this can be done - in the latter case with funding from Arts Council England (which has absorbed the Museums, Libraries and Archives Council).

**8. ICT** underpins many of these projects and will be crucial in ensuring we can transform into a more modern, effective organisation. The use of Radio Frequency identification (RFID) in libraries to provide self-service is a key example of where ICT has been used to transform service provision through offering quicker transactions (less queuing), more privacy for borrowing and additional customer space. The Library Service is also piloting the introduction of WiFi. ICT is key to the History service moving forward: online access to materials enables people to access information at any point in time.

## Activity Area – Museum Services

<b>Activity Area</b>	<b>Museum Services</b>
<b>2011/12 Gross Budget</b>	<b>£1.167m</b>

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding				

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-0.199	-0.100		-0.299
Variations to 2011/12 MTFP Savings				
<b>Revised Savings</b>	<b>-0.199</b>	<b>-0.100</b>		<b>-0.299</b>

### Current service activity

The core responsibility of the County Museums Service is the long term care and preservation of the County collection of Oxfordshire archaeology and history material – these collections are unique and represent the material culture of Oxfordshire over the last 5,000 years. These collections are held in trust for the people and communities of the county – and for future generations. The collection is stored at the Museum Resources Centre, Standlake. The collections are used throughout the county in museums provided by Oxford City Council (Museum of Oxford), Cherwell District Council (Banbury Museum), Abingdon Town Council (Abingdon Museum), the Vale and Downland Museum Trust (in Wantage), as well as at The Oxfordshire Museum, owned and managed by Oxfordshire County Council, and at other independent museums. The Oxfordshire Museum, founded in 1964, has been rejuvenated in recent years with funding from the Heritage Lottery Fund, investment from the County Council and support from the Friends organisation. The museum site currently attracts about 170,000 visitors per year (cost per head £1.17). There is a

learning and outreach service which uses heritage and arts collections in schools and with community groups – its work with older and vulnerable adults, stimulating creativity and promoting independence – has been particularly valued. Since 1995 the museums service has been working with an independent group now known as Soldiers of Oxfordshire, representing all the armed forces. In 2008 Oxfordshire County Council agreed to provide a site within The Oxfordshire Museum site for Soldiers of Oxfordshire to build a major new museum. Soldiers of Oxfordshire launched a major fund raising campaign and has raised over £4 million enabling the new museum to be built.

### **Proposals agreed in order to deliver efficiencies**

- a. To restructure the museum service: aiming to maintain basic collection care; continue partnership arrangements with other museums throughout Oxfordshire and maintain/increase income for those services; retain a learning and outreach service (including that for Oxford Castle) and services to schools and target groups (in partnership with other providers and particularly with the emerging Oxfordshire Museums Partnership – this partnership, with Oxford University and other local authorities, aims to establish Oxfordshire as a ‘core’ museum to receive funding, possibly £2 million per year, direct from government to meet County Council objectives (raising achievement in schools, stronger communities and promoting independence for older people). There will be a heavy reliance on volunteers to maintain basic services.
- b. To maintain the Oxfordshire Museum, with a small core staff (3 full time equivalent), and with a significant increase in the role of volunteers in partnership with Soldiers of Oxfordshire and the Friends of the museum.

### **Impact of the proposal on service users and communities**

The aim of these agreed proposals has been to minimise the impact on service users and communities whilst making the necessary savings. The emerging Oxfordshire Museums Partnership with the University Museums and other local authorities could provide an opportunity to build on the learning and outreach. The involvement of volunteers throughout the service will increase community engagement.

### **Impact of the proposal on other council services**

Other local authorities in Oxfordshire providing or supporting museums are reliant on access to the county council’s collections at the Museums Resources Centre. The learning and outreach team provide important opportunities for creative learning in schools and help to promote confidence and independence in older people. There could be opportunities to develop the learning and outreach services in a new partnership with Oxford University museums, funded by central government.



**Capital implications of proposed change**

The Cabinet has now agreed to the development of a site within the grounds of the Oxfordshire Museum by The Soldiers of Oxfordshire for a new museum illustrating the story of the armed services and their families in Oxfordshire. Soldiers of Oxfordshire has raised £4 million to enable that new museum to be built and work has already started on the site.

## Activity Area - History Services

<b>Service Area</b>	<b>History Services</b>
<b>2011/12 Gross Budget</b>	£0.606m

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding				

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-0.086	-0.046	-0.012	-0.221
Variations to 2011/12 MTFP Savings				
<b>Revised Savings</b>	<b>-0.086</b>	<b>-0.046</b>	<b>-0.012</b>	<b>-0.221</b>

### Current service activity

History Services are now provided mainly from the new History Centre at St Luke's, Cowley. The service acquires, cares for and provides public access to the documentary and printed heritage of the county – it includes one of the largest county photographic archives and a significant collection of oral history recordings.

### Proposals to deliver efficiencies

Combining the services on one site at St Luke's enables savings to be made whilst retaining the public services, with a view to extending opening to 5 days per week, and continuing to care for the collections in secure conditions meeting BS5454 environmental standards. Public access to the unique history resources is now managed in one public 'search room' under the supervision of specialist staff. Essential cataloguing and documentation processes can be maintained and some digitisation work continues, though at a lower level. The capital funding, already agreed, allows the creation of sufficient additional storage space.

The Central Library will retain a broad reference collection of local and family history secondary sources integrated with its general reference collections on the top floor of the library; the space vacated by the unique collections of Oxfordshire Studies can be used by Central Library to expand its study space.

### **Impact of the proposal on service users and communities**

The combination of services at St Luke's will improve the conditions in which the collections are housed, preserving them for future users; provide facilities for historical research on a single site, avoiding duplication and establishing clarity on where to access this material for users; and enable the services to maintain their full range of collections.

### **Impact of the proposal on other council services**

The release of some space on the top floor of Central Library has provided an opportunity for the library to relocate its reference collections to that floor following the reconfiguration of the ground floor to allow for library self service and to offer desperately needed increased study space for users.

### **Capital implications of proposed change**

Work started in December 2010. The joint service became operational in summer 2011.

## Activity Area - The Mill Arts Centre

<b>Service Area</b>	<b>The Mill Arts Centre</b>
<b>2011/12 Gross Budget</b>	£0.224m

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding				

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings		-0.090		-0.090
Variations to 2011/12 MTFP Savings				
<b>Revised Savings</b>		<b>-0.090</b>		<b>-0.090</b>

### Current service activity

The Mill is a major cultural and community resource for Banbury and North Oxfordshire. As well as offering a wide range of arts and learning opportunities, the Centre is home to many groups and organisations. The Mill is open for 100 hours a week for 50 weeks a year attracting over 120,000 visitors, students and audience members per annum. The Mill's operation is based upon a "mixed economy" with a partnership approach including the Mill Management Committee and the District Council as well as the County Council. Under this arrangement the Mill Management Committee takes responsibility for the Mill's main trading and operational functions, employing some of the staff and generating significant income to support the overall work of the Centre. The Mill also has a service level agreement for Adult Learning which produces income for the County Council through the contract with the Skills Funding Agency. The current financial model sees the value of the County Council's investment considerably increased through other fund raising.

**Proposals to deliver efficiencies**

Savings can only be achieved through reviewing management posts within Oxfordshire County Council and the provision of learning opportunities, workshops and community events on a self financing basis. Management arrangements will need to be reviewed in order to deliver the majority of these savings.

Increasing fees and charges are also being considered – the Mill already raises around 70% of its gross budget from such sources and intends to bring them into line with the rest of the County.

A strategy of revamping the governance to a new independent status is being considered though this will need to be supported by any capital development.

**Impact of the proposal on service users and communities**

These proposals would deliver the required savings without having a significant impact on those using the Mill.

**Capital implications of proposed change**

The future development of The Mill including the potential for Banbury Library to be relocated to this site needs to be included in the regeneration of Banbury and provides an opportunity to review governance, management and funding arrangements, increase income and benefit from economies of scale and increase collaboration.

Cherwell District Council has made a firm commitment to the development of The Mill and has set aside a contribution of £2 million towards the capital costs together with provision of land and a new access bridge. The redevelopment of the Mill is being considered in the context of the redevelopment of that area of Banbury town centre.

## Service Area - Library Service

<b>Service Area</b>	<b>Library Service</b>
<b>2011/12 Gross Budget</b>	<b>£8.720m</b>

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	-0.001	-0.001	-0.001	-0.003

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-1.338	-0.195	-0.020	-1.553
Variations to 2011/12 MTFP Savings	0.859	-0.035	-0.110	0.714
<b>Revised Savings</b>	<b>-0.479</b>	<b>-0.230</b>	<b>-0.130</b>	<b>-0.839</b>

### Current service activity

The Library Service provides access to books, information and knowledge, to support the recreational, cultural and educational needs of those who live, work, and study in Oxfordshire. Our customers are all those who live, work, visit and study in Oxfordshire. The current service provides a network of library buildings (43) and vehicles (7); a comprehensive countywide collection of books, online resources and other items, accessible to all, and exploited to support: reading and literacy; learning; economic wellbeing; community cohesion and healthy living; targeted work to support children's and adult's reading, learning and digital skills; online and telephone based remote services; public access computers, deployed across the building network, used to provide access to online information; help people develop digital and information skills; and combat digital exclusion. The service provides and manages the Rural Children's Centre on behalf of Children, Education and Families and two prison libraries on behalf of the Prison Service.

**Proposal to deliver efficiencies**

As part of the budget setting for 2011/12 – 2014/15 the library service was tasked with delivering a £2m saving by 2014/15. To achieve this saving it was proposed that the council would cease to fund 20 of the county's 43 libraries with local communities being asked to come up with innovative ideas to run those libraries.

As a result of some late grant funding from Central Government which reduced the savings required to £1.7m and also in the light of feedback from communities and individual members of the public, a revised proposal has been out for public consultation from 27 May 2011 to 30 September 2011. Under this proposal, the Council would retain a core comprehensive and efficient library network of 22 libraries and would continue to provide significant financial support for the remaining 21 libraries although they would require voluntary support from within their local community as Community Plus and Community libraries.

The proposal would deliver a saving of £313k from reduced staffing in those 21 libraries. In addition, the service has made in 11/12 a saving of £0.256m from the introduction of self service in the larger libraries which has allowed staffing levels to be reduced in those libraries. Future savings of £0.273m will come from a restructure of the management and professional staffing; £0.084m from moving to single staffing on the 4 mobile libraries which are currently double staffed; £0.050m from the book fund through better procurement and a £0.010m reduction in the contribution to the vehicle replacement programme.

If the proposal to move to Community Plus and Community libraries is accepted on the basis set out in the Cabinet report, savings of £0.986m will be delivered, leaving a shortfall of £0.714m to be taken into consideration as part of the Service & Resource Planning process. The County Council set aside £0.300m in the service and resource plans agreed in February 2011 to fund potential costs arising from consultations. This is no longer required and, if approved, this can be used to reduce the additional resources required to £0.414m. This assumes that full year effect savings will be achieved by 2014/15. However the proposal has offered communities three years from April 2012 to reach the level of volunteering required. It may therefore be 2015/16 before the full year effect saving is reached from the community libraries proposal.

The Cabinet (Item CA6) will consider this matter on 12<sup>th</sup> December 2011.

The service will move to single staffing across the remaining 4 mobile libraries as part of a review of the Mobile Library service which will get underway early next year once any implications for that service arising from the outcomes of the consultation on Community Libraries are known. Work has already begun to analyse the known data, make comparisons with other library authorities and draw up possible service model options so that the review will be able to start as early as possible in 2012. The

new structure has been drawn up for the Management, Professional and Support services which will see a reduction of senior management posts from 15 posts (full time equivalent) to 9 posts (full time equivalent)– a reduction of 40%

### **Impact of the proposal on service users and communities**

A detailed Service and Community Impact Assessment has been produced to accompany the analysis of the outcomes of the consultation and the report to the Cabinet.

### **Impact of the proposal on other council services**

The service together with Property and Facilities Services is actively looking for opportunities to co-locate services and develop partnership ways of delivering services.

### **Capital implications of proposed change**

The implementation of the proposal for community libraries depends upon the introduction of self-service across the library network – it is already installed in 15 libraries; that programme being funded mainly through S106 developer funding. The Cabinet will need to consider how it wishes to fund the extension of self-service into the remaining 28 libraries, estimated at circa £0.965m, through potentially utilising any further available developer contributions and by a revenue contribution to capital from the Efficiency Savings Reserve.





# **Business Strategy**

**2012/13–2014/15**

## **‘Safer by Design’ Fire and Rescue, Emergency Planning and Community Safety**

	<b>Fire &amp; Rescue Service, Emergency Planning and Community Safety</b>
<b>2011/12 Gross Budget</b>	<b>£29.313m</b>
<b>2011/12 FTE</b>	<b>410.38 FTE</b>

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	0.208	0.307		0.515

#### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-0.444	-0.420	-0.100	-0.964
Variations to 2011/12 MTFP Savings	-0.117			-0.117
<b>Revised Savings</b>	<b>-0.561</b>	<b>-0.420</b>	<b>-0.100</b>	<b>-1.081</b>

## Introduction

The “**Safer by Design**” Business Strategy covers the Fire & Rescue Service, Emergency Planning and Community Safety and is a document which recognises the successful movement of Services from the former Community Safety and Shared Services Directorate into the Social and Community Services Directorate. The Strategy has been updated in order to capture the medium term vision for all of the Services identified, as well as where their aims meet the current priorities of the wider County Council.

In addition, this strategy also highlights how the various services can add extra value to local communities, above and beyond their traditional role, by becoming more ‘integrated’ i.e. proactively assisting other Directorates and partners in delivering their community safety objectives.

As stated in the 2011/12 budget process, savings made in the Fire and Rescue Service would not adversely impact on front-line service provision to the public

## OCC Strategic Objectives

The strategy links directly with the Corporate Strategic Objectives centred on delivering a **Thriving Oxfordshire**:

**World Class Economy** - supported via our contribution to the sustainable development and protection of a thriving local economy by provision of advice and support to enable local businesses to successfully compete in the marketplace, ensure their business continuity and minimise the likelihood of emergencies (e.g. fires). The services also protect the environment through reducing both carbon emissions and emergency incidents, as well as through partnership working with partners such as the Environment Agency to help minimise the effects of flooding, pollution incidents and fire-fighting actions, as well as promoting quicker recovery.

**Healthy and Thriving Communities** - supported by our actions to help reduce crime, anti-social behaviour and the fear of crime, by supporting and protecting those at greatest risk from doorstep crime, domestic abuse and hate crime. In addition, we safeguard our communities from fire risk through the provision of protection, risk reduction, intervention and provision of information. We also provide (directly or with partners) preventative programmes for children and young people at risk of offending. We manage and deliver the Junior Citizen Programme countywide as well as the Consumer Challenge Quiz for children with special needs. Trading Standards Service is a key player in the development and delivery of the 'Support with Confidence' approval scheme enabling social care clients to make safer choices about the care they receive. Emergency Planning helps to develop service, organisational and community resilience through education, training and the development of community led planning.

Finally, all the services strive to deliver **Efficient Public Services** through their efficiency programmes and providing value for money in general. For example, the Fire & Rescue Service benefits from working within the South East Fire Improvement Partnership and with neighbouring FRS's on various collaborative activities, as well as developing data-led, targeted prevention activities, aligned to locality working, which promotes the increased use of volunteers and partnership working.

### Safer by Design

“**Safer by Design**” is our vision for more self-reliant, safer communities - with Oxfordshire County Council (OCC) working in partnership with a range of third parties - as both provider and/or commissioner - to help enable communities to better help themselves. Intelligence-led, locality-specific approaches will identify practical preventative measures delivered through internal resources and via community-based partnerships, which will aim to address many of the emerging societal risks.

The “**Safer by Design**” vision for the Fire & Rescue Service, in particular, has four main strands of activity which are:

- a) Growing in confidence – a strategy for safer young people
- b) Living in confidence – a strategy for the residents of Oxfordshire
- c) Travelling in confidence – a strategy for those on the move
- d) Working in confidence – a strategy for business.

Furthermore, as an “**Integrated Fire & Rescue Service**”, we also intend to proactively support the broader community safety agenda – not only the priorities of OCC but also our local partners, such as the Police and Health Service – in order to tackle a much wider range of community safety issues. Through the delivery of this approach we will add public value and be able to demonstrate continuous improvement and enhanced value for money.

Although the Fire & Rescue Service (and, to a lesser extent, Emergency Planning and Trading Standards), will always maintain a reactive/999 response to calls for assistance, the main emphasis of the Council’s approach towards delivering a safer society is through preventative and educational measures - delivered by multi-skilled employees, voluntary agencies and other partners who can take practical actions as extra eyes and ears (and where appropriate hands) of the County Council. Such an approach promotes risk awareness, self-help, safeguarding and the sign-posting of specialist assistance and support when required. It is specifically designed to embrace the preventative agenda and reduce the call upon other OCC services such as Adult Social Care.

Those services involved in regulation, such as Trading Standards and Licensing, will seek to move forward in conjunction with District partners to deliver an integrated approach to regulatory services. As this approach develops, Trading Standards will extend locality specific services, supporting communities to address local issues and building preventative partnerships.

Approximately 90% of the overall Directorate budget relates to the Fire & Rescue Service and therefore the main delivery arm of the strategy is via this Service. However, the approach proposed is equally effective for all other services. The main capital and revenue issues associated with the services are the creation and maintenance of ‘capacity to respond’. However, the services have varying degrees of ability to make productive use of the ‘capacity to respond’ in intervening periods between safety-related incidents and events occurring.

Our future approach will focus on extending our prevention agenda and, therefore, minimise the call on emergency response resources. Trading Standards Animal Health team is an example where the ‘capacity to respond’ (e.g. to a foot and mouth outbreak) is also productively used to monitor day-to-day animal welfare issues e.g. inspecting animal markets to reduce the risk of outbreaks of disease. The Fire & Rescue Service, despite its historic ‘low cost and high performance’ status, has been less able to achieve full productive effectiveness of its ‘standing assets’ due to the extensive use of Retained Duty System (RDS) staff. The Fire and Rescue Service has received investment through additional fulltime Watch Managers whose role is to support RDS fire

stations, personnel and to improve the operational availability of fire engines. Going forward, we intend to further utilise these resources in localities across the county to deliver a broader suite of community safety initiatives.

Successful delivery of this strategy will require the effective management the following key challenges:

- the scale of the financial savings
- potential further reductions in government grant funding
- increasing staff understanding and connection with other teams and wider corporate initiatives
- engaging the public and third parties in voluntary service provision
- the potential closure of Consumer Direct service
- growth in demand for reactive services reducing capacity to deliver preventative work streams

The Cabinet has already endorsed Fire & Rescue response targets (80% incidents attended in 11 mins, 95% in 14 mins). The current targets can reasonably be expected to be met, with a minimum station disposition (using predominantly RDS staff) of 24 fire stations and 34 front line fire appliances. From now until 2016/2017 the services will continue to:

- Focus predominantly on 'Prevention and Protection' activities to minimise the need for 'Response' resources
- Remain committed to operational excellence, measured by the speed and weight of response to incidents and staffed by competent employees or partners
- Maximise productive use of the 'standing assets' (capital assets, people and 'brand') delivering directly or co-ordinating third party actions designed to improve community safety
- Develop a range of specific activities (minimum one scheme in each of the 14 localities) designed to meet local needs to improve community safety
- Implement wider corporate and community use of Fire Stations
- Use volunteers and other partners to:
  - Increase the number of referrals from other agencies identifying potential threats to or vulnerable people requiring services (Rogue Traders, Domestic Violence Reports, Home Fire Safety Checks)
  - Conduct specific activities on behalf of the OCC, e.g. Home Fire Safety checks fitting smoke alarms/security products
  - Provide youth programmes, e.g. Junior Citizen activities
  - Extend good neighbour and Neighbourhood Weight Watch<sup>1</sup> schemes

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<sup>1</sup> Bridge and road weight limit schemes

- Develop and implement effective data sharing protocols with Social and Community Services (SCS)
- Successfully transfer selected Community Safety Services into SCS and Children, Education & Families (CEF) Directorates.
- Exploit synergies between the Fire and Rescue Service and SCS support services - allowing for integration where effective
- Deliver excellent Customer Service by exploiting the 'can do' attitudes of response staff
- Use intelligence-led customer analysis to target support to 'at risk' and vulnerable groups and communities
- Facilitate the most efficient contribution to local community safety priorities from County resources
- Develop an integrated Road Safety team working with partners to maintain the reduction of those killed and seriously injured on Oxfordshire's roads.
- Work collaboratively with partners to maintain the reduction of those killed and seriously injured on Oxfordshire's roads<sup>2</sup>

## Delivering on the County Council Savings Priorities

To deliver the OCC Business Strategy, the following work streams have been brought together to manage the Council's approach to releasing the estimated £119m of savings required by 2015:

**OCC Priority 1 - Changing the way we work** - Driving cultural change across the organisation to equip and empower staff to do their jobs differently.

**OCC Priority 2 - Reshaping Management** - Enabling the organisation to become more streamlined and deliver more cost-effective services, by reducing the numbers of managers by 25%, rationalising management layers and ensuring there is support for employees leaving the organisation.

**OCC Priority 3 - Customer Service Centre** - Delivering the next-generation of Shared Services, by evaluating different operational models and developing a cost-effective solution which will deliver high levels of customer service.

**OCC Priority 4 - Asset Management Strategy** - Ensuring OCC property assets are properly planned for, used and managed to support the work we do and will enable significant savings to be made.

**OCC Priority 5 - Customer Focus** - Ensuring we achieve better customer service and effectively manage the Council's reputation in difficult financial times.

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<sup>2</sup> E.g. Fire and Rescue Service collaborative initiatives in Thames Valley

**OCC Priority 6 - Service and Resource Planning** - Developing a 'light touch' process that ensures delivery of previous year's savings are managed, new savings identified and re-invested savings are challenged.

**OCC Priority 7 - Big Society** - Reducing barriers so that individuals and communities are more able to help themselves, as well as facilitating joint working to enable partners and voluntary organisations to support this.

**OCC Priority 8 - ICT** - Underpinning many of these other projects and transforming OCC into a more modern, effective organisation.

## Fire & Rescue and Emergency Planning

<b>Activity Area</b>	<b>Fire &amp; Rescue and Emergency Planning</b>
<b>2011/12 Gross Budget</b>	<b>£24.825m</b>
<b>2011/12 FTE</b>	<b>344.04 FTE</b>

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	0.208	0.307		0.515

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-0.177	-0.346		-0.523
Variations to 2011/12 MTFP Savings	-0.117			-0.117
<b>Revised Savings</b>	<b>-0.294</b>	<b>-0.346</b>		<b>-0.640</b>

\* The figure of 344.04 includes 6.48 FTE's in the road safety team that has transferred from the Environment and Economy directorate. There are also 356 retained fire fighters. FTE for retained equates to 120 hrs per week, many retained staff only offer cover for part of this period. The figure of 356 given is the **total number** employed at Q1 in 2011. The number of employees has increased by **2.97 FTE** and the number of retained firefighters has reduced from **364 to 356**.

In Fire & Rescue, 11 out of the 16 Retained Service Support Officer (RSSO) posts have been created during 2011/12. These support the recruitment, training and competency of retained firefighters. Additionally, there were 6.48 FTE posts transferred from Environment and Economy's Road Safety Team to Fire & Rescue. This means that Fire & Rescue and Emergency Planning would have reduced by 14.51 FTE posts had these additional posts not been included.



Proposals to deliver efficiencies in Fire & Rescue Service:

- **Service Review**, including current Integrated Risk Management Plan (IRMP) projects, the national strategic review of the Fire & Rescue Service and synergies with Children, Education and Families (CEF) and Social and Community Services (SCS) Directorates. This includes:
  - Removal of one fire engine - **already implemented**
  - Reduction of one Technical Fire Safety managerial post– **planned for 2012/13**
  - Reduction of 2 whole time operational fire-fighters through an establishment review at Banbury and Slade Park (Cowley) fire stations - **already implemented**
  - Structural review to highlight any further efficiencies in relation to managerial posts, which takes into account the need to maintain a 24 hour a day - 7 days a week - 365 days a year emergency response services– **planned for 2012/13**
  - Incorporating the OCC Road Safety function from the Environment and Economy Directorate and identifying any potential for streamlining its workforce - **implementation in progress**
  - Remove the Retained Recruitment Officer post and transfer all functions to other managerial positions - **planned implementation April 2012**
  - Reduce the Assessment Centre promotion and selection processes and medical related expenditure.– **already implemented**

The move into S&CS creates opportunities to consider how activities are currently undertaken, can be streamlined and merged. Service knowledge clearly indicates that we share a common customer base of those who are most vulnerable in society. The future integrated approach will allow a common customer database therefore allowing us to target our resources to those most at risk. Efficiencies realised as a result of this include:

- Removal of one managerial/support/clerical post– **planned for 2013/2014**
- Savings (for the Fire and Rescue Service and Emergency Planning) from more effective procurement (including directorate, regional and sub-regional initiatives)– **on-going** with savings scheduled for 2013/14
- Sharing data on vulnerable people to help targeted prevention activities– **in discussion with Adult Social Care**
- Explore opportunities to assist the Customer Services Centre in providing its out-of-hours service– **in early discussions.**

Additional efficiencies have also been considered. This has resulted in the following proposals:

- Reduce initial firefighter trainee training volumes (by increased reliance on qualified fire-fighters transferring into the Service)– **already implemented**
- Progress opportunities to share properties and services with other OCC directorates and partners, such as South Central Ambulance Service and Thames Valley Police - **in progress based on specific projects**
- Increase income<sup>3</sup> from selling spare places on internal courses to local organisations who also wear breathing apparatus / require specialist driver training– **still being planned for 2012/2013.**

(Oxfordshire Fire and Rescue Service has been subject to several external assessments and inspections all of which identified that we maximise the use of our human resources, so therefore there is very limited managerial capacity remaining). Notification of Fire Grant was received after Council agreed the 2011/12 budget. The additional budget was retained in Fire & Rescue, subject to a decision on Fire Control. This double funding can now be removed (£0.117m).

**In relation to Emergency Planning, the following efficiencies have been identified:**

- **Reducing Print Costs** - using the intranet, TVLRF website and National Resilience Extranet (for Business Continuity purposes) to store emergency and business continuity advice and plans - making updating easier, faster and cheaper. Planning internet pages to provide a one-stop location for advice and resources with a review of content and signposts offered– **in planning.**
- **Partnership Working with District Councils** - Delivering a three-year Memorandum of Understanding (MoU) between OCC and the District Councils to develop Oxfordshire plans - reducing duplication and encouraging all local responders to act together in response to alerts or events for a faster, more efficient response. - **in planning**
- **Online and Flexible Training** - on specific plans and in skill-sets to facilitate training in own-time and prevent travel. Where possible, sharing training with District partners, encouraging commonality of approach, offering courses at several locations to reduce travel and increasing opportunities for mutual aid in the future.– **early discussions**
- **Resilience During Emergencies** - Working with the Customer Service Centre to identify opportunities to provide a more robust and customer-focused telephone and information system for use during an emergency to warn & inform the public of risks and assist residents to help themselves through an event– **early discussions.**
- **Community Emergency Plans** - Support further development of community emergency plans across all Parish and Town Councils using an OCC template. Also promoting business continuity to the local businesses with partner agencies– **on going.**

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<sup>3</sup> Limited to cost recovery and contributions to overheads only

- **ICT Resilience** - supporting ICT resilience through liaison with the BCSG and ensuring that flexible BC plans are in place across the organisation– **on going**.

### Impact of the proposal on other Council services

Staff within the Customer Services Centre may have to undertake additional 'co-ordinating' responsibilities due to the removal of the retained recruitment officer post, as well as the improvement in resilience during emergencies.

### Capital implications of proposed change

The proposals listed above are not dependent on capital funding and will not release any capital assets.

## Community Safety – Safer Communities Unit

<b>Service Area</b>	<b>Community Safety – Safer Communities Unit</b>
<b>2011/12 Gross Budget</b>	£0.770m

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding				

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings		-0.001		-0.001
Variations to 2011/12 MTFP Savings				
<b>Revised Savings</b>		<b>-0.001</b>		<b>-0.001</b>

During 2011, a review of the Oxfordshire Safer Communities Partnership was completed to ensure the partnership was ready for the changes likely to arise following the implementation of Police and Crime Commissioners – as they will hold most community safety funding in future. A key change to the partnership was the adoption of a strong business planning cycle designed to identify and tackle the most significant community safety risks for Oxfordshire. Going forwards, the Safer Communities Unit will have an important role in supporting the partnership to identify these risks and to plan effective interventions. The Unit will also need to support the process for fund bidding from the Police and Crime Commissioner, the success of which could be crucial in determining how much resources come into Oxfordshire.

Community Safety funding is in a state of flux. Police and Crime Commissioners are likely to be elected in 2012. Government proposals envisage that all community safety grant funding will be held by the Police and Crime Commissioners from April 2013.

Currently, the County receives the Community Safety Fund which replaced the Stronger and Safer Communities Grant and Young People's Substance Misuse Grant from April 2011. This grant will reduce by approximately 50% in 2012/13. In addition, it is possible that some of this funding may be allocated to Police and Crime Commissioners rather than directly to local authorities. From 2013/14, when Police and Crime Commissioners will hold all Community Safety grant funding, the element of the Safer

Communities Unit budget which is used to fund Community Safety Partnerships could be removed. As a consequence, the County Council will still be a statutory community safety partner but will not be providing any funding to the Partnerships.

The recent Thames Valley Police Force restructure resulted in structures which support work at either at a Local Policing Area level (aligned with District Council boundaries) or at a force wide level. The Oxfordshire wide structure (Basic Command Unit) has been removed. As a consequence, in order to provide for clear links between Oxfordshire County Council and Thames Valley Police and to maintain strong county-wide partnerships, a temporary joint Community Safety Manager position has been created. This position replaces the Safer Communities Unit manager post

Reduced funding will result in Community Safety Partnerships refocusing their resources and partnership activities. This will not affect the core service provided by the Safer Communities Unit but may affect joint funded projects posts that we host (e.g. the County Domestic Abuse Co-ordinator and Hate Crime Project Lead Officer). The Unit will work closely with the Community Safety Partnerships to mitigate the effects of any reduction in funding

### Proposals to deliver efficiencies

The Safer Communities Unit budget includes an element which is passed through to local Community Safety Partnerships. For 2011/12 this was reduced by 21.6% to £0.511m (from £0.652m in 2010/11). The remainder of the Unit's budget (£0.232m) supports the establishment of 6.41 FTE) – **already implemented.**

### Impact of the proposal on service users and communities

Any reduction in funding for Community Safety partnerships will have a direct impact on the community safety activities undertaken by the partnerships. However, from April 2013 at the latest specific community safety grant funding will be channelled via the Police and Crime Commissioner who will hold the responsibility for decisions on activities and projects to fund. The Community Safety Partnership will need to adapt to manage the service delivery changes that will arise from this new funding arrangement. The funding currently allocated to local Community Safety Partnerships by the County Council is used by partnerships to support community safety officer posts to coordinate and deliver community safety projects addressing identified local priorities. Partnerships will determine how to manage the impact of any reduction but an inevitable consequence is likely to be a reduction in coordinated County wide activities and partnership working.

### Capital implications of proposed change

There would be no capital assets released as a result of the changes.

## Community Safety – Trading Standards

<b>Service Area</b>	<b>Community Safety – Trading Standards</b>
<b>2011/12 Gross Budget</b>	£2.623m

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding				

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-0.267	-0.082	-0.100	-0.449
Variations to 2011/12 MTFP Savings	0.050			0.050
<b>Revised Savings</b>	<b>-0.217</b>	<b>-0.082</b>	<b>-0.100</b>	<b>-0.399</b>

The Trading Standards Service enforces approximately 80 Acts of Parliament and several hundred sets of subordinate legislation on behalf of the Council. The wide remit of the Service ranges from food safety to fair trading and fraud, illegal money lending to counterfeiting, farm animal health and welfare controls to under-age sales, product safety to overweight heavy goods vehicles, doorstep crime to the storage and sale of hazardous substances.

In respect of the duty to enforce legislation, no general minimum requirement is defined. However, the Service prioritises its response to alleged breaches of consumer protection legislation and only responds to complaints and intelligence that require a response to prevent harm (physical or economic). This is currently 42% of all complaints that on initial assessment suggest that a breach of legislation has occurred. In addition, the service already fails to meet the requirements of the national risk assessment scheme which should be used to determine the frequency of inspection of businesses within the county.

Proposals to deliver efficiencies

In October 2010, the Government announced plans to put local authority Trading Standards Services at the heart of their consumer protection policies and to divert almost all central Government funding for consumer organisations to local Trading Standards Services and Citizens Advice. The Government's consultation on these proposals concluded in September 2011 and the final outcome will not be announced until spring 2012. It is likely that significant funding will be available for local authorities either individually or in collaborative groups for both short-term projects and long-term service provision. It is intended that Oxfordshire will seek to capitalise on these opportunities where they can provide income and support the achievement of outcomes in Oxfordshire – **planning around government timetable.**

The existing plans to deliver efficiencies still apply:

- Consumer Direct - Citizen's Advice are planning to take on responsibility for the Consumer Direct service. This should ensure the plan to re-provision consumer advice through Consumer Direct is deliverable. However, our plans are now subject to successful development of the new service by Citizens Advice and agreement from them to accept Oxfordshire's call volumes since the agreement reached with the previous operator cannot be assumed to transfer. – **dependent on Citizen's Advice.**
- Complex Citizen's Advice Cases – it is expected that complex cases or those requiring face-to-face advice will be passed to local Bureaux and Trading Standards Services. Therefore, a new working relationship between local Bureaux and Trading Standards is developing.– **dependent on Citizen's Advice**
- Community Liaison Officer Posts – Reducing these posts from 3 to 2. These posts engage with communities in order to identify their needs for our services and deliver events and projects designed to raise awareness of consumer issues. The reduction in posts will require the team to target work towards the most vulnerable areas and communities of Oxfordshire – **in progress, planned for 2011/12.**
- Managerial and Internal Restructure - to support the business strategy principle of reducing the number of managers in the organisation – **In progress, planned for April 2012.**

Earlier plans need to be revised in respect of:

- Adopting an Alternative Approach to the Provision of the Service - an options appraisal for shared Trading Standards services between Oxfordshire and Buckinghamshire has been developed This assessment, concludes that a joint service will not deliver significant savings but could deliver more effective and resilient services at a lower cost and ensure that the service is able to capitalise on opportunities arising from the Government's consumer protection landscape review. Informal

approval has been given to develop a full business case for Cabinet consideration in early 2012 with a view to implementation of the shared service during 2012/13 if approval is received. Implementation of a shared service will contribute to the savings required (£0.100m in 2013/14 and £0.200m from 2014/15 onwards) but further reductions in posts will be needed. The number of posts that would need to be deleted depends on whether any form of shared service is to be adopted and the extent of efficiencies that can be delivered through internal business process improvements.

- Increasing Grant Income - current plans envisage an increase in grant income to £0.090m net from 2012/13. It has not been possible to deliver this proposal. Grant income of at least £0.035m will be achieved in 2011/12. A similar level of grant income is likely to be achievable in 2012/13 and given the opportunity to access additional grant funding arising from the Governments' proposed changes to the consumer protection landscape and funding that is likely to be available to support enforcement around the Olympics, additional income should be possible. Income across the Community Safety Services will be sufficient to meet any shortfall in Trading Standards income for 2012/13 given the likely income levels of the Gypsy and Traveller Service.

#### Impact of the proposal on service users and communities:

New funding opportunities and any shared service approach may mitigate some of the effects of the proposed reductions. The Service already operates a minimum service in respect of business inspections and in response to complaints. The proposed changes will focus resources more on reactive 'response' services. The reduction in Community Liaison Officer posts will result in a reduced community engagement and harm prevention activities (e.g. doorstep crime training for carers, promotion of the Stop Loan Sharks project, support for the Junior Citizen programme, proactive business legal advice). A reduction in managerial posts will result in a change in enforcement capacity and capacity to investigate complaints. The potential for partnering will enable some of this impact to be mitigated through shared resources and expertise.

#### Impact of the proposal on other council services:

Reducing prevention work may affect support for electric blanket testing and the Junior Citizen programme which may have an impact on the Fire and Rescue Service. The management restructure will impact on internal workloads and could have a knock-on effect on support provided to other services. Significant pressures could arise on managers when the volume of legal work is high.

#### Capital implications of proposed change

Depending on the outcome of partnership discussions there could be the potential for shared accommodation which could change the building requirements of Trading Standards. However, there are not likely to be any changes in the short-term.



## Community Safety – Gypsy and Traveller Service

<b>Service Area</b>	<b>Community Safety – Gypsy &amp; Travellers</b>
<b>2011/12 Gross Budget</b>	<b>£1.095m</b>

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding				

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings		0.007		0.007
Variations to 2011/12 MTFP Savings	-0.050			-0.050
<b>Revised Savings</b>	<b>-0.050</b>	<b>0.007</b>		<b>-0.043</b>

The Gypsy & Travellers Service provides landlord services for some 80 families resident on the County Council's 6 permanent sites as well as safeguarding the county's settled communities from the problems associated with unauthorised encampments. The service also provides this function for Buckinghamshire County Council and Brent Housing Partnership which are generating additional income. Further contracts are being sought.

There is no statutory requirement on the County Council to provide permanent gypsy and traveller sites. However, we own the Oxfordshire sites and as such have a duty to maintain them. The cost of doing so is minimised by efficient running of the sites to collect rent and ensure high site occupancy.

In respect of unauthorised encampments, the team's work directly supports the Authority to discharge a range of statutory responsibilities, e.g. to provide for welfare and education needs of travellers and to deal with obstructions on the highways. In addition, the team's work minimises clean-up costs and promotes good relationships between the settled and traveller communities.

Proposals to deliver efficiencies

Income Generation - The Gypsy and Traveller Service already generates income of £0.800m, leaving a net cost to the service of £0.115m. Further contract or consultancy opportunities are being sought which may reduce the cost of the service further— **currently being managed.**

The Provision of an In-House Repairs and Maintenance Function – Traveller sites in Buckinghamshire have operated this approach since September 2010, resulting in reduced maintenance costs. However, it has not been possible to achieve the £0.020m saving in the existing Gypsy and Traveller Service efficiency plan that relied on providing the repairs and maintenance in Oxfordshire, as it has not been adopted to date. A business case will be prepared for extending this arrangement to Oxfordshire’s sites based on the saving delivered in Buckinghamshire— **business case dependent on results of the property and facilities procurement project.**

### Impact of the proposal on service users and communities:

As the proposals are income generating there are no negative impacts on communities. The provision of an in-house repairs and maintenance service could improve relations on sites.

### Impact of the proposal on other council services:

The proposal to develop in-house repairs and maintenance for the Oxfordshire sites would lead to a reduction in demand from the service for minor repairs from property services.

### Capital implications of proposed change:

There are no immediate capital implications from the proposals. Any increase in contracts for service provision could lead to an increased need for staff and associated office space.

**External pressures**

1.

External pressure	2011/12	2012/13	2013/14	2014/15	Total
<b>Training for fire fighters using Breathing Apparatus (£m)</b>	0.050	0	0	0	0.050

The report received following an inspection by the Health and Safety Executive (HSE) has resulted in 18 recommendations, one of which is to increase the amount of breathing apparatus training for fire fighters. The service has no control over the HSE which can issue improvement notices if it believes there is a significant breach of health and safety.

Funding has already been received for this pressure

2.

External pressure	2011/12	2012/13	2013/14	2014/15	Total
<b>Part time workers (Prevention of less favourable treatment) Regulations 2000</b>	0	0.100	0	0	0.100

Retained fire fighters are classed as part time workers under these regulations. Claims are in the process of being settled and a one-off cost figure of £0.190m has been established, followed by an estimated annual revenue cost of £0.100m over the next few years, which may change depending on operational workloads and future settlements in terms of pensions, linked to equal pay.

This cost of this funding pressure has now been clarified following agreement at national level. The Fire & Rescue Service expects to be able to manage this pressure from within the retained duty system budget by reducing the amount of community fire safety work undertaken by retained duty staff. There is a small risk to council balances as variances against this budget are met from or returned to balances.

**Risks potentially leading to additional funding pressures**

All our Services recognise the financial climate and the need to promote innovation and increased efficiency in addressing new challenges. There are numerous small scale examples where individuals and their managers have come up with minor service

amendments which have either increased resilience, improved performance or made a financial efficiency. This approach will continue and, wherever possible, new pressures will be met within the services concerned.

However, there are also a number of financial challenges – some, as yet, are undefined - which may be beyond the scope of the services to absorb within current budgets. These include:

### **1. Wholetime and Retained Duty System (RDS) firefighter pensions**

A consultation regarding technical changes to the two current firefighter's pension schemes is underway and a further consultation regarding employee contributions as part of the Treasury cost reduction targets is anticipated this summer. Both of these are pre Hutton Report further changes anticipated later in the year which will be informed by the Government Actuary's Department (GAD) valuation of both firefighters' pension schemes as at 31 March 2011. In line with the 2007 valuation, the valuation will seek to:

- - review the demographic experience of the schemes
- - assess the cost of benefits accruing to firefighters in the future, and
- - place a value on the benefits accrued by firefighters in respect of service up to the valuation date.

The outcome will assist the Secretary of State in determining the required level of contributions, including employer contributions, under each scheme.

GAD will not directly recommend increases in employee and / or employer contributions but it will say if the two pension schemes are fully funded or under funded. It will be for the Secretary of State, as part of the wider Hutton Report outcomes to decide on any increase in employer contributions so therefore we are not able to provide any definitive figures.

### **2. Control – Call Receipt and Mobilising**

Due to the government's cancellation of the mandatory regional control approach, there is now a degree of uncertainty concerning potential capital and revenue implications of the need to refresh, combine, or outsource our call facilities. CLG identified a potential £1.8m grant for this activity. However, up to £1m of that fund could be required for Airwave (emergency services radio scheme) licensing / facilities depending on the solution identified. At this time, subject to a successful bid to DCLG in November, and the agreement of a joint Thames Valley approach it is considered unlikely that significant funds would be required in 2012/13. Further certainty is not yet available.

### **3. Warwickshire – Increasing Health and Safety implications for Firefighters / Fire Service operations**

Following the four Warwickshire firefighter fatalities, the sector is awaiting detailed evidence from the HSE and Police during forthcoming trials. Three operational officers, as well as the Chief Executive, former Chief Fire Officer and the Chairman of the fire authority, are all currently under arrest and bailed to appear in court at a later stage with regard to their responsibilities for 'arrangements' of a safe and competent workforce. This matter has the potential to place an increased level of training burden on our retained workforce, as well as other operational requirements such as the provision of specialist equipment and levels of command and control at incidents.

#### **4. Firefighter Personal Protective Equipment (PPE)**

After extending its current PPE contract which commenced in 2001 for an additional two years, and deciding to step back from a South East contract that would have increased costs of OFRS in the region of £90k per annum on its current PPE budget, OFRS, via OCC procurement has successfully undertaken its own tender exercise and has awarded a new 8-year contract to Lion Apparel Systems. The resulting 'total care' contract will guarantee high-quality, comparable fire kit for OFRS firefighters, at a cost of £0.047m per annum less than the South East contract and avoiding some of the potential cost escalation contract clauses in that contract. Nevertheless, despite the clear value for money the OFRS contract offers, it is still £0.051m per annum more expensive than the current budget. The Fire & Rescue Service will manage this pressure from within its total budget.

#### **5. Trading Standards**

Consumer Direct – there is £0.102m efficiency identified at the beginning of year 2012/13 with reference to re-provision of the Oxfordshire County Council Consumer Advice Service through re-directing county residents to the Consumer Direct national call centre. This includes the reduction of 3 posts. This efficiency was identified prior to the government's announcement of their intention to move the Consumer Direct helpline to a third party/voluntary sector to deliver. Citizens Advice will be providing this service from 1<sup>st</sup> April 2012. However there are some concerns that the timescale for developing the infrastructure to manage the contact volumes is very challenging. The delivery of our efficiency target may be affected by any delay to the Citizen's Advice procurement process for a commercial partner to provide a call handling service.

### **General Risks**

#### **1. Fuel and Utilities**

With on-going inflationary increases in the prices of fuel and utilities, Community Safety services continue to have additional pressures placed on them due to their reliance on diesel to deliver public services and to heat, light and power their buildings.

### **2.Olympics**

All Community Safety services are currently undergoing increased pressure on their staff in terms of resourcing Olympic planning. Additionally, 2012 coincides with the Queen's Jubilee, therefore, there is an expectation of increased crowd sizes and capacity due to many other events, such as Henley Regatta, as well as management of direct Olympic risks such as the torch relay and planning for significant emergency events in and around Oxford. The Fire and Rescue Service provides a specialist regional resource for potential Chemical, Biological, Radiological, Nuclear and Explosive incidents and Emergency Planning are actively involved as part of the wider Local Resilience Forum. Trading Standards has been approached to help support host authorities with enforcement of advertising restrictions and intellectual property controls. Whilst this pressure is associated with time only, it has the potential to deflect staff and management focus away from other areas including delivery of the business strategy.

### **3. Maintenance of Buildings**

The capital building stock of the Service is requiring regular - maintenance, – which, in conjunction with the rapidly developing urban areas across the county and the associated congestion of the road network, is putting increasing pressure on the Service to consider a major building programme that could see fire stations being relocated in order to better meet current response time targets. This pressure, however, may have longer-term benefits associated with it as the Service continues to proactively look to share assets with other OCC services and partners, such as Thames Valley Police, neighbouring Fire & Rescue Services, district councils and the Ambulance Service. – Therefore consolidating public sector capital assets in the county over time.

## Summary

The Services of the former Community Safety Directorate are embarking on a significant period of change as we continue to move towards integration with Social and Community Services and other partners. This, coupled with the national comprehensive strategic review of Fire & Rescue Services and the work within Trading Standards around forming external partnerships and a single regulatory approach with Districts, requires significant change management. This would have been challenging had there been no other external requirements.

Within Fire and Rescue, there is a significant challenge in order to meet the original £0.662m efficiency saving that remained 'to be identified' in the current MTFP. The Service's history of a low cost base and previous efficiencies means there is little capacity for the delivery of further savings without significantly causing detriment to the front line emergency response.

The previous announcements over the potential abolition of the Office of Fair Trading and the National Consumer Direct helpline creates uncertainty over government Trading Standards direction. However, the government appears to be wishing to pass responsibility for consumer protection and enforcement to the professional Trading Standards Officers at Local Authority level and, subject to accompanying resources, Oxfordshire County Council Trading Standards welcomes this future opportunity.

Our future approach will continue to involve re-engineering our existing working practices and through maximising the use of the councils assets (both human and capital), create an integrated service delivery to produce a safer, more informed society. **"Safer by Design"** is our vision for self-reliant safer communities, with enabling actions and resources provided or commissioned by Oxfordshire County Council, working in partnership with a range of third parties. Intelligence-led, locality-specific approaches will identify practical preventative measures delivered through internal resources and via community based partnerships, which will aim to address many of the emerging societal risks. Through a truly integrated approach, we will seek to improve the safety, awareness and confidence of those who choose to grow-up, live, work or travel in Oxfordshire.

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# **Business Strategy**

**2012/13 – 2014/15**

**Environment & Economy Directorate**

### Directorate Overview

1. The new Directorate comprising Highways & Transport, Growth & Infrastructure and Oxfordshire Customer Services has an overall gross budget of £157.3m<sup>1</sup> and employs 2201<sup>2</sup> staff. 23 are hosted by the council but externally funded. Over 34% of what the directorate spend is delivered through contractors or with partners.
2. In 2010, the Environment and Economy Business Strategy set out clear proposals for radical change over the period 2010/11 – 2014/15 to establish a smarter, leaner and more cost effective operating environment, whilst at the same time reshaping services to fit the changed local and national policy environment. This strategy has held through the straightened financial scenarios initiated by the coalition government which served increasing the planned pace of change to meet new financial targets.

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	6.663	4.614	1.695	12.972

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-9.799	-5.952	-3.303	-19.054
Variations to 2011/12 MTFP Savings	-2.600	-0.254	-0.967	-3.821
<b>Revised Savings</b>	<b>-12.399</b>	<b>-6.206</b>	<b>-4.270</b>	<b>-22.875</b>

3. The Directorate is well on track to deliver the overall strategy and will over-achieve the target set for this financial year.

<sup>1</sup> Before taking out recharges and excluding budget transfers from Children, Education and Families directorate

<sup>2</sup> This figure includes Oxfordshire Customer Services but excludes Business & Skills staff transferring from Children, Education and Families directorate (as per 2011/12 Q2 Establishment Figures).

## Operating Policy Context

4. As in other areas of the council there have been an unprecedented number of government reviews, consultations and policy reviews over the last year from the Department of Business and Skills, Department for Transport, Department for Communities and Local Government and HMT, which impact on the directorate. Highlighting some of the key issues in particular:
  - The National Planning Policy Framework and the Local Government Resources Review signify a major shift in the operating context for the council in both its place shaping contribution to a thriving county and in its relationship with local businesses and the Oxfordshire economy, particularly in the future funding of local services and the priorities of infrastructure delivery. Proposals for the governance of New Homes Bonus incentives and Community Infrastructure Levies are accompanied by significant challenges in the delivery and funding of critical strategic infrastructure.
  - Proposals to re-localise the business rate and retain significant proportions of future growth in the business rate provides very immediate incentives to develop the economic offer within the County and increase the tax base through smart and targeted investment and interventions. This opportunity requires a sustained uplift in our resourcing to support economic growth in our key growth areas through the right physical, electronic and skills infrastructure.
  - Government also envisages key transport priorities and key capital investment decisions to be made through Transport consortia, with significant business direction from the fledgling Local Enterprise Partnerships (LEPs), rather than local Highways Authorities alone or in sub national partnerships.
5. In this emerging paradigm Oxfordshire is well placed, having successfully established a single LEP for Oxfordshire as a defined economic entity with key commercial sectors of national importance based on its tremendous science and technology networks. However, we need to retain sufficient capacity to be proactive and flexible to maximise our advantage in attracting additional funding and investment to deliver our objectives.
6. Over the next 12 months this agenda will continue to play out, in particular in ensuring that we provide infrastructure that supports and enables growth. Leading the preparation of a Strategic Infrastructure Framework for Oxfordshire is a priority for the Council. The infrastructure framework will be a powerful mechanism for maximising our ability to lever in funding from a range of sources, improve the cost-effectiveness of delivery, and align infrastructure funding programmes to support the Oxfordshire economy.

7. This chimes well with the Council's strategic objectives for "a Thriving Oxfordshire". The directorate plays a critical role in this ambition, in particular by
- Working with leading businesses and business networks to create the conditions that support new high value jobs and increased GVA
  - Providing the critical infrastructure necessary for Oxfordshire's economic growth and social development
  - Facilitating the balance between growth and environmental quality
  - Delivering the internal county council infrastructure through Oxfordshire Customer Services and the strategic management of the organisation's property assets.

### Delivering the Business Strategy

8. Our Business Strategy also outlines the significant transformation required to align our delivery to the corporate business strategy themes 2011/12 :
- Reshaping management
  - Changing the Way We Work
  - Improving Customer Focus
  - Developing a Customer Service Centre Approach
  - Creating a Strategic Asset Management Strategy
  - Transforming Information, Communication & Technology (ICT)
  - Supporting Community Self-help & Big Society
  - Service & Structure Re-design
9. Our broad approach to delivering the business strategy was established a year ago, and remains a central plank of the overall authority ambition. Specifically our approach is centred around five key areas which we will continue to pursue through these changing times.
- **Generating efficiencies through procurement:** By 2013 we will have re-tendered our key high value contracts in Highways, Waste and Property and Facilities. In each case we have or will be seeking contract efficiencies in excess of 20% and we have or will negotiate shared risk partnering arrangements.
  - **Directorate Transformation & Re-structuring:** The transformation and development of the new models of delivery will continue. As part of the Strategic Management Review, OCS was brought into the Directorate in January 2011, which has enabled us to look more comprehensively at the Council's focus on the customer and the business process re-engineering

necessary to achieve step changes in working practices. This can be seen through the reshaping of the proposed procurement of Property & Facilities services to include the wider consideration of Quest Cleaning Services and Food with Thought. The procurement process has also highlighted that little value will be gained by externalising customer facing services (front of house & reception staff etc) which have already been restructured and could strategically strengthen the customer service centre approach.

The Directorate transformation is establishing leaner operational structures and enabling the delivery of our efficiency targets. The re-structuring of services and the business re-engineering has reduced the number of management layers, the number of senior service managers and the overall staffing numbers. In developing our models it has become apparent that some of the savings allocated to further integration will not be fully realised (**See EE46**) as we are pursuing alternative opportunities associated with the development of the enlarged directorate which may release greater savings yet to be fully worked through. These new operating environments will require significant levels of transitional expertise before the full benefits of the new business model are realised.

- **Prioritisation of our services:** Our focus remains on the delivery of statutory and high political priority services. We will therefore need to develop and maintain the strategic capacity necessary to support leadership by the Council and their partners in maximising the opportunities for economic development and smart growth.
- **Review of Income:** We have further reviewed the opportunity to generate income through our fees and charges. There are opportunities to generate income through management of charges. Additionally, bidding successes for external funding such as Local Sustainable Transport Fund has provided the investment needed to enable greater revenue from our strategic Park & Ride operations. Increasing momentum of schools wishing to become academies provides challenges for maintaining income generation for trading services such as Quest Cleaning Services. It is proposed that services continue to be offered to Academies and potentially free schools, in bespoke packages in order to maintain income levels and thereby unit costs of back office services to the benefit of the Council. The charges made will be subject to review, although many are limited by statute to cost recovery.
- **Strategic management of property:** Effective asset management is a central plank of the County Council's overall business strategy both in terms of its interdependencies with all of the service Directorates and the Council's relationship with local communities. We are on track to deliver the reduction in the revenue cost of the council's non-schools portfolio by 25%, increasing the amount of property that is Fit-for-Purpose and reducing our energy consumption. However, it is by fully adopting the Corporate Landlord approach that we will strategically address our presence in the community and achieve the real community and service benefits of co-location and fully serviced property assets. This will enable us to play a full part in the community self-help and Big Society Programmes being developed by communities and supported by the Council, i.e. asset led

locality reviews are taking advantage of opportunities to improve co-working with other public sector bodies. During 2012/13, due to the success of our strategic approach to capital investment and clear prioritisation on need, there will be opportunities to have a more radical consideration of our office accommodation strategy, which might see significant further rationalisation around key sites.

10. The agreed business strategy for 2011/12 included £14.462m of net savings. As of September 2011, we had already delivered 85% of the savings required for 2011/12 and will overachieve the target set for this financial year. Individual projects to deliver the Business Strategy are being managed well by staff across all areas of the directorate and these projects are achieving both the savings and service changes that we set out last year. We have firm foundations in place to achieve the longer term targets over the period to 2014/15.
11. Performance has been tracked through the Business Strategy Group and we have highlighted those areas where proposals will need to be re-defined or amended as it has become apparent that they will not deliver the target savings. For example, the part-night street lighting project is now closed because the business case does not justify the investment and will be replaced by an alternative proposal to deliver the agreed savings target. Similarly, the Household Waste Recycling Centre Strategy was revised following the public consultation and the associated revenue pressures of approximately £0.300m (from 2015/16).<sup>3</sup>
12. **Changes to the Business Strategy and Medium Term Financial Plan(MTFP)**  
Variations to the MTFP have been identified over the planned period. They are set out in Annex 4 of the main report - Summary of changes to the Business Strategies and MTFP. Following a rigorous reappraisal of all budget lines, the Directorate is confident that the proposed variations considered in each service plan will be sufficient to deliver the overall financial target for the period.

### Uncertainties & Risk

13. In the next year, we face particular challenges in the following areas:
  - Contract Efficiency: Following a successful market testing and procurement process the new integrated Highways contract has significant efficiency targets to meet. VFM and efficiency delivery will be subject of stretching performance measures and comparative benchmarking.

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<sup>3</sup> This is shown as £0.219m in Annex 4 in 2014/15.

- Contract inflation pressures: Our contracts have moved away from inflation based on industry indices (such as Baxter) and now operate on the lower RPI. However, the RPI is currently running at approximately 5% which is above the current built in figure.
- Pace and expectation: The corporate asset landlord function and the corporate information technology provider require us to consider both a strategic approach whilst remaining flexible to respond quickly to radical changes in Service directorate business models and the locality agenda places significant tensions on resources and workload planning. Often managers in these areas are juggling competing demands and priorities. Early engagement and clarification of needs is a prerequisite of a successful outcome. Lead-in times for the provision of infrastructure to enable changes of business delivery models and of location should be costed into the service directorates' business plans and realistic delivery timetables should be established if organisation reputation is to be preserved.
- Organisation resilience – the directorate has sought to move quickly and bring forward the new models of delivery early. This has achieved savings ahead of profile however it has become clear that the cultural change requirements require supplementary capacity and expertise to support key management areas through transition before full benefits can be realised in the new operating environment.
- Transport in the Community - access to goods and services in a rural county where key public service are being developed around the personal choice and commissioning agenda is recognised as a priority cross cutting issue. Work has taken place over the year with Growth & Infrastructure Scrutiny Committee and cross scrutiny task groups in “Select panel” mode to develop a draft community transport strategy for consultation. Whilst not represented as a financial target within the business strategy, there are undoubted linkages with a number of policy decisions taken by other directorates, district councils and the health sector that require a comprehensive review of options.

## Growth and Infrastructure

<b>Employees (2011/12 Q2)</b>	429.92fte (473.52 establishment – does <u>not</u> include transfer of Business & Skills from CEF [10.53fte, 16 establishment])
<b>2011/12 Gross Budget (including recharges)</b>	£55.279m ( excl. Business & Skills)

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	4.228	3.593	1.157	8.978

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-4.182	-3.461	-1.671	-9.314
Variations to 2011/12 MTFP Savings	-1.023	-0.520	-0.421	-1.964
<b>Revised Savings</b>	<b>-5.205</b>	<b>-3.981</b>	<b>-2.092</b>	<b>-11.278</b>

14. The context within which the Growth & Infrastructure service is operating continues to experience changes, some of which are driven by external factors, others internally driven.
15. Through service transformation and prioritisation, and improving our strategic capability the service is moving to a new delivery model. Whilst restructuring of the Sustainable Development Service will be completed by the end of the 2011/12 financial year, changes to the structure of Property & Facilities will be taken forward in light of the outcome of the procurement process for the



Single Service Provider. During the course of the coming year the Leadership Team will invest in developing the capability and culture of the service, in the process addressing concerns highlighted previously by members.

16. The vision for the service is :  
***To lead in the delivery of strategic infrastructure that supports Oxfordshire's ambitions for a thriving economy, delivering services that make the maximum contribution to achieving the Council's corporate objectives***
17. Key areas of the service where changes are most significant are:
- a. Waste Management
  - b. Property & Facilities
  - c. Infrastructure Planning, including Economic Growth (supporting enterprise and innovation)

### **Update on the Delivery of the Business Strategy**

18. Growth & Infrastructure is on track to deliver its £14.697m savings over the next four years, a third of which (£5.57m) will be delivered by the end of 2011/12. Proposals to achieve the remaining savings have been identified and are in the process of being implemented e.g. procurement of the new Property & Facilities single service provider, or are in the process of being developed e.g. revision of the Joint Municipal Waste Strategy. However, during the course of 2011/12 it has become clear that the service must also respond to additional external pressures which will be managed within the directorate.

### **Waste Management**

19. The Joint Municipal Waste Management Strategy provides the framework for managing waste in Oxfordshire. Responsibility for the strategy rests with the County Council working in partnership with the district and city councils through the Oxfordshire Waste Partnership. The five year review of the strategy is now underway. As part of this the recycling and composting targets against which success is assessed will be reviewed.
20. The success of the strategy is already evident in the increased rates of recycling and composting being achieved – estimates indicate a county wide recycling and composting rate of over 62% this year (**See NS4, NS5 and AS2**). This success is built on the back of investment by the county, district and city councils in waste collection and management systems. The review of the strategy provides the opportunity to adopt even more challenging targets for waste management. With considerable investment already made in waste collection and recycling and composting technology, and the construction of another anaerobic digestion plant to open next year, there will be less need to invest in the next 4 years. Building on the back of this success, and in parallel

with the review of the Joint Municipal Waste Strategy, it is now appropriate to review the operation of the waste incentive payment scheme.

21. The non-statutory waste incentive payment scheme introduced to support the Joint Municipal Waste Management Strategy has clearly had a role to play in its successful implementation. We will need to enter negotiation with the District Councils to revise the recycling targets and baseline to reflect the current level of performance and to address the level of any discretionary incentive payments. In pressing for waste management targets that build upon our existing success and stretch our ambition, we will realise the need for efficiency savings identified as part of the Business Strategy **(NS-C1)**.
22. The County Council as the Waste Disposal Authority has a statutory obligation to provide places for members of the public to deposit their household waste. The enhanced kerbside services already introduced by the district councils have reformed and reshaped waste collection. Every house in Oxfordshire now has a comprehensive kerbside collection scheme including food waste so the need for people to use their household waste recycling centre has reduced.
23. In April 2011 the County Council approved a revised household waste recycling centre strategy. The agreed strategy included changes that arose out of public consultation, specifically the retention of facilities for dealing with residual waste at all household waste recycling centres and retaining a public facility at Redbridge at weekends and on bank holidays. These changes resulted in an additional pressure of approximately £0.300m per annum from 2015/16 **(EE49/EE34)**. This pressure is to be funded within service and the combination of new savings within Growth & Infrastructure supports this approach **(NS4/NS5/NS6)**.
24. Implementation of the agreed strategy is now underway. The facility at Dean Pit has now been closed. Planning permission has been resolved to be granted for the construction of the new facility at Kidlington. The project team for Kidlington are working hard to reduce the cost of the project and ensure value for money and to manage any projected cost increase on the original budget locally.
25. Once the facility at Kidlington has been completed work will begin on refurbishing the existing facility at Redbridge (anticipated spring 2013). Further investigation has found that a minor refurbishment could keep the site open for approximately 15 years and be completed for approximately £0.250m. The County Council is committed to keeping Redbridge open at least at weekends and bank holidays. Soft market testing indicates that this should be possible within the current budget.
26. The Notice to Proceed for the Residual Waste Procurement contract was issued on 15th November 2011. The start of the construction of the project has been delayed as a result of the legal challenges from local action groups. The implication of this delay on the timing of efficiency savings originally identified for 2014/15 **(EE35)** is being assessed.

## Property & Facilities

27. Effective asset management is a central plank of the County Council's overall business strategy both in terms of its interdependencies with all of the service Directorates and the Council's relationship with local communities (as exemplified by its approach to asset transfer as part of the work on the Big Society Fund).
28. The overarching vision remains one of delivering an effectively planned, used and managed property asset that makes the maximum contribution to achieving the Council's corporate objectives, whilst at the same time reducing its cost.
29. The main areas of activity within the strategy's implementation programme include:
- a) Property & Facilities Procurement – a new Single Service Provider is scheduled to be in place from spring 2012: this will achieve efficiency savings of £0.550m. The organisational structure for Property and Facilities will be changed to reflect the revised operating model that is determined through the procurement dialogue process. Consultation with affected members of staff will take place in good time to enable any revision to the structure to be in place at the start of the new contract.
  - b) Asset Rationalisation – a strategic review of our asset portfolio has led to a programme property disposals. This will deliver the revenue savings of £1.1m in the MTFP; potentially more depending on the outcome of detailed business cases for the major parts of the programme. In the process, this will realise capital receipts of approximately £3.2m. Implementation of the disposal programme will reduce the number of offices up to 40%. This will require funding up front (both capital and revenue), which will subsequently be recovered through the savings and further receipts realised. A self-financed capital proposal has been put forward to increase the allocation in the programme by £1.23m.
  - c) Locality Reviews – a pilot programme of asset led locality reviews has begun through which further opportunities for rationalisation of the asset portfolio will be identified. The pilot programme comprises reviews for Berinsfield, Blackbird Leys, Banbury, Bicester and Didcot. Where appropriate each review takes into account other public sector assets in order to afford a comprehensive picture of the opportunities for co-location that exist. The pilot programme, although yet to be completed, has highlighted the need for additional technical resources. These are required in order to enable the opportunities identified by local members to be explored fully within an acceptable time frame: extension of the pilot programme to the remaining localities will require an enhanced level of technical resources in the short term. **(see NR4)**

d) Corporate Landlord – from April 2012 Property & Facilities will be responsible for all property related issues, including county-wide facilities management services. This approach fundamentally changes the relationship between Property & Facilities and Directorates, but provides greater opportunities to ensure the council's property assets are focused on core public service delivery.

30. A number of interdependencies across the council will influence the success of delivering this strategy. Changes to the way in which we work and the move towards new models of service delivery for public services will challenge previously held assumptions on asset provision. For example, greater agility in the way members of staff work will reduce the need for desk space potentially providing opportunities for further reduction/consolidation in the property portfolio.
31. Additional resources (both revenue and capital) are being provided to drive forward delivery of the asset rationalisation programme. As a consequence it will be possible to realise additional savings in the corporate property estate **(NS-D1)**.
32. Alongside reviewing what is an appropriate level of presence in local communities through the property led locality reviews, the co-location of public services and alignment of approaches to asset management across the public sector portfolio would undoubtedly lead to further rationalisations. However, in order to take this forward there would need to be a broad agreement across the public sector as to the approach to be adopted, in particular the basis on which costs and savings might be attributed.
33. A number of submissions to the Big Society Fund have involved requests from community groups to make use of County Council owned assets. This has two implications for the Property & Facilities team: firstly experience has shown the need for additional technical resource to support the processing of such submissions. Secondly, an increase in the number of properties being let will result in additional on-going work arising from the need to manage the leases covering the Big Society Fund initiatives.

### Energy Strategy

34. As part of the Corporate Landlord function, from April 2012 all energy bills will be managed by the Property & Facilities team. The over-riding challenge facing the County Council is the need to improve its resilience to increasing energy prices. The County Council's current energy providers have confirmed a 10-15% increase in energy costs for 2012. They are also forecasting a 50% increase in energy prices over the next 5 years. If the Council's energy consumption remains static over this period these gross cost pressures (which include Carbon Tax) would manifest themselves in a £3m increase in energy costs for property and street lighting, and an increase of £4m for schools in their energy bills by 2015/16. There is net pressure for Street Lighting after assuming budgeted inflation increases **(See NP1)**. The corporate energy cost increases should be covered by budget transferred from Directorates as presently the budgets held by directorates are in excess of the estimate outturn position.

35. Existing proposals set out in the current Business Strategy – including the rationalisation of property assets, investment in energy efficiency and installation of renewable energy sources – will offset no more than 20% of the increase in costs of energy (excluding schools). In addition to the direct impact of increased energy costs on our ability to deliver services, it is important to remember that the Council’s overall level of energy determines its liability to pay the Energy Tax (Carbon Reduction Commitment tax).
36. In light of the pressures arising from increased energy costs there will be an on-going need for further capital investment in measures that will reduce our energy consumption. These could be realised through a combination of further reduction in our property asset and/or co-location of services as well as investing in measures that increase energy efficiency and/or increase our use of renewable energy. However, it is difficult to determine the exact programme of works to deliver the required level of cost avoidance across the next five year and not all works may be proven to be capital. Therefore, the financial summary also shows £0.500m revenue funding pressure **(See NP2)**.

### Infrastructure Planning including Economic Growth

37. The success of our economy is fundamental to achieving broader ambitions for Oxfordshire. Without economic success we will lack the ability to generate the wealth that will in turn enable investment to be made more widely in society, and our ability to compete in a global market.
38. The importance of economic development will increase further as and when the proposed restructuring of local government financing sees a significant proportion of any business rates coming back to the local councils. As a result future business growth will become an inexorably linked to the council’s resource strategy.
39. The public sector has a leading role to play in facilitating and supporting sustainable economic growth, primarily by providing leadership in improving the co-ordination of investment to deliver a shared ambition.
40. Oxfordshire’s success in securing support for a Local Enterprise Partnership is helping to redefine the relationship between public and private sectors. There is a need for a paradigm shift: our models of governance and implementation need to be refined further if we are to create a situation in which economic growth is encouraged but not at any cost. The need for such a shift is increasingly reflected in Government policy: for example the National Planning Policy Framework emphasises the importance of the planning system being there to enable and facilitate economic growth.

41. The Oxfordshire Local Enterprise Partnership has quite deliberately avoided the creation of an overly bureaucratic governance structure enabling the partnership to stay focused on key challenges facing the Oxfordshire economy:
- Addressing skills deficiencies –addressed through the creation of the Oxfordshire Skills Board: the Board is responsible for preparing a local statement of needs that in turn will be used to shape the programmes offered by providers;
  - Business Support, including support for inward investment - addressed in two ways: firstly through the active promotion of Oxfordshire as a location for business ('Enterprising Oxfordshire'); secondly through the development of a single portal that provides both prospective and existing businesses with a signpost towards the support that is already available;
  - Securing investment for infrastructure priorities – being driven forward jointly with the Spatial Planning and Infrastructure Partnership, the preparation of an Infrastructure Framework for Oxfordshire is seen as the mechanism for aligning available investment in infrastructure and services.
42. The work of the Local Enterprise Partnership is beginning to demonstrate the added-value that it can bring in support of the Oxfordshire economy. The Partnership's success in securing support for the Science Vale Enterprise Zone provides a further opportunity to implement a new model of delivery: one where a simplified planning system and retention of the financial benefits of growth (represented by the growth in business rates) are brought together to encourage business investment and economic growth.
43. The Growth & Infrastructure service plays a leading role in supporting the work of the Local Enterprise Partnership, primarily by providing the principal administrative and technical support. This has been an important factor to the Partnership's success, enabling rapid progress to be made in establishing the Partnership and in supporting the Partnership's work in its key areas of interest. Government initiatives and announcements continue to emphasise the importance of the Local Enterprise Partnership in shaping investment priorities and decision making at national and local levels.
44. Continuing to support the Local Enterprise Partnership remains a key priority for the Growth & Infrastructure service. Our experience to date has highlighted the potential of the Partnership to play the leading role in realising the opportunities for economic growth in our key spatial priorities – Science Vale UK, Oxford (and its environs) and Eco-Bicester.
45. As the Partnership matures it will be increasingly important to ensure that it is adequately supported by both the private and public sectors. A priority over the next 12 months will be to ensure that our support for the Partnership is reflected by an enhanced level of support from the private sector. Nevertheless it remains in the County Council's interest to continue to actively support the

Partnership and its objectives. Indeed, in the face of on-going economic challenges and the critical role that the Partnership has to play in addressing them, so there is a need for additional technical resources to be made available in support of it (**See NR3**).

46. In this regard the Growth & Infrastructure service is well placed to provide additional technical support specifically targeted at ensuring the Partnership secures additional funding for investment in business critical infrastructure and services, many of which are provided by the County Council.
47. The Infrastructure Planning team has been established as part of the restructuring process to provide leadership in:
- Ensuring that strategic infrastructure needs are identified and set out in an infrastructure plan for Oxfordshire that is agreed with the district/city councils;
  - Ensuring that those needs are reflected in the core strategies of local development frameworks prepared by district/city councils;
  - Working with the district/city councils to increase the financial contributions secured from developers towards meeting identified infrastructure needs, working with national delivery agencies to ensure that their investment priorities and plans are aligned with local needs;
  - Providing support for partnerships with external bodies that are focused on facilitating economic.
48. Work on the Strategic Infrastructure Plan for Oxfordshire is being taken forward in partnership with the district and city councils through the Spatial Planning and Infrastructure Partnership. The ambition remains to have an initial, prioritised framework in place by April 2012. The framework will be the mechanism for seeking the commitment of national agencies and other public sector bodies to align their investment programmes in support of the Oxfordshire economy. In addition it will be the common framework that underpins the strategic input into the preparation of more detailed charging schedules at the local level in support of the Community Infrastructure Levy. In summer 2011 the County Council agreed to establish a forward funding mechanism that enables infrastructure to be delivered, taking advantage of the flexibility that exists within the planning obligations secured to date.
49. The transition from the current developer contribution regime (via Section 106) to Community Infrastructure Levy will require careful management if opportunities to secure funding for infrastructure are to be realised. There is a strong likelihood that there will be a degree of overlap between the two systems in the period to 2014. Additional technical resources is required during this transition period as a consequence (**See NR5**).
50. The availability of the Strategic Infrastructure Framework will enable the Growth and Infrastructure service to focus on ensuring that the preparation of Local Development Frameworks take into account the infrastructure and service needs of the County Council. In this context the need for detailed and extended negotiations in respect of individual planning applications should be reduced. This shift in focus has been a key driver in enabling the restructuring of the planning teams to be taken forward. It will serve to reinforce



the importance of working with the district and city councils through the Spatial Planning and Infrastructure Partnership to reach agreement on investment priorities.

51. We are looking to introduce charges for pre-application advice where we are not the Local Planning Authority. A protocol will be produced before the end of 2011/12 for full implementation from 2012/13 onwards.
52. Superfast broadband is seen by both the public and private sectors as a business critical piece of infrastructure. During the course of the last 12 months the County Council has been providing leadership in the development of a digital strategy for Oxfordshire. Implementation of this strategy will require a combination of central Government (made available through Broadband Delivery UK), County Council and private sector funding. A detailed proposition is being prepared that will set out the business case for the County Council to make a capital investment in support of the delivery of the digital strategy.
53. The new Natural and Historic Environment team will increase awareness of the work we do to protect and enhance our assets. The quality of our natural and historic environment is an integral part of the 'offer' that makes Oxfordshire an attractive place to locate, as well as contributing to the health and wellbeing of its residents. Key components of the business include the provision of development management and policy advice to the County and district councils, delivery via hosted projects and partnerships, and liaison with external groups and local communities. Priorities for the future include improving the profile of the service in the County and districts; delivering against a new planning and policy environment, and ensuring that investment in green infrastructure is made to support Oxfordshire's strategic priorities.

### **Planning & Regulation**

54. Following the restructuring of the Growth and Infrastructure service this function now covers both the County Council's statutory planning functions and those functions relating to the public rights of way network (including the Definitive Map).
55. The new structure provides the opportunity to ensure that the planning team plays a role in ensuring that the planning system is an enabler of sustainable economic growth. With the restructuring of the Growth & Infrastructure service well underway, the focus will be on improving the quality of the service provided, with particular emphasis given to addressing weaknesses associated with the previous structure.
56. Preparation of the Minerals and Waste Local Development Framework continues to be taken forward in accordance with the agreed programme of work. Public consultation on the County Council's preferred strategies has been taking place over the course



of the autumn 2011. The outcome of this consultation will be considered by members over the course of the winter, with the ambition be to seek the approval of the County Council to submit the strategy to the Secretary of State in the first quarter of 2012.

57. The Government continues to delay the publication of detailed regulations and guidance that will enable the County Council to set its own fees for planning applications. In the short term, this limits our ability to generate additional income. However, we have introduced charges for pre-application advice (where the County Council is the Local Planning Authority), and continue to charge for work in relation to archaeological briefs.
58. Notwithstanding the lack of progress by Government we continue to make the necessary preparations that will enable us to put in place our own charging schedule for planning applications once the necessary regulations and guidance are in place. In particular we are looking at how we might use the charging schedule to encourage potential applicants to ensure that they submit good quality applications.
59. The Countryside Access team helps ensure that the countryside and rural economy supports the Council's ambition for a thriving economy, and enabling residents to access the countryside for health and wellbeing in both urban and rural areas. Key aspects of the business include protecting, maintain and develop our assets, strategic & local planning, liaison with communities including landowners and volunteer groups, maintaining the legal record of Public Rights of Way (Definitive Map), and enforcement where problems occur. A key priority for the future is to ensuring the quality of our asset continues to meet public expectations, and continues to support the county priorities to benefit Oxfordshire's public.
60. The public rights of way network is a valuable asset both in terms of its role within the community but also as part of the wider tourist and leisure economy. Efficiency savings identified in the Business Strategy have led to a reduction in the funding available to invest in maintaining the existing network. These reductions have impacted on our ability to support community and voluntary groups at a time when their contribution to helping maintain access to the countryside has increased.
61. A planned programme of capital investment in the rights of way network has been developed in response to these challenges. The benefits of such a programme is two-fold: it enables more cost effective use of our resources, and gives a degree of certainty to community and voluntary groups in planning their works.

### **Business & Skills Bureau**

62. The long term vision for the Business & Skills Bureau is to achieve greater alignment between education/training and the needs of the local economy by coordinating partnerships, providers and employers working in this field.

- 63.** The Business & Skills Bureau will contribute to the Council's aspirations by looking to:
- Increase the number of Oxfordshire residents participating in education or training that will ultimately enable them to become economically active rather than economically dependent;
  - Increase the number of Oxfordshire's employers accessing training for their employees, attempting to remove identified skills gaps, improving Oxfordshire's potential for economic growth
  - Work with the Oxfordshire Local Economic Partnership on skills related matters
  - Facilitate the Oxfordshire Skills Board, to work with all interested partners on skills related matters
  - Developing a Skills Needs Analysis building on the contact the work experience service has with several thousand employers.
- 64.** Recognising the significance of skills in supporting economic development, the Business & Skills Bureau will continue to have a strong working relationship with the Children, Education and Families Directorate. The Bureau will add value undertaking bespoke projects in partnership with other organisations that are designed to impact on the priorities identified around skills. Our role will be to link organisations in three key areas: learners of all ages and skills; education and training providers; and employers, so they can work more effectively together to meet the local skills needs of Oxfordshire's residents and employers.
- 65.** The restructure of the Bureau will realise 70% of the savings target to be met from 2012/13 onwards. The remainder of the savings will be achieved through the redesign of the work experience service to become fully financially sustainable. It is estimated that this will generate a revenue of £0.100m -£0.130m, which would more than offset the further £0.080m required to achieve the full further £0.250m efficiency savings planned from this service area.

## Service Statement

### Highways and Transport

<b>Employees (2011/12 Q2)</b>	330.05 fte (350.75 establishment)
<b>2011/12 Gross Budget (incl. recharges)</b>	£55.885m

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	2.384	1.084	0.361	3.829

#### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-4.128	-2.021	-1.154	-7.303
Variations to 2011/12 MTFP Savings	-1.067	0.366	0.068	-0.633
<b>Revised Savings</b>	<b>-5.195</b>	<b>-1.655</b>	<b>-1.086</b>	<b>-7.936</b>

#### Service Vision

*To be a Leading Transport Authority delivering a high quality, cost effective transport infrastructure and services to our customers.*

66. We deliver all highway and transport services in Oxfordshire including highway maintenance, drainage, flooding, street lighting, bridges, traffic signals, civil enforcement, parking, transport planning, public transport, school buses, special transport, highways development control, travel planning, road safety, transport strategy, major developments, Local Transport Plan, traffic management, streetworks, asset management. The service is also responsible for the delivery of the Council's Highways and Transport Capital Programme.

67. The service is now being delivered through a new ground breaking partnership arrangement, with Atkins, with all staff fully integrated into one organisational structure. This arrangement began in July 2010 and the savings within the E&E Business Strategy rely on the new service being more efficient and effective in its use of resources.(CF & NP-A1)
68. The service is positioned well to deliver. The first year of the contract has seen operational performance improving such that the previous backlog of defect repairs has now been removed. Further work is required to improve the systems that support the integrated service including financial risk management. Financially the service will meet its budget savings target in this area. However the real test is to be able to continue to provide improved operational performance. This will be provided by the operational service standards which will define the quality of service and drive efficiencies.

### Update on the Delivery of Business Strategy

#### Highways Maintenance

69. We recognise that highways maintenance is one of the most important services for local residents (MORI Poll, Oxfordshire 2010). We have sought to minimise the impact of reductions in service provision by focusing resources on keeping a functional, safe and accessible road network that meets the key requirements of its users.
70. The overall highways maintenance budget was reduced, in 2011/12, in the following areas of provision:
- Carriageway repairs
  - Drainage / Gully emptying
  - Footway repairs
  - Signing and lining
  - Minor improvement schemes
  - Dropped crossings
  - Minor Bridge repairs
  - Noxious weed control
71. This represented a budget reduction spread proportionately across these areas of service but still enabled all essential aspects of these types of maintenance work to be continued.
72. To mitigate the impact of reduced spending, the £1m Area Stewardship Maintenance Fund has been protected and reframed to encourage more effective identification of service needs at a local level. The fund has been ring fenced for highway 'community enhancement projects' which need to be supported by local members. The fund is currently being managed by the

Area Stewards through meetings with local members. Members have had the flexibility to allocate the funds across their area how they wish but with the aim of providing for local needs and priorities.

73. Capital funding for structural highway maintenance was provided as a block allocation for general programmes of work and specifically for major projects at Iffley Road, Oxford and Ruscot Avenue, Banbury. This has enabled significant improvement to be made in the quality of the county's roads. This is most noticeable on the A and B roads. The block allocations enable us to carry out general repairs across the network according to their priority. However, major schemes running into millions would take all of this budget allocation and therefore have been bid for separately within the capital programme. Many of our top priorities are costing more to maintain them over 5 to 10 years than it costs to invest in a permanent repair which is likely to last 50 years. Continued investment following this pattern will result in much improved standard for our roads and greater levels of public satisfaction. A capital proposal has been put forward for consideration to support this approach.

### **Maintenance Response Times**

74. Nationally highway defects are defined into two categories. Category 1 defects are those that require prompt attention because they represent an immediate or imminent danger and Category 2 are all other defects that meet the Council's criteria for remedial attention. In Oxfordshire, Category 2 defects were previously separated into 7 and 28 day responses. Whilst there are no legal standards with which to comply, the national Code of Practice recommends that these categories are addressed within 24 hours and 28 days respectively. The removal of the 7 day response time in 2011 has enabled better planning and utilisation of the workforce helping to drive down costs.

75. This has provided an improved level of service for residents as defects will be planned more effectively and with more certainty for delivery. The backlog in dealing with defects was cleared by October 2011 and any defects now identified are carried out within the specified timescales.

### **Flooding and Drainage**

76. Operational activity to address identified flooding issues are currently completely funded through capital budgets, with the exception of gully cleansing where we are maintaining a similar level of service provision as before the reductions in budget. There is an additional £0.586m which will provide opportunities to improve resilience to flooding in the highest priority areas of the county. Progress has been made through the production of the Preliminary Flood Risk Assessment and plans are now in place to deliver the Local Flood Risk Strategy in line with the Floods and Water Act thus fulfilling the requirements of the Lead Local Flood Authority.

### Street Lighting

77. Street lighting uses around 2% of all electricity generated in the UK, and accounts for 27% of the Council's energy costs. The Council is responsible for approximately 58,000 street lights and has delivered a number of innovative street lighting solutions which have kept our base level energy use below 2005/06 levels, even with growth through new developments.
78. Last year it was agreed that we would move to part-night lighting on 14,000 street lights. It was proposed that we extend this to include an additional 14,000 lights, taking the total number of street lights which will be on part night lighting to 28,000. However due to changes in the way in which the energy tariffs are set there is no longer a feasible business case to support part night lighting as the overnight charge for energy has been reduced to a minimal level. It is therefore recommended that we no longer pursue this route to deliver the saving and the capital allocation for this scheme is returned.
79. The required energy saving will need to be met from elsewhere within the street lighting budget and this will be reflected in reduced investment in the asset as well as developing further plans to reduce energy. Alternative ways of reducing the energy requirement for street lighting will continue to be examined to help reduce this pressure **(NP1)**.
80. A proposal for £0.300m per annum (£1.5m in total) has been made for capital funding to support a significant trial of LED lighting which will initially target a market town locality. This type of lighting is relatively new and requires significant capital investment. However it does result in much reduced levels of energy use. Maintenance costs are still relatively unclear due to the technology only being fairly recently introduced. A proposal for capital funds to support this is included within the Directorate's overall energy strategy capital business case.
81. We have also reduced our overall budget for the repairs and maintenance of street lights by 11%.

### Public Transport Development

82. This year has seen the introduction of the new Oxford Smartzone which enables bus users to access the main operators' services through a single ticket. This is a first outside of London and marks a significant improvement in the public transport offer within Oxfordshire.

83. Oxfordshire has the highest level of passenger transport outside the metropolitan areas and this is a key element in our congestion management strategy. The council's provision of passenger information needs to be rethought as it is the commercial operators who gain the greatest benefits. They are also best placed to deliver up to date quality information to their passengers. We are ceasing to provide the Oxfordshire Public Transport Guide and are reviewing our contribution to the national 'Travel line' public transport information and Control System.
84. We propose to continue to maintain the Real Time Bus Information System but we will not allocate further resources to enhance the system.

### Bus Subsidy Review

85. There have been two opportunities during the 2011/12 financial year to review subsidised bus services when a number of existing contracts expire (June & December). The first review has brought about significant reductions in the cost of services without impacting on the quality and breadth of provision. It is anticipated that the December review will be similar. The bus market in Oxfordshire has strengthened this year and there is more competition for services and greater incidence of services becoming commercial which reduces the requirement for council support.
86. A risk to this is the change that has been made to the nationally funded Bus Services Operators Grant (BSOG). Reduction in the level of BSOG (20% reduction by 2014) will put additional financial pressure on bus operators. This may lead to a number of bus routes becoming less commercial. However, Oxfordshire has the highest patronage of any shire county for its bus services and this will help to mitigate this risk. Operators generally within Oxfordshire have strong support for their services and we would anticipate this remaining.

### Concessionary Fares

87. The County Council took over the operation of concessionary fares from the district councils this year and government funding was reduced significantly. Whilst the council has continued to support this statutory provision all efforts are being made to reduce the ongoing pressures from this service. The total cost of the service has been running at around £8.2 million (**AS1**) but with government funding of around £4.2 million. The balance has been covered by the County Council through its own resources. Reimbursement levels this year are lower than originally anticipated and as such a saving of £0.300m is proposed by 2013/14 (**NS-A1**). Further work is being carried out to investigate different reimbursement models to operators with the aim of reducing costs but providing greater levels of certainty for budgets. Initial discussions with operators have so far been encouraging.

88. The issuing of concessionary passes has continued to be provided through agreement with the district councils. However this will end shortly and the County Council will take over this service in April 2012. This will be provided through Oxfordshire Customer Services and the current budget for this activity, around £0.450m, will transfer to Customer Services.

### Transport in the Community

89. We are currently developing a Community Transport Strategy which will set the direction for County Council funding support and wider community funded provision. This year has seen the district councils planning to reduce funding for Dial a Ride services placing pressure on the County Council, as transport authority, to fund its continuation. Whilst there is no statutory requirement for the county to provide Dial a Ride, a countywide scheme for Dial a Ride is being commissioned but only with the funding that is currently available from the County Council and only for one year pending the outcome of the strategy. This enables the county to continue with some provision until the new strategy is in place which will define whether or not dial a ride is a part of our future plans.
90. Overall the County Council is currently spending in excess of £34 million on public transport related activity and control of this lies within three different Directorates (Social & Community Services (SCS), Environment & Economy (E&E) and Children, Education & Families (CEF). Considerable savings have been achieved across the budgets within CEF and E&E with planned savings also in SCS. To date we have achieved much through better, smarter procurement but in a traditional sense. The use of the Integrated Transport Unit fleet outside of their core operation has also been utilized in recent times to provide services on rural bus routes. This has led to significant reductions in the cost of running these services. However there is still scope to look at new ways of procuring services appropriate to needs of our customers and to review the detail of the service provision to see what other opportunities are available.
91. We now need to look at more innovative way of procuring and arranging transport to maintain services whilst reducing costs. One option is to look at the potential of joining up public transport services within an area and enabling the commercial operators to come forward with ideas on which areas of transport could be packaged together and how we could achieve a more efficient and effective network yet meet the needs of users. Oxfordshire has a wealth of commercial expertise which has been relatively untapped in any areas outside of normal public bus services.
92. An opportunity exists to achieve greater efficiencies through a more corporate approach to the strategic commissioning of services without the traditional ties of a service based approach. Services must retain responsibility for policy and commissioning to ensure that customer and business needs are met particularly those who are legally entitled to receive travel funded by the County Council.



### Controlled Parking Zones (CPZs)

93. When the council introduced permit charges it made a commitment to review the existing and older Controlled Parking Zones to ensure that they met the needs of residents and businesses. We have now completed these reviews and addressed the majority of the concerns raised. Going forward we will no longer fund further whole scale reviews of CPZs, however we will continue to manage the demand for disabled bays and reflect changes required to the controlled parking zones as a result of Section 106 investment/ planning conditions. This has operated well this year and a considerable S106 payment is due which will cover the full costs to enable the provision of the Divinity Road / Magdalen Road CPZ.

### Reintroducing Charging at Park & Ride Sites

94. The five Park and Ride sites currently operating around Oxford remain one of the largest provisions of Park and Ride in the country, offering 4,870 spaces to commuters. During the morning peak, over one in five cars bound for Oxford uses Park and Ride and annually Park and Ride is keeping more than a million cars out of Oxford's historic city.
95. After putting the county on notice Oxford City Council has taken back their three sites, Pear Tree, Redbridge and Seacourt. Their new operation started on 1<sup>st</sup> October 2011 and includes charging £1.50 per vehicle.
96. The county council continues to operate the other two sites, Thornhill and Water Eaton and we have been able to maintain free parking for the majority of users due to the handing back of the other sites to the City Council, which has saved us £850k per annum in costs. However we propose to introduce a charge by April 2012 for long stay use that will capture journeys to London and the airports. This will raise the required £150k in order to meet the budget requirements of the Medium Term Financial Plan.
97. The council was successful in securing £5 million of investment through the Local Sustainable Transport Fund which will enable the expansion of Thornhill Park and Ride to take place (**see NS1&2**). We also intend to introduce permanent facilities for coffee and food at the two county sites as part of the expansion proposals at Thornhill and the creation of a new rail station at Water Eaton. It is proposed to introduce a trial at Thornhill this year.

### Reintroducing on Street Charges

98. In the current economic climate it is no longer feasible for the council to provide free on street parking in Oxford on Sundays and evenings. The council has reintroduced these charges recently and we anticipate this will raise the required £600k in the Medium Term Financial Plan. **(see NS1&2)**

### Road Safety

99. The responsibility for road safety education activities was transferred to Community Safety where it links in well with the Fire Service. As part of this transfer Community safety are reviewing the provision of the Footsteps child pedestrian safety programme in schools, the Council's Cycle Training Programme in primary schools, and the Theatre in Education project.

### Staffing within the Service

100. A further senior restructuring is underway in the service to enable a sharper focus to be placed upon Asset management. This has required some movement of functions to different areas of management. Minor savings will result from this and help to achieve the planned savings on staffing identified in the MTFP. **(EE1/ EE2)**
101. Where we have appropriate skills in-house we have also reduced spending on consultants. This provides better utilisation of in-house staff whilst retaining the key skills and knowledge to ensure that the authority is fit for purpose in supporting the growth agenda, developer funding and other future investment. Only those areas of technical specialism are procured through consultants. This has operated well in 2011 and in particular the Transport Planning teams have undertaken more operational work themselves.

## Service Statement

### Oxfordshire Customer Services

Directorate/Service	Oxfordshire Customer Services
2011/12 Gross Budget (incl. recharges)	£40.885m
Employees (2011/12 (Q2))	623.85 fte (696.15 fte establishment)

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	0.051	-0.063	0.177	0.165

#### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-1.489	-0.470	-0.478	-2.437
Variations to 2011/12 MTFP Savings	-0.510	-0.100	-0.614	-1.224
<b>Revised Savings</b>	<b>-1.999</b>	<b>-0.570</b>	<b>-1.092</b>	<b>3.661</b>

#### Service Vision

**102.** Oxfordshire Customer Services (OCS) was formed in late 2010, when the Customer Contact Centre, ICT, Procurement and Adult Learning formally merged with Shared Services. All of these services were incorporated with the Environment and Economy directorate in January 2011 to form a new customer focussed directorate with a sharper commercial edge. The vision for OCS is

*“to provide a high quality, cost effective support service that has a reputation for excellent customer service whilst reducing the cost per transaction.”*

**103.** There are currently four key aspects to delivering the Vision:

- Services to customers are being developed using a Customer Service Centre model with a view to answering queries quickly at the first point of contact wherever possible, i.e. the customer journey will be shorter and sharper. The model will adopt a layered approach with centres of professional expertise to support the Customer Service Centre where necessary.
- Resources are being directed towards improving internal processes and procedures, including automating those processes wherever beneficial. A conscious decision has been taken to direct limited resources in this way before considering potential strategic partnering options with other public sector bodies.
- A fundamental review of the structure of HR is being undertaken in light of the Adult Learning function joining the service and a strategic review of the operation of the Council's Health & Safety function.
- Investment in the ICT Infrastructure in Oxfordshire is a key pressure that will need to be addressed. Facilitating the delivery of Digital Oxfordshire and its linkages with the future of the Oxfordshire Community Network and the requirements of the Public Sector Network

#### **Update on the Delivery of Business Strategy**

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**104.** Overall **Oxfordshire Customer Services** is confident of delivering the 2011/12 savings targets. Of the £2.1m target savings, £1.6m has been delivered and the balance is on track to be delivered by March 2012.

**105.** The total **OCS** savings target for the four years of the revised Business Strategy is £4.5m. Of this £3.6m is planned for delivery in 2011/12 and 2012/13. This leaves £0.9m to be delivered in 2013/14 and 2014/15. Proposals to achieve these savings have been identified. However, in some cases, predominantly **HR** and **Finance**, they are dependent upon the predicted reductions in the OCC workforce. There is ambition and potential scope to go beyond these targets and deliver additional savings.

**106.** To deliver the **Vision** the following programmes and projects are progressing:

- Customer Services Programme – commenced in early 2010, this programme offers directorates the opportunity to improve access to services and service delivery by transferring customer facing services into the Customer Service Centre. In broad terms, the Programme is progressing well. However as the programme runs over several years, the plans are constantly adjusted to reflect changing circumstances and environment. Amongst the aims of the programme are reducing the number of publicised contact routes; one place of contact for related customer enquiries; and a focus on first time resolution of all contacts; and bringing services together to improve access, consistency and reputation. In doing this it is hoped to align with the Council's key Business Strategy aim ... *'to be more joined up across the Council and create strong internal partnerships'*:

- HR and Finance Services – the Customer Service Centre model is being explored for HR and Finance Services. The intention is to develop a Business Case by the end of 2011 with the expectation that this will deliver better customer service and savings over and above those currently assumed within this business strategy.
- Improving Internal Processes and Procedures – in parallel with the extending the Customer Services Centre by the inclusion of HR and Finance, there is a programme of improvements to end to end processes in these services, potentially including Manager Self Service (MSS) and Employee Self Service (ESS).
- Partnering – an opportunity to partner ICT with Hampshire has been explored with a view to deliver savings to both authorities. Other opportunities to partner with others will be considered as and when appropriate. The opportunity to form a strategic partnership with another local authority has been shelved for the time being. It was felt that OCS efforts should be directed towards developing the Customer Service Centre and Improving Internal Processes and Procedures.
- Adult Learning and Learning & Development – a review is in progress to improve how the services are organised by bringing them together. This includes reviewing management and admin structures and the separation of the commissioning activity.
- Health & Safety – a review of how H&S is managed across the Council has been completed and the recommendations are being put in place. These include managers carrying out self-evaluation of H&S in their areas and thereby increasing ownership, with the H&S Team in OCS fulfilling an audit role. Monitoring of schools will continue but the schools will be consulted over the future of H&S provision.
- Procurement - proposals are being developed for three separate but linked services: a transactional procure to pay hub, based in OCS; a purchasing and contracts management hub for care services to support joint commissioning across S&CS/CEF; and a purchasing and contracts management hub in E&E Service for all other service areas. A strategic presence in the corporate centre is also under consideration.
- ICT – the ICT strategy provides ICT priorities and objectives over the next three years. Key elements include roll out of Windows 7 & Office 2010 and delivery of a new public website. The former is a key enabler for New Ways of Working.

- Services to Schools – There are two streams of work: preparing services to be able to provide for schools converting to academies and the overall improvements to the QBU to enable it to a more competitive, proactive business model.

### Variations to the medium term financial plan

- 107. Telephony Strategy** – by exploiting existing technologies and market opportunities, it is proposed that the Council adopts a mixed economy telephony option by reducing reliance on fixed line desk based telephony in favour of greater use of mobile and soft phones. This would be a cross council invest to save project that contributes substantially to New Ways of Working.
108. There is potential to save up to £600k per annum by 2014/15 (**NS-E1**). Given full commitment and the availability of resources to implement the programme, some savings could be phased in earlier. Invest to save resources of £498k would be required, mainly from the Efficiency Reserve.
- 109.** Extending the **customer service centre** to HR and Finance has the potential to generate additional savings not included in the Business Strategy. Work is currently in progress to gather evidence prior to developing a high level business case which should give a broad indication of the potential savings which could be generated. The business case should be completed by the end of the year. At this point in time, the expectation is that savings of £0.400m could be delivered by 2014/15 (**NS-F1**).
- 110.** There are risks associated with doing this, including potential double-counting with the existing savings within the MTFP, staff morale and the ability to deliver the same level of service. Investment will be required to resource the work. This will be quantified in the business case and will be funded from the OCS investment fund if possible. It may be that a bid to the Council's efficiency reserve will be required.
- 111. Procurement** – Our Transformation strategy demands a step change in performance and commercial aspects of both commissioning of services and purchasing & contracts management are interdependent parts of this strategy. The Localism agenda and the opportunity to partner across public sector to better address the wider needs of Oxfordshire are core challenges.
- 112.** A commercially astute response to evolving government policy is demanded and this response can ensure we are equipped with a key capability to do things differently and better in the longer term. It is not just about savings, and whilst there has been very successful delivery of efficiencies through a range of customer facing groups, we can bring benefits to communities through greater levels of collaboration and commercially sound longer term planning. Reviewing the structure of procurement function as set out on page 4 above will help to deliver this.

113. In practical terms, the procurement function will operate in support of the front line services in helping them deliver savings that will form part of their Business Strategies.
114. **Connecting Oxfordshire** - The Council has its own private network, the Oxfordshire Community Network (OCN) established in 2002 which provides network access for voice and data services to most of the Councils buildings and secure internet access for 100% of schools and most of the District Councils. The Council is faced with challenges to the OCN which currently is essential for the conduct of everyday business. The future of the OCN can be managed in its own right but will require additional investment of £5.1 Million
115. Even if the Council follows this path there is expected to be a loss of income from schools pursuing other solutions that would be beneficial for them. The expectation is that income loss from schools would increase from £0.172m in 2013/14 to £0.545m in 2016/17 (**see NP7**).
116. However, the Council could address the future of the OCN through focusing all investment in Oxfordshire Online. In this context, the investment required from the Council will be £10 Million, i.e. £4.9m more than required by OCN. However, we estimate that a reduced revenue cost of £0.564m in 2014/15 rising to £1.4m in 2016/17 could be achieved (**see NS7**). This investment combined with the existing grant funding of £3.85m will trigger match funding from a Network Provider of £13.85m enabling both OCN and OxOnline ambitions to be met.
117. **Public Service Network (PSN) Requirements** - The PSN is designed to change the way government organisations buy and use voice and data networks by creating a virtual private network for the public sector. It aims to make savings of £500m, worth around a third of the £1.6bn the public sector currently spends on network services.
118. The PSN will include elements such as information security and assurance, green ICT and international alignment and will provide a foundation for moving towards unified communications across the 600 organisations and 5.5 million users in the public sector.
119. This could be seen as the successor to Government Connect, which under the previous Government meant that most Local Authorities had to make considerable changes and investments to meet security stipulations for the Code of Connection.
120. There is considerable uncertainty about how far Local Authorities will be mandated or indeed to the extent of the security upgrade the programme seems to imply. Our external security Advisers, Hytec are currently advising that for Oxfordshire County Council to implement PSN could mean additional one off costs of £250k and an additional annual revenue cost of £0.020m -£0.050m.

However, clarity on costs and the mandatory nature or not will not become clear until Autumn 2011. Given the current scrutiny on the major public sector ICT initiatives of the last decade the position is unclear.

- 121.** There are clear links between the requirements of PSN and Connecting Oxfordshire. If the investment is made in Connecting Oxfordshire, as outlined above, then this pressure will have been addressed and further investment would not be required.





# **Business Strategy**

**2012/13 – 2014/15**

**Chief Executive's Office**

## Directorate Statement

<b>Directorate</b>	<b>Chief Executive's Office</b>
<b>2011/12 Gross Budget</b>	£19.402m <sup>1</sup>
<b>2011/12 FTE</b>	189 FTEs (reduced from 225 FTEs in 2010/11)

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	0.095	0.056	0.056	0.207

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-0.382	-0.225	-0.046	-0.653
Variations to 2011/12 MTFP Savings	-0.400			-0.400
<b>Revised Savings</b>	<b>-0.782</b>	<b>-0.225</b>	<b>-0.046</b>	<b>-1.053</b>

	2012/13	2013/14	2014/15	TOTAL
<b>MTFP Planned savings FTEs</b>		-2.4		-20.0

<sup>1</sup> Includes £3.586m budget for Corporate & Democratic Core

## Context

The focus of the Chief Executive's Office is on successfully delivering the Council's Business Strategy, supporting directorates through significant change. The scale of the changes to staff structures and service delivery models across the Council continues to severely stretch all parts of the Chief Executive's Office.

Whilst successfully supporting these changes we have significantly reduced our own staff levels and budgets – taking out 36 FTEs since 2010/11 and £1.7m savings in 2011/12. Our strategy has been to front load our four year savings target, with the bulk (72%) of these savings being taken in 2011/12. By front loading savings we maximise their value by benefitting from them for more years, plus we have dealt with the disruption early, which has allowed us to concentrate on supporting the rest of the organisation as they deliver their savings.

The Chief Executive's Office has been able to step in to support directorate colleagues in a number of areas where issues have arisen as a result of the scale of the changes being delivered by providing essential Finance, HR, Legal and policy advice. Examples include: Libraries, Children Education and Families reorganisation and the transforming adult social care programme. In addition to supporting the directorate changes the Chief Executive's Office has been delivering a number of new initiatives. In particular the Big Society Fund has proved very popular with over 60 bids received to date. The Chief Executive's Office and Property Services have had to absorb a significant new work load associated with supporting bidders, assessing bids and transferring services and assets. Should Members decide to continue with the Fund in 2012/13 we do need to consider allocating part of the fund to cover the professional advice and support needed to ensure its continued success.

The Chief Executive's Office now consists of four small units (Corporate Finance, Human Resources, Law & Governance and Strategy & Communications) plus the Personal Office.

The Chief Executive's Office three primary functions remain:

- Provide a framework within which the Council can function effectively – the planning and regulatory arrangements.
- Challenge, review, and improve the organisation's effectiveness.
- Provide the organisation with specialist support functions e.g. Legal, Human Relations, Finance, Communications. Shared Services will also be involved in the delivery of these services.

## Broad Approach

Most (66%) of the Chief Executive's Office budget is allocated to staffing costs, therefore our business efficiency strategy has largely focused on reducing staff numbers. However in some areas e.g. legal work for child protection, demand is increasing and it would be unwise to reduce resources in these areas. In consequence our business efficiency has been based on the following:

1. A search for improved productivity and cost effectiveness in all areas of activity. Where benchmarks exist e.g. legal services the evidence suggests that we have effective and relatively low cost provision.
2. Radical change in the areas of Democratic Services, Strategy and Communications. Significant staffing reduction and savings are coming from these areas.
3. Ongoing reshaping of communications & engagement activities to bring together disparate directorate resources into a corporate unit. This is providing significant savings, which will appear in service directorate budgets rather than the Chief Executive's Office budget. It will also enable our communications activity to be better coordinated, improving its impact.
4. Recognition that the Council's business strategy will, in the short to medium term, increase the pressure on HR and finance support and therefore protecting capacity and expertise in these areas will be important.
5. Recognition that support services need to meet the demands and expectations of service directorates who rely on the expertise from legal, finance, strategy, communications and human resources staff.

What is set out below are details of changes most of which have already been delivered. There are further options for change over the medium term which will be examined in the next 12 months:

- Selling services to other authorities. We already do this but there is potential for more shared costs.
- Pooled resources – there may be benefit in bringing corporate and service performance and data teams together. This is a complex area of activity and needs to be explored carefully

## Corporate Finance & Internal Audit

<b>2011/12 Gross Budget</b>	£2.359m
<b>2011/12 FTE</b>	25 FTEs (reduced from 28 FTEs in 2010/11)

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-0.117	-0.054	-0.035	-0.206
Variations to 2011/12 MTFP Savings	-0.027			-0.027
<b>Revised Savings</b>	<b>-0.144</b>	<b>-0.054</b>	<b>-0.035</b>	<b>-0.233</b>

### Current Service Activity

The Unit has a budget of £2.359m and comprises of 25 FTEs (plus 3fte charged to the Pension Fund). It undertakes the following functions:

- **Strategic planning and advice 9.1fte** - provides corporate leadership of the finance function, including setting the budget, Medium Term Financial Plan and Capital Programme and monitoring against these in year. Leads on corporate and professional standards and technical financial advice.
- **Treasury Management 3.1fte** – management of the Council’s cash flow and debt portfolio.
- **Finance Business Partners 3.5fte** – providing a strategic client role in ensuring that Management Accounting teams in Oxfordshire Customer Services provide a high quality and effective service to the organisation.
- **Internal Audit 9.2fte** - Provides independent assurance opinions and advice on systems of internal control across the Council (and also to Thames Valley Police Authority and Buckinghamshire County Council).

### Plus

- **Pension Fund Investment 3.2fte** - management of the investments of the Oxfordshire Pension Fund. The staff are funded from the Pension Fund.

**Progress to date**

Plans to deliver the savings in the Business Strategy remain on track and unchanged from that agreed in February 2011. There is a reduction from September 2010 to 2011 of 3.2fte. Since the original strategy was agreed in February 2011, the Finance Business Partners (FBPs) have been transferred from Oxfordshire Customer Services which reflects a change in reporting lines due to the strategic nature of their roles. The number of FBPs has reduced from 4.0fte to 3.5fte since their transfer in April 2011.

**Statutory minimum**

Not defined. Section 151 of the Local Government Finance Act 1972 requires that every local authority should make arrangements for the proper administration of their financial affairs. The Chief Finance Officer has responsibility for the administration of those affairs. The Accounts and Audit Regulations 1996 sets out the requirement for internal audit.

**Proposals to deliver savings:**

Further restructuring savings planned in the existing MTFP for the Corporate Finance team remain and are expected to be achieved.

Savings were planned on a phased approach for Internal Audit in recognition of the increased risk to maintaining effective governance during significant periods of change, i.e. in 2011/12 and 2012/13. The strategy is to extend the collaborative arrangement with our existing partners to operate as a single internal audit function, and to re-engineer our existing processes in order to reduce the management overhead on each audit. The current Internal Audit plan is for 1,495 days on assurance based work. This will reduce in year one by only 65 days; in year four the assurance days will have reduced by 378 days, or 25%, but the total cash saving is 30%.

For 2012/13, the Audit Commission will reduce their total audit fees by 10 per cent from the published 2011/12 scale fees. This continues the programme, begun before the abolition announcement in August 2010, to deliver cost cuts of £70 million (30 per cent) over a three-year period. The Council's budget for external audit fees will be reduced by 10% or £0.027m to reflect the reduction in costs.

**Impact of the proposal on service users and communities:**

Reduced ability to respond to financial events, new and emerging risks and to provide support, advice and assurance.

**Impact of the proposal on other council services:**

Reduced ability to respond to financial events, new and emerging risks and to provide support, advice and assurance.

**Capital implications of proposed change:**

None

**Human Resources**

<b>2011/12 Gross Budget</b>	£1.661m
<b>2011/12 FTE</b>	19 FTEs (reduced from 23 FTEs in 2010/11)

**Variations to MTFP Savings**

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-0.161	-0.068		-0.229
Variations to 2011/12 MTFP Savings				
<b>Revised Savings</b>	<b>-0.161</b>	<b>-0.068</b>		<b>-0.229</b>

**Current Service Activity**

- **Strategic HR** - Defines, develops and communicates a comprehensive employment framework for all major aspects of work and employment. This includes:
  - **Policy development** – includes implementation in partnership with OCS
  - **Professional advice** – includes business partner role
  - **Corporate Employer role** – with key activity around employee relations
  - **Workforce analysis** - includes reporting.

Key activity continues on driving down staff numbers in partnership with service managers through close management of the establishment process as we deliver the people elements of the Business Strategy. Numbers were reduced by 522 full time posts on the establishment (377 FTE actually employed) in 2010/11. There were also significant corporate savings achieved through changes in terms and conditions – including reduced redundancy compensation multiplier, freeze on increments and reduced mileage rates.

- **Organisational Development** – Drives organisational effectiveness by ensuring that the Council has a skilled workforce capable of fulfilling statutory duties. This includes:
  - **Performance management** – appraisal, career development
  - **Workforce planning** – change management
  - **Learning & development** policy and planning
  - **Investors in People** – reputation, staff engagement

Key activity continues on reshaping management through assessment and leadership development which will ensure that we have the necessary leadership to enable delivery of new ways of working as part of the Business Strategy. There was an overall 45% reduction in senior management numbers the year ended 31 July 2011 equating to £2.75m annual cost savings in salary and on costs.

### **Statutory minimum**

The Council must comply with the following employment legislation -Employment Rights Act 1996, Equality Act 2010, Trade Union and Labour Relations (Consolidation) Act 1992, Transfer of Undertaking Regs, Safeguarding of children and vulnerable adults legislation, immigrant workers regulations, Working Time Regulations, European Directives, Statutory Instruments, Health and Safety at Work Act, various Pension Regulations. We are also bound by the variety of national conditions of service including the Green Book, the Youth and Community Workers, Teachers, Fire Fighters etc. This list is not exhaustive.

### **Proposals to deliver savings:**

Restructuring planned in the existing Medium Term Financial Plan (MTFP) for Human Resources (HR) will remain. The pressure on all HR services, but particularly those dealing with employee relations, is increasing. It looks increasingly likely that there will be widespread industrial action in the months ahead. The work we have previously done in terms of building strong relationships with the various unions puts us in a better position than some other local authorities (as evidenced by our success in delivering quickly a range of significant changes to terms and conditions) Concerted strike action will test our resilience however.

Redundancies have increased over the past 12 months and will continue to operate at a higher level than in more normal times for the foreseeable future. Flexing of HR resources across the various teams has helped meet these increased demands and will continue to be the approach over the coming year. Our Career Transitions Service has been enhanced on this basis – moving from recruitment to more direct resourcing activity.

There will also be significant policy and industrial relations pressures as the implications of new legislation and new ways of working roll out in the coming years and further reductions in HR numbers will need to be phased to enable sufficient support to



the organisation in delivering the business strategy. Again we will look to flex numbers between (and across) the central team and OCS to meet these demands

**Impact of the proposal on service users and communities:**

There is a potential risk of failure to comply with legislation, industrial action and referrals to Employment Tribunal's may increase.

**Impact of the proposal on other council services:**

Demands on HR staff are increasing so our ability to respond will be stretched over the short to medium term.

**Capital implications of proposed change:**

There are none

## Law & Governance Services

<b>2011/12 Gross Budget</b>	£6.735m
<b>2011/12 FTE</b>	95 FTEs (reduced from 107 FTEs in 2010/11)

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	0.131	0.056	0.056	0.243

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-0.064	-0.084	-0.011	-0.159
Variations to 2011/12 MTFP Savings				
<b>Revised Savings</b>	<b>-0.064</b>	<b>-0.084</b>	<b>-0.011</b>	<b>-0.159</b>

### Current Service Activity:

#### Member Issues

Providing full committee and administrative support, clerking, minuting and governance advice to Council, Cabinet and relevant committee meetings. Support to Councillors and Co-Opted Members, including development and training, register of interests, allowances etc. Full electoral support for the Returning Officer.

#### Legal Issues

Provision of comprehensive legal advice, representation and assistance to the Council and all Directorates on all legal matters affecting the Council. The main legal teams are Child Protection; Property; General Litigation; Contracts & Environment. In addition proper administration of all education admission and exclusion appeals.

**Registration & Coroners**

Provision of full registration service for all births, deaths, marriages and civil partnerships within Oxfordshire. Investigations into deaths appearing to be due to violence or unnatural or sudden and of unknown cause or occurring in legal custody (including all military repatriations).

**Governance**

Ensuring the Council's compliance with all public law requirements, including Freedom of information and liaising with the Local Government Ombudsman in relation to complaints.

**Statutory minimum**

Almost all of the functions and activities undertaken by Law & Governance specifically relate to key statutory requirements, including:

All legislation relating to children, education, social care, property, contracts and the environment  
 Local Government Acts 1972, 1974 (as amended) and 2000 and the Data Protection Act 1998  
 Freedom of Information Act 2000  
 Coroner's Act 1986 and Coroner's and Justice Act 2009

Marriage Act 1949

Marriage and Civil Partnership (Approved Premises) Regulations 2005

Nationality, Immigration and Asylum Act 2002

Representation of the People Acts 1983 and 2000

Local Government & Housing Act 1989 and the Registration Services Act 1953

**Democratic Services**

The reorganisation of Committee Services with the transfer of support for scrutiny to the Policy Unit has been successfully completed with significant savings being made. This has reduced staffing from 16 to 12. The Political Assistants posts have been deleted from the establishment. The Local Government Boundary Commission are presently consulting on a reduction in the overall numbers of Councillors from 74 to 63 with an estimated saving of £0.068m.

Legal Services is a trading unit. Directorates receive a budget for the purchase of Legal Services and pay for work that they commission. The FOI & complaints team have been reduced from 4 to 2.

**Registration and Coroners**

The savings delivered in 2010/11 (£0.044m) were achieved by the reduction of registrar's hours, closure of Wantage Office, reduced cover for sickness and other absence, deleted Saturday enhancement payments and increased income levels. The merger of the management of the Coroners Service with the Registration Service has realised further planned savings.

**Legal Services**

Reduced use of Counsel has been difficult to achieve during a period of increased reliance on specialist legal advice on key cases for the Council including Cogges Link, Ardley Incinerator and a number of major Child Care proceedings. Similarly the capacity to take on new external work has been limited in light of demand for advice on delivery on the Council's budget strategy, Overall savings for the Service have been achieved whilst at the same time providing an essential service to other Directorates in effecting major change to service provision and staffing.

The future service proposal to reduce costs further are as follows:

- increase revenue by undertaking legal work for District and City Councils via the legal hub.
- Increase revenue by undertaking legal work for other public bodies (including Academies)
- increase charges for s106 developer work
- increase income from services provided by the Registration Service
- renegotiation with the John Radcliffe Hospital on mortuary costs
- reduce spend on external legal support (including Counsel)
- reduction in the members support budget due to reduced numbers

**Impact of the proposal on service users and communities**

Democratic Services – service reorganisation and the transfer of the scrutiny function has not resulted in reduction of service performance though there is an issue on service resilience. The deletion of the Political Assistant posts has had some impact on the quality and availability of support to members and political groups generally both in terms of policy research, advice, co-ordination of business and administrative support.

Reduction in the number of members will increase work loads of members both within their communities and their Council work including attendance at meetings.

Legal Services - There has been a reduction in support and oversight of the FOI and complaints systems but this has not led to unacceptable delay and continues to be supervised by the Monitoring Officer. Sufficient support has remained within the team to ensure appropriate advice and monitoring of compliance is available and maintained.

Registration - reduction in registration provision means clients having to travel further but the service availability remains good.

### **Impact of the proposal on other council services**

Democratic Services - the transfer of the Scrutiny function has been absorbed within the Policy Team. FOI – service directorates now undertake the direct liaison and responding to requesters with the FOI and Complaints Team simply providing advice and support. The complaints policy itself has been reviewed to reduce burden on managers but at the same time still ensuring complaints are properly considered. The Monitoring Officer retains liaison responsibility with the Local Government Ombudsman. The reduced FOI Team still provide a weekly update of requests so that senior managers are informed of current requests.

Registration and Coroners – none, save that the Coalition Government are currently considering a proposal to require Local Authorities to appoint Medical Examiners to examine all causes of death that have occurred within the County. The precise terms, remit and cost of this are not fully known.

### **Capital implications of proposed change**

There are none.

## Strategy and Communications

<b>2011/12 Gross Budget</b>	£2.996m
<b>2011/12 FTE</b>	39 FTEs (reduced from 55 FTEs in 2010/11)

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	0.200			0.200

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-0.040			-0.040
Variations to 2011/12 MTFP Savings	-0.373			-0.373
<b>Revised Savings</b>	<b>-0.333</b>			<b>-0.333</b>

### Progress against Commitments in 2010/11 Business Strategy

#### Financial and HR savings

A new management structure is in place bringing together the Corporate Performance and Review Team, Policy Team, Research and Intelligence Team, Oxfordshire Data Observatory, Partnership Working Unit and Marketing and Communications Teams, as well as absorbing the full administration and support to the Scrutiny function. These teams were merged to create a series of policy and communications 'pools' to provide capacity and flexibility to deliver a broad strategy and communications function for the council at lower cost.

The restructure is now complete and has reduced FTEs by 29%. The restructure together with the cessation of the *Oxfordshire* magazine and other smaller changes have delivered the required four year savings of £0.634m.

It is proposed to make £0.100m available on an ongoing basis to support the military in Oxfordshire. This will replace Local Authority Business Growth Incentive (LABGI) grant funding and other one off funding in 2011/12.

The additional cost will be offset by a saving of £0.173m relating to structural changes across the CEO Personal Office and Strategy & Communications.

Funding of £0.300m from 2012/13 was provided in the 2011/12 MTFP to respond to consultations including libraries. This funding is being utilised to reduce the shortfall in savings on libraries.

### **Tangible Outcomes**

In addition to delivering its core functions and a substantive restructure, so far in 2011/12 the Strategy and Communications Unit has also delivered a number of key corporate projects:

- Established and ran the Big Society Fund
- Devised and drafted the Libraries strategy (and underpinning needs analysis)
- Set up and delivered locality reviews in all 14 localities
- Managed the first Military Covenant in the UK
- Drafted the successful bid for the Local Enterprise Zone

### **Core Service Activities:**

The Strategy and Communication Unit fulfils a role as the 'delivery unit' for the Council. In addition to managing corporate projects and supporting services to deliver change, the unit delivers the following key functions:

- Policy, including policy support to the Cabinet, Leader, Chief Executive and CCMT
- Corporate Service and Resource Planning Process
- Management of the Corporate Business Strategy
- Service Improvement Reviews
- Performance Management
- Voluntary Sector

- Research and Intelligence
- Oxfordshire Data Observatory
- Partnerships and localities, including the Military Community Covenant
- Change Management
- Scrutiny
- Risk Management
- Equalities
- Project Management
- Public Affairs and Media
- Internal Communications
- Consultation and Involvement
- Marketing

#### **Statutory minimum**

There are legal obligations in relation to:

- Equality & diversity
- Governance of the Council (scrutiny committees are supported by the Unit)
- Communication (Council tax leaflet, publicising elections, notice of meetings etc.) There is a Code of Practice governing local authority publicity.
- Use of printed materials under Copyright law

#### **Pressures**

None

#### **Impact of the proposal on service users and communities:**

Internal service users may find that we have less capacity to support their policy development needs and project requirements. However although the restructure has reduced the number of FTEs, the move to a pools of officers means that those staff that remain will work more flexibly across traditional functional boundaries.



**Impact of the proposal on other council services:**

We expect to be able to manage the impact of staff reductions on other council services, but we will need to introduce stronger 'clienting' arrangements which more clearly define what support services require and for how long.

**Capital implications of proposed change:**

None

**Personal Office & Change Fund**

<b>2011/12 Gross Budget</b>	£1.837m
<b>2011/12 FTE</b>	8 FTEs (reduced from 9 FTEs in 2010/11)

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	-0.236			-0.236

**Variations to MTFP Savings**

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings		-0.019		-0.019
Variations to 2011/12 MTFP Savings				
<b>Revised Savings</b>		<b>-0.019</b>		<b>-0.019</b>

**Current Service Activity:**

- **Corporate Leadership** (Chief Executive, Assistant Chief Executive and PA/administrative support)
- **Corporate subscriptions** (Local Government Association etc)
- **Change Fund**

- **Support for Chairman**
- **Support for Lord Lieutenant**

**Statutory minimum**

Head of the Paid Service and Section 151 officer are statutory roles

**Proposals to deliver savings**

The savings have been delivered through the reduction of two senior posts totalling £0.165m, and a reduction from 2013/14 of £0.100m for the Change fund. It is proposed to leave the Change Fund in earlier years so that some of it can be used for Community Self Help rather than creating an alternative Corporate Pressure.

**Impact on service users and communities**

None

**Impact on other council services** Reduced ability to provide support to the rest of the organisation and to members.

**Capital implications** None

**OXFORDSHIRE COUNTY COUNCIL**

**THE DRAFT CAPITAL  
STRATEGY  
2012/13 to 2022/23**



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## THE CAPITAL STRATEGY- 2012/13 to 2022/23

### 1. Introduction

1. The Capital Strategy sets out the County Council's capital investment plans and explains how capital investment contributes to the Council's Vision and Priorities. It shows how the Council prioritises, targets and measures the performance of its limited capital resources. It also shows how the Council intends to maximise the value of its investment to support the achievement of its vision and priorities. It provides the framework for determining capital spending plans and the effective use of capital resources.
2. This Capital Strategy, despite the challenging economic and financial environment, emphasises the significant contribution that the capital programme can make in delivering corporate priorities and in bringing benefits for wider communities. It seeks to ensure that resources are used in the most efficient way and they support the Council's objectives most effectively. It sets out a robust, relevant and sustainable financial policy and strategy that aim to get most out of the scarce capital resources over the next five to ten years.

### 2. The Vision for Oxfordshire and Council's Strategic Objectives

3. The Vision for Oxfordshire is set out in the Sustainable Community Strategy, Oxfordshire 2030:

*“By 2030 we want Oxfordshire to be recognised for its economic success, outstanding environment and quality of life; to be a place where everyone can realise their potential, contribute to and benefit from economic prosperity and where people are actively involved in their local communities.”*

4. The County Council has four strategic objectives:
  - better public services,
  - world class economy,
  - healthy and thriving communities, and
  - environment and climate change.There is also the cross-cutting theme of breaking the cycle of deprivation, which focuses on reducing the gap between the most and least affluent, targeting areas where resources are most needed.
5. The County Council manages a significant capital investment portfolio, which addresses the priorities identified within the Asset Strategy, the Corporate Asset Management Plan (CAMP) and the Local Transport Plan (LTP).

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

### 3.1. National Picture

#### 3.1.1. Current Economic Conditions

6. Although the national economic policy objective is to achieve strong, sustainable and balanced growth, the UK's economic outlook has worsened given the changing projections for growth for the world economy. The problems surrounding the Eurozone countries make the UK vulnerable to recession. The internal housing market is still slow due to viability issues experienced by developers across the country. Recovery in employment levels could take up to 5 years and it is expected that the move towards a more balanced economy is going to be hard and long.
7. These conditions place a higher demand on public services and significantly affect the level of resources available for capital investment. The Council continues to experience a reduction in the capital receipts profile and delays in the delivery of the disposal programme. In common with other authorities, the Council is also witnessing increasing demands from developers to reassess the need for contributions for infrastructure secured through planning obligations (S106) and to review the terms applied to these contributions.

#### 3.1.2. Local Government Finances

8. The Comprehensive Spending Review (CSR2010) introduced reductions of 28% in real terms to local authority settlements over the review period. Capital funding to local authorities was also reduced by 45%. The cost of borrowing for local authorities increased by nearly 1%. These changes meant that the size of the capital programmes has reduced significantly. The reduction in revenue budget allocations makes it difficult for the Council to increase its prudential borrowing provision significantly. Similarly, the increased cost of revenue financing impacts on the decisions on the level of capital spend. This is because, it affects the value for money assessment of schemes that are being delivered or proposed as part of the implementation of the business strategy.
9. Local Authorities are further challenged *to tighten* their asset management strategies. As a major owner and occupier of property, local authorities are required to justify holding land and buildings and to dispose of assets that are surplus to requirements. This places further pressure on local authorities to sell major assets. At the same time, the reduction in funding and the Big Society agenda are generating pressure for the Council to transfer assets to local community organisations especially where there is a risk that the service will be discontinued without the transfer.
10. On the other hand, the CSR2010 announced a significant devolution of financial control to local authorities and removed ring fencing around many resources. The Government is planning to roll out the community budget model across the country as a way of bringing

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different national and local funding strands together into a single local funding pot in order to enable various different agencies to work together. This approach brings further flexibility to the use of resources and helps deliver services more cheaply through a joined-up approach in service delivery. It is likely that this model will have an influence on how capital allocations will operate in the near future.

11. The Local Government Resource Review (LGRR) is also underway. The new local government finance system based on relocalising business will substantially replace the current Formula Grant allocations. It aims to give local authorities the ability and incentives to increase economic development in their areas. Authorities are being encouraged to pool and align funding to tackle difficult cross-cutting issues within an area, to improve the coordination of development and to deliver better outcomes. A number of new financial instruments and tools for infrastructure financing are currently being introduced by the national government. The common feature of these instruments is their link with future income streams or underlying assets that necessarily require long-term capital investment planning. These new instruments combined with the introduction of a “general power of competence” will significantly change the funding composition of the Council’s medium to long-term capital investment plan.

### 3.2. Local Picture

#### 3.2.1. Population

12. The County is facing significant demographic pressures. Oxfordshire's population was around 635,500 in 2008 and 648,000 in 2010. It is the most rural county in the South East region; almost 40% of Oxfordshire's population lives in rural areas, a similar proportion lives in or around the market towns<sup>1</sup>, whilst one quarter of the county's population lives in the City of Oxford. The population is ageing with substantial recent growth in the number of people aged 85 and over.
13. It is forecast that Oxfordshire’s population could grow to 675,000 by 2018.<sup>2</sup> There could be 736,500 people living in the county by 2033, 16% more than in 2008. The number of very elderly people (85 years plus) is expected to increase by almost 40% by 2018, and to more than double by 2033 with one in four requiring intensive support from the social and health care system. It is expected that there will be an increase in the number of clients with learning disabilities as well as an increase in this client group’s life expectancy. In addition, the increase in fertility rates in the existing population residing in existing housing will lead to an increase in the number of children requiring school places. This will result in an erosion of existing and forecast spare capacity in many primary schools and in time, secondary schools.

#### 3.2.2. Economic Development and Housing Growth

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<sup>1</sup> This includes all wards for Banbury, Bicester, Kidlington, Didcot (+hagbourne and Harwell wards), Henley, Thame, Wallingford (North and Cholsey and Wall. South), Abingdon, Wantage, Grove, Faringdon, Carterton, Chipping Norton and Witney). The ward figures are taken from the 2009 ONS mid-year estimates.

<sup>2</sup> Office for National Statistics, 2008 based Sub-national Population Projections. May 2010

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14. The Council and its partners have successfully delivered the Local Investment Plan (LIP) and established a Local Enterprise Partnership (LEP) for Oxfordshire. They also work together to deliver the first Strategic Infrastructure Framework for the County. Both the LIP and the LEP identify a number of spatial priorities for the next five to ten years. These include Science Vale UK (becoming a National Centre of Excellence for Science and Innovation), Bicester (delivering an international exemplar of sustainable development) and Oxford (sustaining a world-class centre of education, research and innovation). They also place “investing in the transport and communications infrastructure” at the heart of the long-term strategy to achieve sustainable economic growth.
  15. Oxfordshire will experience significant housing growth over the next fifteen to twenty years. Growth points have been designated within the county at Oxford and Didcot. Bicester (through the identification of North West Bicester as a location for an Eco-town) and Grove/Wantage are other county towns where major housing growth is planned.
  16. Initial analysis of long-term infrastructure implications of future growth shows that significant investment in schools and transport infrastructure will be required. In addition, considerable investment in extra care housing, community facilities, green infrastructure and recreational resources is needed. It is not yet clear what scale of investment will be required by our partners responsible for health and utilities infrastructure.
  17. As is the case for all Spatial Planning and Infrastructure Partnership partners, the Council faces challenges in managing this growth in a way that both meets economic, housing and regeneration pressures and provides sufficient infrastructure. The increased housing development, population growth and aging profile create demands both for infrastructure investment and better quality public services, while at the same time there is a significant reduction in the available capital funding at national and local level. Other major considerations include the protection of the environment and responding to the challenges of sustainability.
  18. In this context, the Council needs to balance the considerable investment needed in infrastructure to meet the pressures on essential services such as schools, highways and transport, waste and extra-care housing provision with the need to make significant savings through the implementation of the new asset strategy. One of the key challenges in the medium term therefore is to make best use of limited resources to fund, forward plan and implement growth effectively.

### 3.2.3. Standard of Living

19. Oxfordshire is a diverse and changing county with Areas of Outstanding Natural Beauty, the green belt and areas of significant housing and commercial development. It has a modern and prosperous economy, which demands a highly skilled workforce and well-developed infrastructure. Many residents enjoy a high standard of living and a good quality of life, supported by high quality County Council services.
20. There is, however, a significant shortage of affordable housing across Oxfordshire and pockets of relative deprivation where residents have lower wages and low skills. In these areas there is poor housing, young people do not fulfil their potential at school and older people have



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poorer health than most. These pockets of the county's population derive little benefit from its economic success.

21. One of the key aspects of the County Council's corporate plan is to narrow the gap between the most disadvantaged people and communities. The overall challenge is to reduce inequalities and break the cycle of deprivation by addressing the regeneration needs of disadvantaged groups and communities.

### 3.3. County Council's Infrastructure and Asset Base

22. The County Council has a wide range of infrastructure and property assets including schools, offices, highways depots, roads, bridges, park and ride sites, waste recycling centres and county farms. The Council's capital assets were valued at £1,516.4m in the 2010/11 Statement of Accounts. The summary of the balance sheet is set out in the table below.

Category	Net Book Value
	£m
Intangible Assets	3.5
Land & Buildings	1,088.7
Assets Under Construction	22.3
Surplus Assets	1.7
Vehicles & Plant	83.1
Infrastructure	311.3
Investment Properties	4.8
Assets Held for Sale	1.0
<b>TOTAL</b>	<b>1,516.4</b>

23. This total excludes roads and bridges. It is estimated that the depreciated replacement cost for highways assets is £4.9bn, £4.3bn of which relates to carriageways.

#### 3.3.1. Non-Schools Property Infrastructure

24. The new Property Asset Strategy (2012/26) brings significant change to the way the Council's assets are managed. This is a necessary response to the business efficiency agenda, growth pressures, sustainability and environmental drivers and new work patterns. The Council's Asset Policy Objectives are set out below.

<b>Objective 1</b>	Aim to reduce the size of the property portfolio by 25%, contributing to MTFP savings targets
<b>Objective 2</b>	Change the portfolio to support and enable locality working
<b>Objective 3</b>	Increase co-location of services and sharing with partners and community organisations to improve service delivery and reduce costs
<b>Objective 4</b>	Put in place property that is fit for purpose and supports corporate priorities and service business model
<b>Objective 5</b>	Reduce energy consumption and avoid or reduce tax liabilities

25. The Council's Asset Management Plan reports a £77m repair and maintenance backlog. Only 45% of the overall asset portfolio, composed of approximately 830 properties, is fit for purpose. The Plan includes a number of new asset programmes which require up-front investment where the scale of investment and the pay-back period are currently uncertain. The medium to long term vision for the office estate is likely to involve further consolidation. The challenge is to reduce the size of the portfolio and reconfigure it in a way that is strategically driven, affordable and enables and facilitates service change. In addition, the ownership composition of the portfolio presents challenges in terms of benefit realisations and timely delivery.

### 3.3.2. Schools Infrastructure

26. One of the key investment challenges for the Council is the rapid and substantial growth in demand for primary school places forecast over the period 2011/12 – 2016/17 in Oxford City, Witney, Wantage and Henley in particular. Although, there remain surplus school places across the secondary schools estate, a general demand for secondary places is likely to emerge from 2015/16 onwards given earlier pressures in some areas due to the mis-match between available places and the demand pattern.

27. The Council, working with the schools, the Schools Forum and other partners, is committed to improving educational attainment and to deliver a consistently high standard of outcomes for students. However, this improvement agenda is going to be delivered in a different way given that revenue funding reductions will have an impact on matters related to schools' improvement and organisation.

28. The future shape of the education sector is still uncertain as the policy framework continues to evolve and a new market develops. Free Schools and Academies<sup>3</sup> proposals will influence the Council's strategy around how investment is shaped across the schools' estate in the medium to long-term. Over the coming years, the Council will shift away from being the direct provider of education towards being a commissioner.

29. There will be new models of school organisation including the creation of more federations, trusts and academies and other arrangements that generate greater collaboration between

<sup>3</sup> The Academies Act 2010 indicates that liability of principal or interest on debt cannot be transferred to academies. This means that the Council's level of debt will remain the same irrespective of the number of schools that convert to Academies. However its asset value will decrease.

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early years, primary, secondary and post-16 providers. These models will be encouraged as a means of improving the educational experience of children and young people. These changes to school organisations are likely to have an impact on the required school infrastructure and lead to the use of available capital funding to support more collaborative working among schools and other education partners.

30. It is difficult to predict the changes to future years' local government finance settlements for local authorities in this area given the ongoing education capital review. However, the Education White Paper clearly states that national priorities are to address the poor condition of the existing schools estate and to provide sufficient places to meet the predicted increase in the number of school age children. The Council intends to use the majority of this allocation to address the basic needs pressure. It will also use the additional resources arising from the recent change in the distribution of capital resources between local authorities and schools. These resources are primarily used to address needs with respect to the condition of the schools' infrastructure with a strong emphasis on and alignment to the Health & Safety, Energy Reduction and Basic Needs Programmes.

### **3.3.3. Transport Infrastructure**

31. The Council has a statutory responsibility to maintain the transport infrastructure in a safe condition. The Transport Asset Management Plan identifies the need to develop a more detailed network hierarchy for maintenance given that the current investment level is only sufficient to manage a decline in the condition of the infrastructure. Reductions in capital funding will add to the existing maintenance backlog and there will be a consequential increase in the demand for reactive maintenance and in the cost of repairs.
32. The Council also aims to create an efficient and effective highway network, maximising access to education, employment and other services, reducing congestion, carbon emissions and other environmental impacts, and supporting growth and development. The Local Transport Plan (2011/30) stresses that a substantial level of investment in transport infrastructure and services is needed to support the new developments planned in local development frameworks. It identifies major packages of transport investment to support growth and development at Science Vale UK and Eco-Bicester, along with several other major development locations.
33. The significant level of cuts in capital settlements means that the majority of the funding will be used for structural maintenance schemes for the foreseeable future. The reduced availability of other capital funding places increased importance on using developer contributions to help deliver the highest priority needs while taking into account the flexibility of the funding. The challenges in this area mean that early delivery will focus on schemes that can be fully funded or are needed to support development sites that are ready to be delivered.
34. In the long term, the strategy needs to focus on the effective use of new financial instruments and frameworks to secure the necessary funding. The government will be consulting on the creation of "Local Transport Consortia". It is proposed that decisions on funding for local transport improvements, including major projects, will be devolved to these new bodies. It is also proposed that each consortium will be made up of "a number of LEPs and their

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constituent local authorities". This initiative will be very important in the future development of the Council's funding strategy for the major transport schemes.

### **3.3.4. Business Strategy Implementation and Service Transformation**

#### *Transforming Adult Social Care*

35. Another key challenge for the Council is to enable the development of extra care housing (ECH) throughout the County. The changes to the HCA's grant regime have significantly reduced the funding envelope for delivering ECH across the sector. These reductions in HCA capital subsidy put local authorities under more pressure to either provide direct capital contribution or free land (or less than best value disposals) in order to meet the need for more affordable housing.
36. The Council targets the provision of 30 units of residential accommodation per annum for adults with physical disabilities. There is an ongoing need for purpose built premises for adults with learning disabilities, and for mental health housing. The Council's strategy in relation to social care for older people also means that health and social care sectors need to work together, both to stop people going into hospital unnecessarily and to provide alternatives to staying in hospital as soon as the patient is medically fit to leave.
37. These service areas are already under pressure from the aging population and housing growth and are further affected by the self-directed support, personalised care/ prevention agendas, and by related major service transition. Programmes are being developed or implemented to provide an increased level and a wide range of support to enable people to remain in the community. This means that these services will also be subject to a comprehensive review of systems and processes to support future working practices. Investment in those systems and processes is likely to be required in the near future.
38. In order to support the promotion of independence and enabling people to live full and successful lives there may need to be further work carried out on local community assets (Health & Wellbeing Centres) in order to provide appropriate facilities to deliver the Council's strategy. This is likely to be a key feature for all client groups. Capital investment may be required in the form of acquisition of land for development or funding to part-fund the build costs or adaptations to an existing property.

#### *Waste Management*

39. Waste Management is continuing to face a period of rapid and radical change on a national level due to European Legislation, government targets, public expectations and the tighter financial environment. The Council is working through the Oxfordshire Waste Partnership to revise the Oxfordshire Joint Municipal Waste Management Strategy in light of our success in diverting waste from landfill and increasing recycling and composting. The Council has recently procured a residual waste treatment contract to direct waste away from landfill and has already secured major private sector investment in new technologies to treat food and garden waste. The success of district council kerbside collection schemes has enabled the Council and its partners to agree a new HWRC strategy and the priority for the future is to ensure that the

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Household Waste Recycling Centres (HWRCs) are well located to close to the largest urban areas whilst minimising the number of facilities. Investment is required to help minimize the impact of increasing landfill tax, deliver revenues savings and ensure that our HWRC network remains fit for purpose.

### *Youth Services*

40. The approach to the delivery of non-statutory youth services to young people has changed significantly. There is a shift towards funding more targeted youth support rather than universal services in all areas. This more streamlined service is largely managed through the Early Intervention teams delivered in seven hubs and through a small number of satellite centres; located mainly in centres of higher need and deprivation, with an outreach aspect to areas further afield. The Council seeks to facilitate community led solutions in areas where it is no longer funding provision. Each community has the opportunity to deliver individually tailored services which may or may not involve council assets.

### *Library Services*

41. Another key area of service transformation is Libraries. The Council is currently looking for new ways of developing sustainable local library services based on a model of provision which focuses on the reading, learning and information needs of customers, now and in the future. The delivery of this new model involves the provision of library hubs in the main town and key rural areas, using technology to modernise the service, exploring commercial or community partnering opportunities and delivering mobile or community based services from existing or alternative community buildings such as children's centres, community centres, schools, and health centres.

### *Broadband Infrastructure*

42. Significantly improving broadband infrastructure and therefore speeds in rural areas will contribute to the achievement of corporate and service priorities. The Council aims to ensure the development, availability and the use of affordable, accessible and appropriate superfast<sup>4</sup> broadband infrastructure to 90% of premises in Oxfordshire by 2015. This will ensure that Oxfordshire becomes a digitally inclusive county with residents and businesses able to access and use broadband and other digital media for a range of purposes. The Council has recently been allocated £3.86m to support the deployment of superfast broadband in the county.

### *Fire & Rescue Service*

43. The key investment priority for the service is to achieve a resilient command and control facility with increased efficiency and reduced long-term costs. The Council aims to maximise the use of technology to improve both functionality and capacity, and to create efficiencies through a collaborative approach. The Council is also exploring opportunities for re-providing relatively older fire stations and addressing the increasing demand on infrastructure based on the changing demographics and projected housing growth.

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<sup>4</sup> The superfast broadband is defined as speeds of at least 24Mbps.

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### 3.3.5. Energy Consumption, Environmental Sustainability and Climate Change

44. The Council started to develop and implement its long-term strategy early to address its carbon emissions through the Carbon Management Programme. It is investing in improvements to street lighting and energy conservation schemes across the county. The driver for change has been crystallised through changes to the Carbon Reduction Commitment scheme announced in the Spending Review 2010 changing it from a trading scheme to a straightforward tax on energy consumption, and the immediate and forecast increase in the cost of energy consumption. A new delivery model that will embed energy efficiency and resilience to external markets across the Council is emerging in response to these drivers.
45. It is clear from the initial analysis that achieving a level of reduction which will eliminate a possible additional tax pressure and increased costs for the Council will require further investment in the Council's assets and activities that result in increased carbon emission (property, street lighting, travel and waste). The enlarged programme is likely to focus in particular on improving the performance of the property portfolio and the street lighting infrastructure. The Council is also to working with the Schools Forum to devise a funding strategy for the further expansion of this programme to the schools estate.
46. Another fundamental challenge is to deliver infrastructure that is resilient and responds effectively to the challenges of climate change through the sustainable design and construction of new developments. The Council is committed to enhancing the environmental sustainability of building infrastructure by achieving as a minimum the BREEAM (Very Good) Standard for its new-build portfolio. It is also committed to improving the environmental performance of its existing infrastructure through investing in innovative solutions that will reduce energy use, water use, and waste, improve energy efficiency, increase the proportion of energy generated from renewables and minimise environmental pollution or the likelihood and impact of flooding.

## 4. Capital Strategy - Use of Capital Resources

47. It is of the utmost importance that the Council's limited capital resources are managed effectively given the picture described above. Also of utmost importance is the task of successfully managing the Council's assets and infrastructure base, and managing growth and developing related infrastructure provision in timely manner.
48. The Council ensures its effectiveness in this area by
- Allocating capital resources in line with corporate objectives and priorities and considering what outcomes can be achieved by a particular project and how effectively it uses corporate capital resources;
  - Using capital resources prudently and flexibly in line with the agreed capital funding strategies to ensure their affordability, longevity and sustainability;
  - Providing contingencies across the capital programme to manage the resources pressure arising from housing growth and uncertainties related to ongoing service transformations.



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## **4.1. Central Government Settlements**

49. The Council is committed to achieving more flexible use of settlement allocations. This flexibility is key to achieving the most effective use of capital resources and key to generating efficiency savings for local areas by increasing the potential for multi agency working. In order to achieve this, all capital programmes have been brought together and the overall capital programme is now owned corporately. The determination of priorities for the overall capital programmes is very transparent and broad member engagement is at the heart of the decision-making process.
50. Where formulaic allocations and grants are issued as “not ring-fenced”, the Council uses the opportunity to allocate these resources in line with the Council’s priorities based on this capital strategy and the underpinning asset management plans. The residual amount of ring-fenced or earmarked funding received from central government in the form of grant and borrowing approval continue to be used for the purposes for which it is issued.
51. The Council is also looking for opportunities to use some strategic programme allocations in more flexible ways where local needs/pressures also represent a national issue. In this context, the Council has been successful in using all of the formulaic basic needs settlement and other resources from the schools capital funding to respond to the increasing demand for school places due to changes in demography and parental choice. However, the Council recognises that such flexibility is and always will be within the discretion of the funding body and will continue to work with the relevant government departments to look for such opportunities for further flexibility. In particular, the Council considers pursuing this approach as an important part of its strategic response to meeting and containing demographic pressures.
52. The Council is also critically observing the impact of community based budgeting on central government allocations. It is observing how strategic programmes and settlement allowances and their future operation will be influenced by this agenda. It is likely that this approach will enable the Council to progress with its own localities investment agenda subject to the scale and timing of the forthcoming funding provision.

## **4.2. Usable Capital Receipts**

53. Council policy is to treat capital receipts as a thoroughly corporate resource, not automatically allowing the originating service to utilise them. The Council seeks to maximise capital receipts from the disposal of surplus land and buildings, unless another option gives greater overall benefit. This approach will stay firmly in place while it is likely that there will be increased pressure to sell major assets and reduce the size of the property portfolio.
54. Although services can still make a case for the replacement of an asset, the Council, in principle, does not support the ring-fencing of capital receipts for the re-provision of assets. This is due to the fact that the Council’s Business Strategy requires a rationalisation of the asset base to help deliver the targeted level of savings in the Business Strategy between 2010/11 and 2014/15. This is in order to

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

55. The Capital Investment Board will continue to consider each case on its merits. This is particularly important when current economic conditions do not favour the disposal of assets and proposals based on ring-fencing assets on an individual basis are likely to have viability and cash flow problems from the start.

56. The new asset strategy determines the detailed policies around disposal of the Council's property assets, including school buildings.<sup>5</sup> As the Big Society agenda redefines the state's relationship with communities and looks for ways of empowering communities to be independent and self-sufficient. The Council also needs to think about how it can leverage and direct its capital assets to communities. Whilst the Council supports this approach in principle, its challenge in this area is to design ownership vehicles that can ensure sustainable solutions and take into account current liabilities. The Council will work with its partners to develop mutually beneficial and sustainable solutions by undertaking 'joined up' reviews of assets, by assessing how proposals meet local needs and generate value for those communities and by analysing any associated risks.

### 4.3. Prudential Borrowing

57. The Council has established a strong links between the use of prudential guidelines and the delivery of its Business Strategy. It is currently using funding under prudential guidelines for two categories of expenditure:

- capital investment which will result in future revenue savings; the cost of borrowing is met from these savings by services. Examples include Energy Conservation and the ECH programmes. In such cases, the specific prudential borrowing provision is considered as ring-fenced subject to the end of year financing strategy.
- capital investment where the Council has a significant unmet capital need; a decision can be taken for capital investment to be funded by borrowing. In such circumstances, the borrowing is repaid corporately from revenue over a number of years and therefore treated as a thoroughly corporate resource.

58. The Council's policy is to utilise unsupported borrowing to finance capital investment where there is a clear proven need and where this borrowing does not result in unacceptable increases in Council Tax levels. Currently, under prudential guidelines, the revenue implications of every initiative are taken into account when estimating affordability of these proposals. As part of its medium term planning process the Council also evaluates the relative merits of funding revenue or funding capital proposals. In the case of capital proposals it

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<sup>5</sup> The overall details of the policy may be affected by the Land Transfer Scheme Regulations. Local authority owned land that is no longer used for maintained schools to be transferred for the use of an Academy or Free School. The Secretary of State has the power to transfer the land if it is required from a local authority if that land has been used for the purposes of a maintained school in the last 8 years. If the local authority is already using the land for another purpose, the land can still be transferred.



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ensures that there is on-going revenue funding available to meet the impact of any additional borrowing requirements.

59. The Council also uses prudential borrowing as part of its strategic response to meet and contain demographic pressures. In 2008/09, The Council approved £25m additional prudential borrowing to respond to the investment need in services not receiving capital settlement from central government. This was to ensure that the Council was able to strike a better balance between those needs arising from changing service priorities and those arising from changes/shifts in the demographic picture.
60. The Council may also take up additional borrowing to replace low capital receipts or to deal with the timing issues in funding infrastructure. Although interest rates are low at the moment, this option would still mean an increase in revenue costs from paying interest on the additional loans. Additionally, interest rates are likely to rise in the medium to long term. Therefore, a prudent strategy for increased prudential borrowing on an invest-to-save basis is currently being employed to deal with the immediate pressures on capital resources.

#### **4.4. External Funding and Project Specific Grants**

61. The Council will try wherever possible to influence investment through the targeted use of its limited capital resources to lever in other investment to meet its objectives. However, the Council is clear that projects that may bring in further investment will only be supported if they meet the Council's priorities and objectives.
62. Once secured, the Council uses these external resources for the purposes for which they are issued as per the guidance and conditions determined by funding providers. The Council also evaluates long-term implications of accepting any external funding provision, in particular on its revenue budget and allows such projects to proceed only if they are affordable and demonstrate value for money.
63. The Council has benefited from this approach by securing approval for £5m Local Sustainable Transport Fund (LSTF) from the Department for Transport and approval for its Local Investment Plan (LIP) from the Homes and Communities Agency. The secured LSTF, with £3 million match funding from the Council, covers the extension to Thornhill Park and Ride car park, an extension to the London Road bus lane to Green Road Roundabout, pump-priming new bus services, improving conditions for cyclists, pedestrians and bus users between Thornhill and the hospitals, and promoting travel choices.
64. The Council will build on these successes and use its considerable experience in aligning funding streams and strategic programmes to meet its priorities in the context of its Capital Strategy. The Council also enhances this strategy by working within the context of the LIP and the LEP to align available funding streams further in relation to economic development and housing growth, including those from partner organisations at local, sub-regional, regional and national levels. The Council employs this approach to ensure that funding is generated for the longevity of the capital strategy and the capital programme and makes maximum impact.

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## 4.5. Funding Growth and Developer Contributions

65. The Council is proactive in ensuring, as far as possible, that all additional capital investment needs arising from new developments are funded from developer contributions. It has benefited from its good track record of effectively identifying infrastructure needs arising from new developments and securing developer contributions to enable required infrastructure delivery.
66. However, developer contributions historically have not been able to fund all new infrastructure requirements and the scale of infrastructure provision needed to respond to the described level of growth requires a different approach to capital investment planning and a stronger emphasis on funding infrastructure. In addition, the range of contributions now sought from development has broadened, meaning that less money is available for more 'traditional' contributions such as schools and transport.
67. Due to the effect of current economic conditions on developer contributions, several issues have become critical when managing the scale of growth facing Oxfordshire:
- Maintaining the viability of development proposals due to the reduction in land values;
  - The funding implications of providing infrastructure up-front due to timing issues;
  - Securing central government funding for some of the major infrastructure requirements;
  - Being prepared to deal with uncertainties around the exact cost of infrastructure provision when the development takes place;
  - Identifying the wider impacts of ad hoc or small scale developments and securing reasonable contributions from them;
68. In order to address these issues, the Council has established stronger links between the infrastructure planning and the asset management planning processes through the effective use of section 106 agreements. This approach ensures that future community assets are affordable and sustainable in the long term. The Council also continuously looks for opportunities to deliver capital projects using external funding not necessarily related to development.<sup>6</sup> e.g. Looking at where key private sector beneficiaries could contribute to the capital funding of schemes.

### 4.5.1. The Community Infrastructure Levy (CIL)

69. The Government has also introduced a new tariff based mechanism to give local authorities extra resources to invest in vital facilities, public services and social infrastructure and to give developers greater certainty about their role and contribution. The introduction of CIL within Oxfordshire should deliver an income stream toward infrastructure potentially more predictable than the current arrangements. Although the CIL aims to bring much needed flexibility to the use of contributions from developers, it is still not clear what the tariff/ levy income can be spent on, how it will be apportioned, how it will be transferred from charging bodies to infrastructure delivery organisations, and how it will affect the future of the S106 agreements. Hence, the coalition government's response to concerns raised by county councils across the UK will be critical in determining the future capital strategy implications of this new funding

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<sup>6</sup> The example here is Sainsbury's funding the £2m junction upgrade at Heyford Hill.

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mechanism. The Council is working closely with the charging authorities to ensure smooth transition to this new mechanism.

70. The use of these funding streams is expected to unblock stalled developments to some degree. The Council is also looking into more sustainable and long-term funding models to manage the growth agenda effectively and deliver the related infrastructure in a timely manner. The Council therefore considers the new financial incentives and funding mechanisms introduced by the Government for local economic growth and housing development as an integral part of its long-term capital strategy.

### **4.5.2. Funding Streams for Local Economic Growth & Housing Development**

71. The Government has introduced a number of financial measures in order to provide incentives for local authorities to deliver sustainable economic growth. The Council is committed to obtaining as much investment as possible for Oxfordshire through the effective use of these new instruments where they prove to be affordable and value for money. The Council will work with its partners to channel a level of funding that will help establish a 21<sup>st</sup> Century economic infrastructure and bring increased competitiveness to Oxfordshire.
72. The Council works closely with district councils, the private sector and other partners to take advantage of all available funding streams. The application for Oxfordshire's share of the Eco-Town Pilots Support Funding (£11 to £13 million)<sup>7</sup> has been successful. The Council and its partners are also aiming to benefit from the new Growing Places Fund and the Regional Growth Fund<sup>8</sup> to support the delivery of infrastructure in growth areas. As one of the key public sector players in Oxfordshire, the County Council seeks to use these funding streams to establish a better balance between public and private investment, to generate sustainable employment growth and to address infrastructure bottlenecks.
73. The Government is considering more radical financial options to enable local authorities to retain locally raised business rates in the context of the Local Government Resources Review. The Business Increase Bonus Scheme will enable the Council to keep, up to a "certain level", the increase in business rates for a period of six years where the growth in business rates yield exceeds a "certain threshold". This is a clear incentive to seek long-term sustainable growth in the business rate base. It is currently difficult to estimate the benefits from these schemes in terms of raising capital funding without more knowledge of how they will be implemented and how much of the funding will be directed to support Oxfordshire's economic infrastructure and asset base through local arrangements.

### **4.5.3. The Local Enterprise Zone- Science Vale UK**

74. The Oxfordshire LEP has been successful in securing approval for the Science Vale UK Enterprise Zone. This is developed as a joint initiative between leading hi-tech and research

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<sup>7</sup> £60m start-up funding for local infrastructure relating to eco-towns.

<sup>8</sup>The Regional Growth Fund has increased to £1.4bn (£580m capital) with no ring fencing. The fund will run from April 2011 until April 2014 with the minimum thresholds for bids being set at £1m.

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organisations in South Oxfordshire and local authorities with the single ambition of being globally competitive to the benefit of Oxfordshire and the UK.

75. The Zone will provide 200,000 square meters of development delivered by the private sector by 2015. It is expected to bring in around 8,400 high-tech, high-value-adding jobs and generate up to £10.5m of additional business rates a year. These funds can be directly reinvested into the Oxfordshire economy. New businesses will benefit from over £1bn of business rate discounts over five years, simplified planning procedures and access to super-fast broadband.
76. The Council views the Local Enterprise Zones as a means of stimulating economic growth and innovation, and maintaining the investment in infrastructure in this tight financial environment. It is now working with its partners to agree a mechanism in order to ensure contributions to infrastructure are secured, even where planning permission is unnecessary.

### **4.5.3. The Rolling Fund (to be agreed as part of 2012/13 S&RP Process)**

77. The Council has recently established a forward funding arrangement to enable investment in infrastructure on the back of future funding secured through developer contributions or other funding streams. The Rolling Fund is used as a flexible forward funding mechanism to facilitate the development and timely provision of critical infrastructure that support the delivery of planned growth or development
78. This is a mechanism by which the Council uses initial public money to forward-fund major infrastructure schemes where infrastructure is needed to support the planned development. The cost of infrastructure is then recovered from public and private sector funding streams as they come forward.
79. The Fund is composed of a contribution from flexible developer contributions and the County Council's share of the new homes bonus<sup>9</sup>. It is governed by the Capital Investment Board under the chairmanship of the Leader of the Council. The priorities under this fund will be agreed by the Cabinet based on recommendations by the CIB and within the context of the Infrastructure Framework<sup>10</sup>. The Council will use this system as a complementary mechanism in order to address infrastructure bottlenecks in the County.

## **4.6. Alternative Funding Models to Meet the Investment Challenge**

80. The level of funding available from central government and the private sector is constantly changing and current economic conditions put further constraints on available future infrastructure funding. There are a number of innovative funding options and delivery models available or under development to support infrastructure delivery.

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<sup>9</sup> The New Homes Bonus introduced in 2011/12. It funds the additional council tax for six years for each new home or property that is brought back into use after the home is built.

<sup>10</sup> This is currently under development.

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81. The Council therefore aims to use the devolution of power to local authorities and these options and models to address the viability issues regarding new developments and related up-front funding requirements. It acknowledges that these options and models need to be fully evaluated to determine the most appropriate solution based on the nature of the infrastructure need, the scale of the funding gap and the availability of funding sources offered by Central Government. Early analysis indicates that how the Council packages infrastructure investment or regeneration proposals to make them attractive for capital markets will play a critical role in determining its ability to benefit from such incentives. It is also clear that these flexibilities will be a strong base for institutional financing options for the Council in the medium and long-term.
82. The Council is committed to exploring all relevant options in consultation with its partners in delivery to ensure the effective management of its asset portfolio, facilitation of economic development and housing growth and the timely provision of related infrastructure. However, the Council is also aware that a major constraint when employing the instruments listed below in practice is the minimum level of capital that must be raised through their use.

### **4.6.1. Public Private Partnerships (PPP), Private Finance Initiative (PFI) and Local Asset Backed Vehicles (LABVs)**

83. The PPP/PFI funding models are used as long-term contracts between the public sector client and a private sector special purpose vehicle to deliver infrastructure and services in exchange for an annual performance related payment. The Council looks at these models of funding for its major schemes and takes a decision on the merits of each individual case. It has successfully used PPP funding to develop the Oxford Castle site working with the private sector and SEEDA. It has also upgraded homes for older people in partnership with the Order of St John.
84. The Council's policy regarding the PFI funding model has always been to carry out a full and robust assessment of its long-term implications to determine value for money for the Council. This is due to the fact that while this model works well in many circumstances, it has not been found appropriate in financial terms. In line with this policy, the Council has fully investigated PFI options but has not so far decided it has been appropriate for any scheme. However, the Council is still working on employing similar models when they are suitable for its objectives. The Council recently procured a residual waste treatment contract that utilises similar principles to a PFI and is based on the Government's standard contract. Similarly, it is planning to work with a private sector partner, selected via a competitive dialogue process, to deliver the infrastructure needed to allow the 28.9% of premises in rural areas to have access to superfast broadband.
85. Following the Spending Review, the Council expects to see more competitive versions of this model, such as competitive or incremental partnerships as the costs of such funding streams are transferred to individual departments at the central government level. It also expects to see a simpler procurement framework that is applicable to shorter-term contracts<sup>11</sup>. Decisions in relation to this funding stream will be made based on its applicability to the specific

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<sup>11</sup> It is likely that the minimum level of capital investment PFI will be raised from £20m to £50m in order to apply PFI only to the largest infrastructure.

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circumstances or infrastructure requirements following new Treasury guidance. The Council's priority in this area will be to build the right delivery model in order to derive real benefits from capital finance in a partnership environment.

86. Similarly, Local Asset Based Vehicles aim to encourage private sector investment by making regeneration projects appealing on a long-term basis. Current economic conditions and their impact on public finances and land values mean that it is likely that very limited levels of funding from the public and private sector will be available. The use of this funding mechanism will increase in the coming years given the expected increase in asset rationalization by local authorities. The Council continues to work with its partners, in particular District and Town Councils, on key regeneration programmes and evaluate opportunities as they arise in this area.

#### **4.6.2. Tax Increment Financing**

87. Tax Increment Financing<sup>12</sup> is a mechanism that enables the use of anticipated future increases in tax revenue to finance the current improvements (such as new or improved infrastructure) that are expected to generate those increased revenues. The UK central government is working on introducing new borrowing powers to enable local authorities to carry out TIF. By using TIF, the Council will be able to borrow against future additional increase in their business rate base to fund infrastructure and capital projects. Legislation is needed to introduce this scheme, so it will take at least two years to arrive. Because the TIF model will initially be introduced through a bid-based process, there is also an opportunity for the Council and its partners to assess their current priorities in the LIP in order to derive early benefits from this funding stream where eligible.

#### **4.6.3. Local Authority Bonds**

88. Local authority bonds are a common feature of local capital finance outside the UK and although they have been legislatively possible for UK local authorities to raise capital in this way, it has not been frequently used. The coalition government is looking into promoting this instrument and making it an attractive alternative to loans from the Public Works Loan Board (PWLB). The Council expects to see more tax incentives to emerge in relation to these bonds in the near future. As the key barrier to bond issuance is issuing bonds on a large enough scale to make them viable, the Council also expects to see new opportunities for collective deals and to package a number of projects at local, regional and sub-regional levels.

### **5. The Capital Programme: Governance, Development & Implementation**

#### **5.1. Capital Programme**

89. The current capital programme for 2011/12 to 2016/17 totals £397m capital investment and covers a wide range of projects. While it is good practice to have a five-year capital programme, the Council recognises that when the external environment is changing rapidly,

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<sup>12</sup> British Property Federation (November 2008): Tax Increment Financing



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the policy framework is evolving and the economic outlook is uncertain, it is important to have a flexible approach to investment decisions. Clearly, significant changes to the resources profile will affect the level of planned investment within the next five to ten years. Therefore, only the first two years of the programme are considered as “the firm capital programme”. The figures for the years 2014/15 onwards are a draft and constitute the “provisional” part of the capital programme.

90. This provisional programme includes some indicative projects where no firm costings or business cases have been produced. As these projects are not part of the firm capital programme, they can only be progressed after a formal approval process has been followed and if funding is available. Consequently, decisions about which projects are brought forward into the firm capital programme rest with the Cabinet. Where there is urgency, projects can be brought forward into the firm programme with the joint approval of the Chief Executive and the Chief Finance Officer after consultation with the Leader of the Council and the Cabinet Member for Finance & Property. Such urgent decisions are then reported to the Cabinet at the earliest opportunity as part of the Financial Monitoring Report.

## **5.2. Governance**

91. The Council has the vision of “developing a truly corporate approach to strategic capital investment, infrastructure and asset planning”. It recognises that implementing a high-profile capital governance structure is essential in fulfilling this vision and ensuring success in the capital arena.
92. That is why capital governance arrangements were reviewed in the context of the immediate challenges presented by the infrastructure gap and the growth, total place, co-location and cross service delivery agendas. A new capital governance structure has been in operation since September 2009. The Council established a stronger integration between the capital governance structure and the implementation of its Business Strategy in 2011.
93. The new structure also establishes a strong direct link between the mainstream capital programme and capital investment needs arising from the growth agenda (in particular strategic sites) and from cross-departmental and cross-organisational co-location and joint service delivery initiatives. The key features of this structure are listed below:

### **5.2.1. The Council & the Cabinet**

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

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### **5.2.2. The Capital Investment Board (CIB)**

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

### **5.2.3. The Capital & Asset Programme Board (C&APB)**

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

### **5.2.4. The Financial Procedure Rules for Capital**

97. The Council revised its financial procedure rules related to capital following the introduction of the new governance structure. The principle behind these adjustments is ensure that the overall structure is supported by appropriate officer teams operating clear, agreed, open and transparent corporate policies, protocols and procedures.

## **5.3. Capital Programme Development & Implementation**

98. The Council has recently strengthened the development framework for the capital programme. In particular, the Council has taken steps to enhance the strategic alignment of the capital programme with corporate priorities and balance capital investment needs arising from planned growth and the maintenance of the existing portfolio.

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

### **5.3.1. Principles of Prioritisation and Capital Resource Allocation**

100. The Council's capital programme deals with a wide range of property and other infrastructure asset needs across all service areas. The Council recognises the challenges around making prioritisation decisions when comparing the relative merits of investment into these assets. It therefore agreed a set of principles for prioritising capital investment proposals.

101. The application of these principles ensures that the Council allocates capital resources in line with corporate objectives and priorities and considers what outcomes can be achieved by a particular project and how effectively it uses our very limited corporate capital resources. These principles are integrated into the service and resource planning process.

102. Priority is given to programmes and projects (or proposals) in the following order:



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- **Priority 1:** projects which enable compliance with our legal/ statutory duties including projects which address any infrastructure deficits related to statutory compliance. For projects in this category, there is still a need to justify the cost level.
  - **Priority 2:** projects that generate revenue savings through the delivery of the new business strategy or service transformation proposals. For projects in this category, there is still a need to explore whether or not they could be self-financing, for example through prudential borrowing. Consideration will also be given to projects which lead to substantial levels of cost avoidance in the future.
  - **Priority 3:** projects where a major proportion (50% or more) of the capital from external sources which will be lost if the project fails to go ahead. Projects in this category are subject to consideration of future revenue requirements.
  - **Priority 4:** projects that contribute to the delivery of a smaller property portfolio through increased co-location or space utilisation or adaptation of new ways of working.
  - **Priority 5:** projects that facilitate economic development and housing growth - in particular in priority localities (Banbury, Bicester, Abingdon, Oxford City, Didcot and Carterton) and the Science Value UK as the new Enterprise Zone.
  - **Priority 6:** projects that address cross-cutting issues, facilitate joint-working with partners or generate new/ additional income;

103. It is not effective to have every individual scheme assessed and prioritised across the Council when they are very low cost relative to other areas of Council capital expenditure. Instead, the cabinet approves a programme level allocation based on the application of the principles outlined above and agrees the relevant assessment and prioritisation methodology for the approved allocation. This enables those schemes below a certain financial threshold value (determined by the financial procedure rules) to be assessed within those approved programmes. The delivery of these programmes would then be determined by the availability of capital funding, either from the Council's capital programme or elsewhere, for a 'block' of these schemes. Schemes above the threshold value and identified as being in line with Council objectives, are assessed as part of the Council's overall capital prioritisation and programming as per the principles listed above.

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

104. The Council is committed to ensuring that each investment decision represents the best possible use of these limited resources and the best long-term solution for the authority and its citizens a whole. This is critical for the long-term future of the Council's infrastructure base. In order to ensure the wise and responsible use of resources, each investment decision is based on a full consideration of all possible solutions and a full recognition of life cycle cost.

105. The Council employs technical assessment processes for evaluating readiness and value for money of all its capital investment proposals. The agreed principles are:

- Analyse a range of possible solutions at both the option appraisal and feasibility phases of each major capital investment;

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- Base the options appraisal and feasibility study on the life cycle costs of possible solutions, including the discounted cost of future expenditures to determine their affordability;
  - Explore different project delivery models that, where possible, include partnerships, sharing costs with other organisations, obtaining grant contributions or generating revenue income;

106. This approach ensures that investment in assets carries the underlying principle of seeking maximum benefit from the sum invested. The revenue implications of any scheme are considered at both stages of the process. However, more details are provided prior to full political approval being granted.

107. Similar processes are also in place for prioritising and resourcing Highways Maintenance schemes, which are peer reviewed within a value engineering process. The merits of each scheme are assessed in conjunction with condition survey information, build-ability, value for money and environmental factors. A priority list of schemes is developed that addresses Oxfordshire's strategic objectives whilst contributing to improving national road condition indicators

### 5.3.3. Procurement

108. The Council has established collaborative partnerships with both the professional services and construction services supply chains through strategic procurement initiatives. It operates a category management approach to the delivery of its works and services. This approach ensures that the Council can utilise 'best of breed' suppliers to minimise risk and cost as well as delivering a 'right first time' solution.

109. The Council has entered into new contractual arrangements for the delivery of the Transport service and is operating in an integrated organisational structure that is generating a more efficient operation. This integrated partnering contract provides a flexible vehicle for the procurement of professional and mainstream construction services, primarily for transport related projects. It enables the Council to plan the overall resource from inception to delivery on the ground thus smoothing the workflow throughout the year, enabling planning for future years and consequently gaining greater effectiveness and efficiency.

110. The Council's procurement strategy on the property portfolio seeks to align building use and maintenance considerations into the design and construction process where environmental and whole life costs aspects are of key importance. The operational strategy focuses on driving efficiency through procuring programmes of work that will enable economies of scale and better resource management to deliver works to time and budget.

111. The Council aims to achieve further benefits to the delivery of its capital programmes through developing potential synergies through its respective property and highways supply chains. Where commonality between materials, plant, labour and locality exist the Council proactively co-ordinates these supply chains into a cohesive and collaborative programme to deliver additional efficiencies and resilience.

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112. Similarly, the Council, where possible, explores third party delivery models as an alternative ways of securing the provision of required infrastructure arising from new development. These models are seen as a means of realistically securing delivery of major infrastructure.

113. The Council is also engaged with Improvement and Efficiency South East (IESE) in co-ordinating expenditure on a regional basis to drive standardisation and benefit from the resulting economies of scale. This collaborative approach enables the Council to have more leverage over the supply base. The Council can also adopt the Office of Government Commerce (OGC)'s portfolio of framework contracts for both professional services and construction. These collaborative and flexible arrangements with the OGC and IESE are necessary to complement the Council's portfolio so that it is responsive and scalable in today's financial climate. The Council will draw on the experience of its peers in order to deliver a value for money solution if a more specialist vehicle of procurement such as Strategic Partnerships is needed.

### 5.3.4. Partnership Working

114. The Council has a strong vision to create sustainable places by working closely with its partners. It recognises that it can only achieve its objectives through partnership working and is therefore committed to working with public, private, voluntary and community organisations. The Council's approach to infrastructure planning looks to influence and shape the investment decisions at the national level through the provision of leadership in the co-ordination of investment.

115. The Council already has a history of pursuing joint-working and joint-service delivery initiatives for better outcomes for communities and citizens of the County. The Council is currently

- operating a private public partnership with the Oxfordshire Care Partnership (Orders of St John – referred to as OCP/OSJ) to provide residential and nursing care homes for Older People;
- working closely with the Oxfordshire City-Region Enterprise Partnership to improve the alignment of investment across public and private sectors to deliver a shared ambition for economic growth;
- working jointly with its partners and national government to deliver the vision for eco-Bicester, including the proposed NW Bicester ecotown which will provide 5000 new homes and 5000 jobs;
- working in partnership with District Councils in the collection and treatment of waste, including delivering improved recycling and a reduction in landfill;
- working with the Housing and Communities Agency and other partner organisations under the Single Conversation Framework to deliver the Local Investment Plan (LIP) for Oxfordshire. This plan, resulting from Oxfordshire's Single Conversation with the Homes and Communities Agency (HCA), sets out a shared vision and priorities for delivering housing growth, economic development, regeneration, and infrastructure.
- working on the West End Project in partnership with Oxford City Council and other partners. The renaissance of Oxford's West End is the single biggest regeneration project that Oxford has seen for some decades and will shape the city centre experience for a hundred years to come.

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### 5.3.5. Performance Management

116. The Council agrees a rolling five-year capital programme annually in accordance with its priorities. The capital programme is updated quarterly and its performance is reported monthly to the Cabinet. The Council's use of capital resources indicator was 91% at the end of 2010/11<sup>13</sup>. Although this adjusted use of capital resources in 2010/11 represents a reduction compared to the 2009/10 performance (94%), it is still within the tolerances recommended by best practice.

### 5.4. Provide contingency across the capital programme

117. The Council's capital budget setting principle is "a balanced position with sufficient level of contingency". A 3% contingency, in line with the audit recommendation, is built into the capital programme planning assumptions in order to respond effectively to unforeseen capital pressures and to accommodate possible changes in the capital resources position supporting the programme. The Capital Investment and Business Development Manager manages this corporately held provision and other contingencies in relation to the capital programme on behalf of the Cabinet and reviews them on a regular basis based on the risks associated with the overall programme.

118. The Council continues to employ an effective year-end financing strategy for its capital programme. The capital financing strategy is aimed at minimising the on-going liabilities to the Council's revenue budget arising from capital investment. The first calls on capital resources are therefore external funding (including S106), grants, supported borrowing, and capital receipts and reserves. The final calls, where necessary, are on unsupported borrowing and revenue contributions.

119. The financing strategy also ensures the effective management of the cashflow of the capital programme. The Council may forward fund externally funded projects using internal funding resources. These internal resources will be replaced when external funding is received. This is particularly relevant for S106 funded schemes

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<sup>13</sup> The Council still maintains the improvement made in the use of resources position compared to 2008/09 (90%) and 2007/08 (82%).

### **Capital Strategy – Prioritisation Principles**

- Priority 1: projects which enable compliance with our legal/ statutory duties including projects which address any infrastructure deficits related to statutory compliance.
- Priority 2: projects that generate revenue savings through the delivery of the new business strategy or service transformation proposals.
- Priority 3: projects where a major proportion of the capital from external sources which will be lost if the project fails to go ahead but subject to consideration of future revenue requirements.
- Priority 4: projects that contribute to the delivery of a smaller property portfolio through increased co-location or space utilisation or adaptation of new ways of working.
- Priority 5: projects that facilitate economic development and housing growth - in particular in priority localities (Banbury, Bicester, Abingdon, Oxford City, Didcot and Carterton).
- Priority 6: projects that address cross-cutting issues, facilitate joint-working with partners or generate new/additional income.

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CAPITAL INVESTMENT PLANNING - 2012/13: CAPITAL PROGRAMME ALLOCATIONS

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description/Notes	Recommendation
<b>Allocations No Longer Required (as of October 2011)</b>							
1	Street Lighting - Part Lighting	980	0	980	3	Following detailed dialogue with the energy provider, the expected budget savings for the part-night lighting programme can no longer be met. It is the energy provider's view that significant reductions in energy usage will result in energy cost increases. This will not realise the expected savings (£0.35m). Therefore, the invest-to-save business case is not achievable. The service put a new business case forward for a pilot LED lighting scheme under the Energy Reduction Programme. The new proposal is registered as a new pressure.	<b>Return to the corporate pot to be reallocated</b>
2	H&S Budget Surplus	1,080	0	1,080	1	Following the detailed analysis of the H&S budget requirements across the capital programme, a planned programme H&S has been developed. This enabled review of the reactive H&S expenditure and generated a surplus to requirement of £1m	<b>Returned to the corporate pot to be reallocated</b>
3	Deferred Interest Loans	764	0	764	1	As a result of reviewing with clients their building needs and their access to other forms of finance a considerable reduction in the demand was experienced. Clients either delayed the start of the work as they sought cheaper options or cancelled their loan application or were able to get reductions in work already started. The recently revised loan forecast now reflects the demand using the new approach and so is much reduced in its expectations.	<b>Returned to the corporate pot to be reallocated</b>
<b>Sub Total</b>		<b>2,824</b>	<b>0</b>	<b>2,824</b>			

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Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description/Notes	Recommendation
<b>Allocations put forward to support New Pressures/ Proposals</b>							
4	Schools Structural Maintenance Surplus	5,433	0	5,433	3	Given the national uncertainties over the schools funding, and the level of uncertainties in the basic needs and maintenance programmes, a £5.433m of unringfenced capital maintenance grant was included in the capital programme as a priority 3 and it was agreed that this position will be review this year. In light of the increased basic needs pressure, it is proposed that this allocation is added to the basic needs programme allocation to address the reported pressure.	<b>Return to the corporate pot to be reallocated</b>
5	Secondary Schools Modernisation Programme (Provisional Sum)	3,331	0	3,331	3	This allocation was held as a contingency to address short-term secondary school modernisation issues pending the DfE's announcement of funding provision for secondary schools. DfE's new Priority Schools Building Programme was announced in July and an assessment was carried out to determine any eligible proposals from OCC. We can now confirm that there is no eligible proposal. In light of the DfE no longer being able to fund the Suitability and Modernisation Programmes (the new emphasis on Basic Need and Condition) and the increased basic needs pressure, it is proposed that this allocation is added to the basic needs programme allocation to address the reported pressure.	<b>Return to the corporate pot to be reallocated</b>



Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description/Notes	Recommendation
6	Schools Structural Maintenance Programme	2,500	0	2,500	1	The Cabinet (in consultation with the Schools Forum) agreed prioritisation criteria for the use of this allocation in May 2011. The criteria included supporting the measures for reducing energy consumption across the schools estate. It is now proposed that £2.5m of this allocation is used to develop and deliver an Energy Reduction Programme specifically for the Schools Estate. The programme will be developed in line with the structural needs of the overall school estate.	Return to the corporate pot to be reallocated
<b>Sub Total</b>		<b>11,264</b>	<b>0</b>	<b>11,264</b>			
<b>Allocations to be Used as Match Funding Provision</b>							
7	Future Transport Infrastructure Schemes	2,500	0	2,500	3	The Council agreed to allocate £10m additional funding allocation for transport programme in January 2011. Of which £6m was allocated to Structural Maintenance. It was agreed that the use of remaining £4m to be confirmed following the approval of LTP3. £1.5m of this £4m is already allocated to match fund schemes which received LSTF. The remaining allocation is proposed to address the decline in the footways condition and to contribute to the reduced Frideswide Square Scheme which is proposed to be also funded by S106 and external funding.	Return to the corporate pot to be reallocated
<b>Sub Total</b>		<b>2,500</b>	<b>0</b>	<b>2,500</b>			
<b>Overall Total</b>		<b>16,588</b>	<b>0</b>	<b>16,588</b>			

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## CAPITAL INVESTMENT PLANNING - 2012/13: NEW PRESSURES &amp; PROPOSALS (IN PRIORITY ORDER)

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description of the Proposal /Notes
1	Annual Programmes- Additional Year Provisions	21,539	0	21,539	1	One more year is added to all annual programmes as part of the programme planning process. It includes continuation of programme like annual H&S, essential Highways Maintenance, Schools Structural Maintenance, Schools Access Initiative, Minor Works. Further details could be provided upon request.
2	Basic Needs Additional Funding Requirement (Net)	10,100	0	10,100	1	It is a statutory requirement to provide places, when demanded, for all children aged 5-18 years of age and a sufficiency of Children's Centre places. The most acute need at present continues to be in the primary sector. Population data for Oxfordshire continues to show a rise in the birth rate until at least 2012 indicating a trend towards increased admissions to year R (F1) until at least 2016. The current basic needs programme allocation in the capital programme is £18.65m to ensure provision of 1,495 pupil places at primary, secondary and special schools.18. The draft 5-Year Basic Need Programme shows that the latest forecast total programme cost at September 2011 is £28.750m (net of additional resources) which has been identified to provide 1,786 pupil places. The potential contribution from the Schools Structural Maintenance grant will be kept under review as further basic Needs are identified and capital grant allocations are confirmed.
3	Highways Maintenance (Carriage Ways & Footways)	2,000	0	2,000	1	The County's highway network is particularly susceptible to the effects of harsh winters. Water and ice entering the road construction are the main factors that cause widespread damage. To help address this, additional funds have been requested. Further investment is also needed to improve the condition of our busiest footways which are also affected by the effects of harsh winters.
4	A4130 Bix dual carriageway - Structural Maintenance	4,900	0	4,900	1	This section of A-road needs full reconstruction in both directions (equivalent to approximately 4 km lane length). Lane widening and safety fencing are also likely to be required. The cost of the work is likely to be in the region of £4.9m. We propose to design this scheme during 2012/13 for implementation during 2013/14.

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description of the Proposal /Notes
5	A420 Shrivenham Bypass - Structural Maintenance	3,400	0	3,400	1	The Council received approx £1.8m of detrunking grant approximately 5 years ago to carry out repairs to this bypass. As there were insufficient funds available to repair the full length, the funds were directed to the areas of worst deterioration at that time. The remaining areas now need attention. This is due to progressive weakening of the foundation layers due to poor ground conditions. This scheme would be designed during 2012/13 for implementation during 2014/15. The scheme estimate is currently £3.4m.
6	A420/A34 Slip Road & Cumnor Hill Bypass - Structural Maintenance	1,200	0	1,200	1	Areas of road between Botley interchange and the A420 Farmoor turn are in need of repair. More site investigation and analysis is required to ensure the solution is resilient to climate effects. The road is a Premium Bus Route, has a nearby park & ride site and is a major artery into Oxford. This scheme will be designed between 2013 and 2015 for implementation during 2015/16. The estimated cost of this scheme is currently £1.2m.
7	A415 Clifton Hampden - Project Development & Design	130	0	130	1	Approx 1km of carriageway needs reconstruction at this location. The scheme will be designed during 2013/14 but held in reserve. The estimated cost of the design work is £0.13m.
8	The Upgraded Command & Control Function (conditional approval)	1,150	0	1,150	1	In December 2010 the central government terminated the FiReControl project without delivering any significant infrastructure improvements – leaving FRA's across England relying on their individual legacy systems. This reinforced the need for command & control systems that are both resilient and could deal with a high volume of calls / spate conditions. The primary objective is to achieve a resilient FRS command and control function for Oxfordshire - maximising the use of technology to improve both functionality and capacity, as well as creating efficiencies through a collaborative approach. The scope of the proposal is initially dependent on the agreement of the remaining two FRA's to progress the project in a specific way. We are currently working on several options which will improve the interoperability and resilience of the C&C function, though the ability to generate revenue savings or secure grant funding will decrease accordingly.

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description of the Proposal /Notes
9	Public Rights of Way Footbridges- Replacement & Repairs Programme	500	0	500	1	The Countryside Service is responsible for ensuring the public rights of way network [PRoW] of 2600 miles is safe and accessible for the public to use. In practice this means signposted at the side of the road, free from obstruction and vegetation maintained so routes can be used with reasonable ease. As part of this duty the Service is responsible for a large number of assets which require maintenance & repair as required. This includes 3000 'crossings' which include bridges, culverts & fords. It is a sizable task for which a modest revenue budget of £60k is available. This budget has been reduced by 10% in this area from April 2011 with no capital allocation during the current financial year. Therefore, we propose that Capital allocation of £100k pa to meet the increasing cost of replacing the existing sub 8m kit bridge stock.
10	Thames Towpath Reconstruction (Sonning Eye, Goring, Farmoor)	465	0	465	1	A 350m section of the Thames Towpath on the SE county boundary near Sonning [Eye & Dunsden Fp20] needs repair. The existing concrete bank work is beyond its design life. The damage is located in a prominent place on a well used section of the towpath and in close proximity to the communities of Sonning, & Caversham and well within walking distance of Reading. Planned investment now could save additional cost & prolonged closure of the towpath following a catastrophic collapse.
11	RFID- Phase 2 (subject to the results of the public consultation)	965	965	0	2	The Proposal for the future of Oxfordshire's Libraries includes the extension of RFID self-service to all the libraries in the county that currently lack it. Investment in self service technology in the remaining libraries would be in the context of the proposed use of volunteers in those libraries. Self-service would both reduce the number of routine transactions to be undertaken by staff or volunteers, and allow volunteers to support customers in borrowing items from the library without the need for volunteers to undergo the extensive training and ICT / Data Protection clearances that would be required for them to use the Library Management System. The investment required to install self service in the remaining 27 libraries is estimated to be £965,000. This would be funded through utilising any further available developer contributions and by a revenue contribution to capital from the Efficiency Savings Reserve.

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description of the Proposal /Notes
12	Schools Energy Reduction Programme- Additional Funding Requirement	3,500	1,000	2,500	2	Nearly £4m of investment opportunities have been identified by the current Property Consultants within the Schools estate. Some of this investment can be met by the existing SALIX fund; however this is historically oversubscribed. It has therefore been proposed through the Schools Structural Maintenance Programme to allocate £500k per year for energy reduction projects to cover: <ul style="list-style-type: none"> <li>• a rolling fund similar to the existing Salix fund (payback of 5yrs or less);</li> <li>• match funding for Prudential loans;</li> <li>• support for boiler replacements to fund the additional costs of biomass boilers.</li> </ul> We also seek an additional £250k per year of prudential borrowing to fund energy efficiency and renewable energy schemes which do not meet the Salix fund criteria (principally a pay-back period of less than five years.). Note that future of the SSM Grant may be subject to changes by the DfE. If there is a significant shift in this position, we will go back to Schools to agree a funding strategy for the overall Schools Energy Reduction Programme.
13	The ECH Programme- Additional Funding Requirement	4,000	0	4,000	2	As part of the service & resource planning process for 2009/10 a capital budget provisions of £1.8m for adaptations to existing buildings and £4.7m for new schemes were created. After taking into account actual expenditure to date and commitments of £2.972m, the remaining budget provision £3.528m. Since then there has been a 50% reduction in the HCA's grant budget which means that 'affordable housing' such as ECH now needs to find new forms of capital and revenue subsidy. These reductions in HCA capital subsidy put LAs under more pressure to either provide direct capital contribution or free land (or less than best value disposals) in order to meet the need for more affordable housing. When considering the recent changes to the policy and funding frameworks affecting the ECH provision, it is clear that the Council will need to make further investment in this area over and above the sums available. Although it is difficult to determine the exact level or timing of this investment for the next 5 years models have been tested. The additional funding requirement is baded on this model.

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description of the Proposal /Notes
14	Energy Strategy Implementation (Non-Schools & Street Lighting Pilot)	2,773	0	2,773	2	More recent analysis has shown that likely increases in the cost of energy are significantly stronger drivers to invest in energy efficiency. Over the next five years, the Council's energy prices are forecast to increase by 50%. For the Corporate estate and street lighting, the cost pressure above the 2010/11 baseline is £386k for 2011/12 (across all fuels including the energy tax) rising to £2.4m by 2015/16. With regards to corporate property, the funding will be invested in a range of energy efficiency measures, such as lighting improvements, insulation and solar water heating. With regards to Street Lighting, we are proposing a pilot in a market town, as part of the planned repairs and maintenance work to invest £300k to convert between 750 to 1000 street lighting columns to LED or Dimmed lanterns. If the pilot is successful, we want to introduce a programme of works across the following four year to continue with the same approach. It is difficult to determine the exact programme of works to deliver the required level of cost avoidance across the next five year.
15	Broadband (OxOnline) Project	13,860	3,860	10,000	2	The Council was recently allocated £3.86M to aid the deployment of superfast broadband in the county. The funding is for the capital cost of rolling out superfast broadband infrastructure in the market 1 areas, and cannot be used as revenue. Local authorities are expected to at least match fund their allocations, with the remainder of the funding coming from a network operator selected through a competitive dialogue process. The Council is also confronted with significant investment costs to refresh the existing OCN first established in 2002 and to deliver Public Service Network (PSN) standards. These costs are estimated at £5.1 Millions. At the same time, annual revenue costs of maintaining the OCN will continue to rise (by up to £0.5 Million) because we believe that up to 65% of schools will switch away from the OCN to more cost effective commercial options by the end of 2015. Focusing all further investment in Oxonline rather than OCN will mean that the Council can meet its own requirements for the corporate buildings and PSN standards whilst divesting itself of the responsibility and risk associated with maintaining its own Oxfordshire private network. The transition of schools from the OCN to commercial alternatives can be actively managed to minimise financial risk to the Council and to ensure continuity of provision for schools. Taking the OxOnline route for delivery rather than the conventional OCN Refresh route should save the Council approximately £1.4 Million in annual revenue expenditure from FY 2016/17.

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description of the Proposal /Notes
16	Frideswide Square- Reduced Scheme	3,470	2,525	945	3	This is a lower cost "transport only" scheme, reducing the public realm element. However, it needs to be acknowledge that the public realm element is needed to make the transport scheme work. Therefore, the service also focuses on reducing costs through the use of less costly materials. Based on what match funding we are likely to have (Developer Contributions + West End), and the notional 45/55% split, in funding terms (round numbers) we are looking at a £3.5m scheme, £1.5m funded from our Future Transport Infrastructure Schemes budget - £0.5m from 2013/14 and £1m from 2014/15 - plus £2m DCs and West End.

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description of the Proposal /Notes
17	Asset Strategy Implementation Programme- Additional Funding Requirement	1,230	1,230	0	4	The Council approved a new Asset Strategy in February 2011. This strategy includes a 25% reduction target in the size of the non-school property portfolio. The strategy is being delivered through the Asset Rationalisation Programme, with further opportunities for rationalisation to be identified through Asset Led Locality Reviews. The Programme also helps to enable the implementation of New Ways of Working across the organisation. The estimated pump-prime capital funding requirement for the Programme has increased to £5m, therefore £1.23m capital is required in addition to that already approved in the capital programme. It is expected that this funding requirement will be met by additional capital receipts which will come forward as the programme develops or by match funding provisions put forward by partners for locality review proposals. Therefore, the disposal and additional income target for the ASI programme is increased by £1.23m. However, the timing of delivering this targeted contribution still needs to be confirmed and may fall outside 5-year period because of the complex delivery arrangements or the nature of the agreements by partners. Therefore, our current planning assumption is that we would need use corporate funding to pump-prime the investment.
18	Non-Schools Property Structural Maintenance Programme	600	0	600	4	The required maintenance need for the non-school corporate property portfolio at March 2010 prices was £7.27m. The revenue budget allocated for repair and maintenance of the non-school corporate property portfolio in 2011/12 is £2.23m. After the allocation of funding for cyclical and responsive repairs, just £467,000 has been allocated for planned programmed repairs and maintenance. This represents just 6.42% of the required maintenance need and barely half the value of repairs in the three highest priority categories. Annual demand for and expenditure on responsive repairs and maintenance has for several years exceeded £1.4m. This represents 60% or more of the £2.23m budget available. Good property management practice suggests that c60% to 70% of the budget should be invested in cost effective planned programmed repairs with no more the 40% of the available budget spent on relatively costly responsive and day to day repairs.
<b>Total</b>		<b>32,643</b>	<b>9,580</b>	<b>66,202</b>		



## CAPITAL INVESTMENT PLANNING - 2012/13: SCHEMES ON HOLD

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description/Notes	Recommendation
<b>Schemes on hold (as per Feb 11)</b>							
1	Bicester Library - new library and offices as part of town centre redevelopment	1,200	477	723	5	Provision of new library and offices as part of town centre redevelopment by Cherwell District council. Plans have, therefore, been agreed in principle to relocate the library to the new first floor premises as part of a civic space in the re-developed shopping centre. Figures in this update are based on the latest CIB discussion where the Board agreed in principle to support the scheme subject to achieving greater level of certainty about the level of future developer contributions through negotiations with the CDC (£477k S106 funding already secured for this projects).	<b>Agreed and included in the Capital Programme as per November 2011 Financial Monitoring Report</b>
2	Bicester Market square (developer contribution funded scheme)	1,000	1,000	0	5	The main aim of the project is environmental enhancement, with safe pedestrian movement and stronger links to the rest of the town centre. Important to invest in Bicester given housing growth issues and ongoing congestion problems. Scheme is fully district council & developer funded but developer funding could be used on other schemes in Bicester if they were felt to be higher priority. Review of developer funding taking place to assess how spending can be prioritised in climate of reducing capital resources. Scheme to be reconsidered once the outcome of this is known	<b>Remain on Hold</b>

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description/Notes	Recommendation
3	Peppard School - Major Scheme	496	40	456	6	<p>The Major scheme was intended to combine replacement of an aged temporary classroom with a number of suitability issues, including staff facilities. The replacement of the school's aged temporary building with a newer temporary building (the only Basic Needs element and costed @£117k) has not yet been carried out due to refurbishment of the existing building, and is being considered alongside the aspiration of the governing body to relocate the school to a new site within the village. The relocation of the school would address both the aged temporary classroom issue and a range of suitability issues with the existing building and grounds. If a replacement temporary building is required at short notice £117k will be resourced from the Annual Programme for the Removal/Replacement of Temporary Classrooms. This element of the project and related financial pressure should remain on hold until the outcome of the feasibility work for the relocation of the school is costed and potential funding sources confirmed.</p> <p>Any need to bring this project forward, possibly as a contribution to the cost of replacing the school, would be subject to separate approval in line with the Council's governance arrangements. The school has been advised of the potential availability of up to £117k towards the replacement school project.</p>	<b>Recommended to remove from the list</b>

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description/Notes	Recommendation
4	John Watson - Post 16 block - Major Scheme	1,250	0	1,250	6	<p>The Council allocated £250k budget to evaluate if basic need/post-16 accommodation needs could be met solely through the provision of a temporary building. A review by Property &amp; Facilities has concluded that site constraints and the unique needs of this special school cannot be met by simply replacing the existing 2 classroom temporary building with another building of similar construction. However, in the short term, John Watson post-16 students can be educated in the new Mabel Prichard sixth form facilities whilst numbers from this school remain low.</p> <p>A review of Basic Need pressures across all Special Schools will be undertaken and identified needs will be prioritised as part of the CE&amp;F Basic Need Programme. As a result, the allocation included in the capital programme for 2012/13 is transferred in the overall basic need programme pending a more detailed analysis of basic need pressures and identification of preferred accommodation solutions. Therefore, there is no need to keep additional £1.25m on hold for this scheme.</p>	<b>Recommended to remove from the list</b>
5	Banbury Library and Mill Art Centre	5,785	110	5,675	6	<p>The original project aimed to integrate the creation of this facility within a new masterplan to create a cultural quarter within Banbury which includes redevelopment of an adjacent site by the private sector as a joint project with the district council. The scope of this project is currently under review with a view to position the future work in Banbury as a regeneration project, enabling and supporting growth in the northern part of Oxfordshire.</p>	<b>Remain on Hold</b>

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description/Notes	Recommendation
6	Thame Fire Station - relocation to new site	2,300	0	2,300	6	Replacement of Thame fire station. The main reasons are a very dated building layout on a constrained site. We still have not found a suitable site for this scheme. The service also considers it more appropriate to rethink what is actually required in terms of the Service's emergency response needs for this station (and also for the Wallingford Fire Station) before going ahead with any major refurbishment works.	<b>Remain on Hold</b>
7	Halls & Kitchens Programme- Hornton Hall	745	0	745	6	Provision of a new hall and modernisation of classrooms - meeting current standards (no existing hall). In light of the DfE no longer being able to fund the Primary Capital , Suitability and Modernisation Programmes (the new emphasis on Basic Need and Condition) and the increased basic needs pressure, this project should be removed from the list. The school has been advised of this proposal.	<b>Recommended to remove from the list</b>
<b>Overall Total</b>		<b>12,776</b>	<b>1,627</b>	<b>11,149</b>			

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**Breakdown of the Overall Total**

Total (Schemes to be removed from the List)	2,491	40	2,451	NA	Peppard- Major Scheme, John Watson- Major Scheme & Hornton School- Provision of a Hall
Total (Schemes Remaining On Hold)	9,085	1,110	7,975	NA	Bicester Market Square, Thame Fire Station and Banbury Library & the Mill Schemes
Total (Schemes already agreed)	1,200	477	723	NA	Bicester Library

**Areas to be considered by each Scrutiny Committee**

<b>Scrutiny Committee</b>	<b>Business Strategy</b>	<b>Service Area(s) included/excluded</b>
Growth & Infrastructure	Environment & Economy	<i>Excluding Property &amp; Facilities, Oxfordshire Customer Services and Adult Learning</i>
Safer & Stronger Communities	Social & Community Services: Community Safety and Fire & Rescue Service  Social & Community Services: Community Services  Chief Executive's Office (see pages 11-13)  Environment & Economy (see pages 26-30)	Includes Coroner's Office & Registration Service  Includes Oxfordshire Customer Services – Adult Learning
Adult Services	Social & Community Services: Adult Social Care	
Children's Services	Children, Education & Families	
Strategy & Partnerships	Chief Executive's Office  Environment & Economy (see pages 10 – 12 and 26-30)	<i>Excluding Coroner's Office &amp; Registration Service</i>  Includes Property & Facilities and Oxfordshire Customer Services

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