![Oxfordshire County Council logo] **OXFORDSHIRE COUNTY COUNCIL**

Notice of a Meeting

Performance Scrutiny Committee
Thursday, 15 March 2018 at 10.00 am
Rooms 1&2 - County Hall, New Road, Oxford OX1 1ND

Membership

Chairman Councillor Liz Brighouse OBE
Deputy Chairman - Councillor Jenny Hannaby

Councillors:	Nick Carter	Liz Leffman	Emily Smith
	Mike Fox-Davies	Charles Mathew	Michael Waine
	Tony Ilott	Glynis Phillips	Liam Walker

Notes: **A pre-meeting briefing** will take place in the Members' Board Room at 9.30am on the day of the meeting.
Date of next meeting: *24 May 2018*

What does this Committee review or scrutinise?
- The performance of the Council and to provide a focused review of:
  - Corporate performance and directorate performance and financial reporting
  - Budget scrutiny
- the performance of the Council by means of effective key performance indicators, review of key action plans and obligations and through direct access to service managers, Cabinet Members and partners;
- through call-in, the reconsideration of decisions made but not yet implemented by or on behalf of the Cabinet;
- queries or issues of concern that may occur over decisions being taken in relation to adult social care;
- the Council's scrutiny responsibilities under the Crime and Justice Act 2006.

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 Liz Brighouse
		E.Mail: liz.brighouse@oxfordshire.gov.uk
Policy & Performance Officer	-	Katie Read, Senior Policy Officer 07584 909530
		katie.read@oxfordshire.gov.uk
Committee Officer	-	*Colm Ó Caomhánaigh, Tel 07393 001096*
		colm.ocaomhanaigh@oxfordshire.gov.uk

PG Clark

Peter G. Clark
Chief Executive

March 2018

About the County Council

The Oxfordshire County Council is made up of 63 councillors who are democratically elected every four years. The Council provides a range of services to Oxfordshire's 678,000 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.

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AGENDA

1. **Apologies for Absence and Temporary Appointments**

2. **Declarations of Interest - Guidance note on back page of the agenda**

3. **Minutes** (Pages 1 - 6)

   To approve the minutes of the meeting held on 4 January 2018 and to receive information arising from them.

4. **Petitions and Public Address**

5. **Quarter 3 Business Management Report** (Pages 7 - 26)

   10.05

   This paper provides details of performance for quarter three 2017-18 for Performance Scrutiny Committee to consider before making comments to Cabinet by 20 March. The report, and any comments made by the Committee, are required so that the Cabinet can monitor the performance of the council in key service areas and be assured that progress is being made to improve areas where performance is below the expected level.

   The Committee is RECOMMENDED to note the performance reported, in particular, items which members wish to schedule for future scrutiny, and make any comments necessary for escalation to Cabinet before 20 March.

6. **Corporate Performance Measures 2018-19** (Pages 27 - 28)

   10.25

   This paper invites Performance Scrutiny Committee members to help County Leadership Team (CLT) and Cabinet to develop outcomes and measures that will demonstrate publicly how we are performing in achieving the Council's new vision, as set out in the prospectus published in January 2018.   The Committee's views will be considered when CLT meet on 21 March to prepare an initial draft suite of outcomes and measures for approval.

   The Committee is RECOMMENDED to suggest to CLT what it believes are the key areas of business, within Directorates and cross cutting, that are likely to be of most interest, and highest priority, to members of the public, and that should therefore be reflected in the outcomes and measures that will demonstrate progress towards the Council's vision and priorities.

7. **Update on the Council's Fit For the Future Transformation Programme** (Pages 29 - 78)

   10.45

   The next stage of the county council's Fit for the Future transformation programme is now underway. The programme will ensure that in the future the council will be sustainable, resilient and can achieve better outcomes for our residents as well as

addressing our financial challenges.

The work that was carried out last summer and developed over the autumn showed how staff, right across the council, were collectively spending their time. It demonstrated that relatively low proportions of effort were focused on front line service delivery and that our support processes and systems need improving.

In response we have now started an intensive programme of work to address these issues and design in detail how we will work in the future. With the help of PwC, we are focusing on investment in new ways of working and better use of digital technology to reduce costs further and improve customer service.

This will ensure we both meet residents' needs and can work more effectively and efficiently internally with the intention of achieving savings of between £33m-£58m per year, enabling political choices to be made about investment in services.

The Committee is RECOMMENDED to:

a)   **note the content of this report;**
b)   **comment on any issues relating to the transformation programme and its impact on the Council's current and future performance;**
c)   **provide a steer on whether the Committee would like to receive regular updates on this work, focusing on any particular issues such as**
   - **the evidence that the programme is focused on the right issues for the council;**
   - **that there are effective arrangements in place to monitor performance throughout the current and future phases of work;**
   - **that effective performance monitoring is being designed into the new operating model;**
   - **and, subject to decisions about implementation, that there are effective mechanisms in place to ensure delivery of tangible benefits.**

8.   The Council's Response to the Liquidation of Carillion (Pages 79 - 82)

11.25

Carillion was Oxfordshire County Council's strategic property maintenance, investment and facilities partner. On 15 January 2018, companies in the Carillion group structure began to go into liquidation. This triggered an immediate business continuity response by the council, to guarantee continuity of delivery of key services and to ensure that schools and other council functions could continue to operate.

Following a negotiation with representatives of the official recievers, it was agreed that a previously agreed termination of the contract would be brought forward to be effective from 1 February, 2018. All elements of the service are now being managed directly by the Council.

The Performance Scrutiny Committee have requested a report on measures taken by the Council in response to the liquidation of Carillion and future plans for the service.

The Performance Scrutiny Committee is RECOMMENDED to note the contents of this report, and request an update on the implementation of new arrangements in autumn, 2018.

9. **OxLEP: activities and governance** (Pages 83 - 124)

11.55

A presentation and discussion about how the LEP is supporting innovation and driving increased productivity through its activity, and how the LEP is responding to the Mary Ney report on more robust governance and transparency of LEPs. The presentation and report are attached.

10. **The Council's role in shaping places**

12.35

The Growth Deal has secured £215m of central government funding to deliver new housing and infrastructure across Oxfordshire. As part of this a commitment has been made to develop a Joint Spatial Plan. The challenge for the County Council is to ensure that through its role in infrastructure planning and public health we support place-shaping that promotes healthier lifestyles, a good quality of life and encourages social cohesion.

Through a discussion with officers the Committee is RECOMMENDED to consider:
- **How the Council can fulfil its commitment to delivering growth whilst managing demand for services**
- **Opportunities for greater join-up between infrastructure, housing and health to support healthy and cohesive communities.**

11. **Committee work programme** (Pages 125 - 128)

13.15

Discussion of the Committee's Work Programme for the next year.

Declarations of Interest

The duty to declare…..
Under the Localism Act 2011 it is a criminal offence to
(a) fail to register a disclosable pecuniary interest within 28 days of election or co-option (or re-election or re-appointment), or
(b) provide false or misleading information on registration, or
(c) participate in discussion or voting in a meeting on a matter in which the member or co-opted member has a disclosable pecuniary interest.

Whose Interests must be included?
The Act provides that the interests which must be notified are those of a member or co-opted member of the authority, **or**
- those of a spouse or civil partner of the member or co-opted member;
- those of a person with whom the member or co-opted member is living as husband/wife
- those of a person with whom the member or co-opted member is living as if they were civil partners.

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

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

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

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

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

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

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

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

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PERFORMANCE SCRUTINY COMMITTEE

MINUTES of the meeting held on Thursday, 4 January 2018 commencing at 10.00 am and finishing at 12.50 pm

Present:

Voting Members: Councillor Liz Brighouse OBE – in the Chair

Councillor Jenny Hannaby (Deputy Chairman)
Councillor Nick Carter
Councillor Mike Fox-Davies
Councillor Tony Ilott
Councillor Liz Leffman
Councillor Glynis Phillips
Councillor Emily Smith
Councillor Michael Waine
Councillor Liam Walker
Councillor Nicholas Field-Johnson (In place of Councillor Charles Mathew)

Other Members in Attendance: Councillor Judith Heathcoat (for Agenda Item 6)
Councillor Mark Gray (for Agenda Item 7)

Officers:

Whole of meeting   Katie Read, Senior Policy Officer;
Colm Ó Caomhánaigh, Committee Officer

Part of meeting

Agenda Item	Officer Attending
5, 9	Ian Dyson, Assistance Chief Finance Officer (Assurance)
9	Steven Jones, Corporate Performance and Risk Manager
6, 7	Ben Threadgold, Policy and Performance Service Manager
8	Jonathan McWilliam, Strategic Director for People; Jackie Wilderspin, Public Health Specialist; Benedict Leigh, Deputy Director for Joint Commissioning; Clare Rowntree, Strategy Manager – Community Co-ordination.

The Scrutiny Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting and agreed as set out below. Copies of the agenda and reports are attached to the signed Minutes.

1/17 **APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS**
(Agenda No. 1)

Apologies were received from Councillor Charles Mathew (substituted by Councillor Nicholas Field-Johnson).

2/17 **DECLARATIONS OF INTEREST - GUIDANCE NOTE ON BACK PAGE OF THE AGENDA**
(Agenda No. 2)

There were no declarations of interest.

3/17 **MINUTES**
(Agenda No. 3)

The minutes of the meeting on 14 December 2017 were approved and signed as a correct record with the following amendment:

Item 49/17, the first bullet point under the heading "Communities" was changed to read:
"A new team is being established to rationalize estate and create capital comprising 10-12 staff in addition to those brought over from Carillion."

4/17 **SERVICE & RESOURCE PLANNING 2018/19 TO 2021/22 - CAPITAL INVESTMENT PLANNING**
(Agenda No. 5)

Mr Dyson introduced the report. The change to a 10-year approach had already been approved by the meeting of the Committee on 14 December 2017. This will facilitate more flexibility, better risk management and better utilization of assets.

Officers responded to Members' questions as follows:
- The Council is exploring the idea of running its own children's care homes and other services in-house but there is nothing specific to include in the plans at this stage.
- A business case is being put together to change the approach on highways maintenance to a longer-term approach in order to get ahead of the maintenance curve. If the proposed growth deal with central government goes ahead then the budget will increase significantly.
- The figure of £45m for "Capital Receipts and other contributions" could include disposal of assets or income generated from them in other ways.
- The Council encourages academies to spend more money on maintenance of basic facilities but it is their decision and ultimately it is part of a wider funding issue in education. It was suggested that the Education Scrutiny Committee should invite Headteachers to a meeting to discuss the matter.
- An explanation of the different figures given for Highways Maintenance on Page 11 and in Annex 1 will be circulated later.

It was agreed that the Chairman will give a report to Cabinet on the Committee's comments on Service and Resource Planning from the discussion at the 14 December 2017 meeting and this meeting.

5/17   QUARTER 2 BUSINESS MANAGEMENT REPORT
(Agenda No. 9)

Mr Dyson summarised the report which is generally encouraging, the exceptions being outlined in Paragraph 6.

Members raised issues on the report which Officers addressed as follows:
- The performance indicators in this report are based on the existing corporate plan. When the new corporate plan is approved then indicators will be revised appropriately.
- The less frequent clearing of drains is causing problems. Officers agreed to address this at the March meeting in the report on Transport. It is too specific an item to include in the performance reports but Members can always ask Officers for information.
- It was confirmed that services keep in touch with those coming out of drug treatment for six months which is what is recommended by the national guidance. Experience has shown that most people who stay clean for 6 months will remain so.
- The figure of £17.9 for school reserves was noted as being quite large. It was suggested that the Education Scrutiny Committee should examine this.
- The difficulties with debtor invoice clearance for Social Care clients is largely a resource issue and has been discussed at the Audit & Governance Committee.

It was agreed that Councillor Leffman will lead a "deep dive" focusing on the drop in household waste recycling rates. Officers will provide a list of bullet points on the issues with a view to the findings being reported to the May Committee meeting.

6/17   OXFORDSHIRE COUNTY COUNCIL DRAFT CORPORATE PLAN 2018 - 2021
(Agenda No. 6)

Mr Threadgold introduced the draft document emphasising that it is a working draft which will eventually go to Cabinet and then Full Council for approval. The details of how progress will be measured are being shaped and will be included before the plan is published.

Members made comments on the plan and Mr Threadgold and Councillor Heathcoat responded as follows:
- The plan is deliberately not structured by service area but the actions for delivery will be picked up by service areas in their own plans.
- The work investigating introducing a committee structure is a separate process and does not tie in with the plan.
- When including links in the plan to other documents it is thought to be helpful to have a brief explanation preceding the link.

Members also suggested:

- Plans for bus services should be included.
- It should be clearer that some activities depend on partners such as the NHS or OxLEP for example.
- There needs to be more on increasing diversity in Members elected especially regarding age, gender, disability and ethnicity.

7/17 OXFORDSHIRE COUNTY COUNCIL DRAFT EQUALITY POLICY
(Agenda No. 7)

Mr Threadgold introduced the draft policy which is being renewed after four years. This draft has 10 objectives which are more specific than before and includes monitoring. Governance of the policy is under the Cabinet Member for Local Communities. There will be a consultation period over a couple of months and once the objectives are agreed, work will commence on the actions.

Officers responded to points raised by Members as follows:
- Regarding objective 3, the details of improvements to the Council website were not in the report but Mr Threadgold undertook to get more information on that. The Council will continue to be mindful that not everyone can access the internet.
- Objective 9 targets under-25s because the Council has very few staff under that age. Measures to improve gender and age balances in the workforce will be aimed at removing barriers and attracting more applications.
- A full consultation pack is being compiled to ensure a wide range of consultation.

Members also made the following suggestions:
- The policy should aim to ensure diversity through all levels in the workforce and this should be monitored.
- Under objective 4, the use of local clinics should be considered to avoid everyone having to come to Oxford for assessments.
- Community groups should be informed of job vacancies with the Council.
- The Council website should be functional on a mobile phone.
- Dignity at work should be covered in the policy.

Councillor Mark Gray, Cabinet Member for Local Communities, noted that fewer people are now looking for work in Oxfordshire, providing the Council with challenges in recruitment. This policy will have more robust governance with an annual report to Cabinet and can always be reviewed by the scrutiny committee.

8/17 IMPLEMENTATION OF THE HEALTH INEQUALITIES COMMISSION RECOMMENDATIONS
(Agenda No. 8)

Dr McWilliam introduced the report. The establishment of an independent Commission was a welcome move and ensures that the issue of health inequalities is kept alive. The Commission made 60 recommendations for the various organisations in Oxfordshire. This report concentrates on the recommendations for the County Council. An implementation group was set up, led by the Clinical Commissioning Group, and Ms Wilderspin attends this.

Officers responded to issues raised by Members as follows:

- Protocols for school nurses vary from school to school but there is a national specification available which can be shared with Members. Their work generally focuses on health promotion, prevention and safeguarding.
- Regarding increases in incidents of school exclusions, the number for each school may be available but the overall data has not been compiled yet. That can be expedited.
- There were no recommendations from the Commission specifically on young carers.
- The Council works with City and District Councils on the public health aspects of housing through workshops and influencing planning policy – for example, in promoting active travel such as walking and cycling.
- The Commission's recommendations on housing were directed at other organisations and therefore not included in this paper.
- There is a council officer dealing with families facing difficulties with housing. The Committee will examine the success in keeping children out of care as part of a future discussion.
- The Council has followed up with clients who did not get places with new daytime support services. If anyone is aware of a person who says that they have missed out, they should contact Mr Leigh. The Committee requested a report on this for a future meeting to which Age UK will be invited.
- Personal health budgets are being introduced and may be integrated with care budgets. The Council tries to make the organisational divisions in services invisible to the person who receives support.
- Transport issues are dealt with through various options such as lifts from neighbours, the Comet and services provided by District Councils.

Members agreed that there are increasing issues for young carers and many of their problems can be hidden. It was agreed that the Committee needs a report on issues for young carers. Councillor Carter will lead a "deep dive" on this issue for the Committee and report back in May.

9/17   COMMITTEE WORK PROGRAMME
(Agenda No. 10)

The following was agreed:

- Adult Social Care will be moved to the July meeting.
- Property and Assets as well as Recycling can be dealt with under performance reporting.
- Young Carers can be taken at the May meeting under children's issues. Cllrs Nick Carter and Emily Smith will lead on this.

.... in the Chair

Date of signing   2018

BUSINESS MANAGEMENT AND MONITORING REPORT

QUARTER 3 2017-18

Performance Scrutiny Committee, 15 March

Introduction

1. This paper provides details of Oxfordshire County Council's performance for quarter 3 (1 October – 31 December 2017).

2. The report shows that at the end of the third quarter we were on course to meet the three strategic priorities set out in the current Corporate Plan. A report on key achievements and issues is attached at Annex 1. Performance dashboards are included at Annex 2, and the finance position to January 2018 (as presented to Cabinet for its 20 March meeting) is included at Annex 3.

3. Of the 23 outcomes being reported on this year, 22 were rated Green or Amber at the end of Quarter 3. This is the same as in Quarter 2.

4. The outcome rated as Red in Quarter 2 (around reducing the number of looked-after children) remains Red this quarter. However, as in Quarter 2, performance in this area is on an upward trend and is in line with expectations and forecasts, and one of the three supporting indicators (no.12) in the dashboard has improved from Red to Amber in Quarter 3, with a positive outlook for Quarter 4. The Director's assessment – that no additional action is necessary beyond that already being taken – is based on that progress and trend.

5. Of the 50 success indicators being reported on, 3 were rated as Red for Quarter 3. This is one fewer than in Quarter 2. Indicators 11 (number of looked-after children) and 41 (condition of A and B highways) remain Red. Indicator 10 (permanent school exclusions) is newly Red this quarter as the number of exclusions across all schools (both academies and maintained schools) exceeded the year's target by the end of December. Indicators 7 (reablement) and 12 (rate of children becoming looked after) have both improved from Red to Amber since Quarter 2.

6. Other indicators in the dashboards which have deteriorated since Quarter 2 are:

    i.   Indicator 6 (on DTOC) has dipped from Green to Amber this quarter. This is due to a more challenging target having been set in-year to reflect improved performance. The outlook for this indicator is positive.

    ii. Indicator 9 (on persistent school absence) is newly rated as Amber, having not been rated in Quarter 2 due to data not being available: data is collated in line with the school year, with December the first point at which it is reported

    iii. Indicator 40 (on condition of A and B highways) remains rated Red as noted above. Our activities to identify and prioritise road defects ensure that the rate of deterioration is kept in check and overall highway condition is as good as possible.

7. One indicator is Amber with a deteriorating outlook. Performance levels for indicator 41 (household waste and recycling) are lower than targeted, in part due to waste collection issues in some Districts. The situation is being closely monitored and is in line with national trends. A joint waste strategy consultation has been launched which will inform the development of a revised waste strategy in 2018.

8. In addition to those noted in paragraph 5, indicators showing improvement since Quarter 2 are indicators 4 on social care quality and monitoring checks, 5 on DTOC, and 36 on planning application responses, which have all improved from Amber to Green over the quarter.

9. Additionally there are 32 indicators which were rated Green in Quarter 2 and which remain Green this quarter, which is very positive.

10. Looking into quarter 4, the 'outlook' column in the dashboards shows that the outlook for 48 of the 50 success indicators was "positive/improving

Business management in 2017-18

11. Progress continues to be made in our activities to improve business management in the council. Work to devise a new business management dashboard has proceeded, with a model presented to County Leadership Team for consideration in February. Mapping of risks and priorities has been undertaken to provide management teams with assurance that our business management is tight and comprehensive at strategic and operational levels. In December Performance Scrutiny Committee considered finance and performance reporting, which has informed the work noted in this paragraph.

RECOMMENDATION
12. **The Committee is RECOMMENDED to note the performance reported, in particular items which members wish to schedule for future scrutiny, and make any comments necessary for escalation to Cabinet before 20 March.**

3 March 2018

Report by: Ian Dyson, Assistant Chief Finance Officer (Assurance)

Contact Officer: Steven Jones, Corporate Performance and Risk Manager
steven.fairhurstjones@oxfordshire.gov.uk 07932 318 890

ANNEX 1 – PERFORMANCE REPORT – QUARTER 3 2017-18

Section A: Key achievements against Corporate Plan priorities in this quarter

A thriving economy

- We received good news in the 22 November Budget Statement that Oxfordshire has secured an additional investment of £215 million over the next five years as part of a Housing and Growth Deal. This money will support the delivery of new homes, associated infrastructure and boost economic productivity across the county. The Deal includes £150m for infrastructure; £60m for affordable housing, and £5m capacity funding to support the delivery of the Deal including the development of a joint statutory spatial plan for the whole county.

- The 2016/17 validated education results show that Oxfordshire's pupils continue to improve and attainment remains the national average for children aged 5 (Early Years Foundation Stage) and key stage 4. Oxfordshire ranks within the top 25% of local authorities achieving grades 5-9 in both English and maths. In addition, the county ranks 26th out of 152 local authorities for pupils achieving grades 5-9) in maths. Attainment for Key Stage 2 children has reduced in year but remains slightly below national averages.

- The % of students in good and outstanding secondary schools in the county remains above the national average, but the % in good and better primary schools has declined.

- Ensuring all pupils are included in education is a priority, particularly regarding attendance, exclusions and pupils missing out. A series of breakfast meetings between head teachers and local authority officers are being held in order to raise awareness of these issues and to develop a countywide commitment and strategy to improve inclusion.

- Verification work undertaken by Trading Standards under the Council's Notified Body status still results in a significantly higher than expected (against target) performance. They have already achieved what was expected by year end.

- We have attracted 26 new investor bids to the county, supporting in excess of 400 jobs.

- We have participated in 14 funding bids this year to support the Smart Oxford programme.

- Despite national headlines about the drop in apprenticeship numbers, we now have more apprentices in our workforce than ever before. So far in 2017-18 the council employs 48 apprentices, either in the core council or in county schools. This is three times the number we employed in 2015-16. Current apprentice roles include Paralegals assigned to our Children's Legal Services and new Customer Service Delivery Assistants working between our libraries and the

Customer Service Centre. We also have apprentices working in diverse roles such as ICT, Business Administration, Civil Engineering and Digital Marketing. Additionally, our maintained schools have stepped up recruitment of apprentice Teaching Assistants and Early Years Educators.

- We have launched a public consultation on recycling and household waste. Titled "Talk rubbish with us", the consultation will help to inform our 2018 Waste Strategy and help give people ideas of how to reduce the amount we all throw away, and to recycle more.

- The council's flagship Central Library re-opened in Oxford's regenerated Westgate Centre in December. The library offers a range of familiar and new features including a 'Makerspace' for community activities and special events, and a much larger children's library. It will also serve as a 'front door' for visitors to access council services online and get the support they may need to do this.

Protecting vulnerable people

- We have delivered well in excess of what we expected in terms of safety messages. This is mainly due to the use of social media as a method of engaging with our communities, specifically with Christmas postings and proactive work with OCC Communications.

- 88% of social care providers are rated as good or outstanding by the care quality commission compared to 80% of providers nationally. 90% of people supported by the council are with good or outstanding providers. The quality of social care in Oxfordshire is higher than elsewhere and the council is working with and supporting the better providers.

- Satisfaction with adult social care services in Oxfordshire remains higher than the national average.

- The timeliness of progressing child protection cases remains quicker than elsewhere, meaning the most vulnerable children are protected in a timely manner.

- Fewer children in Oxfordshire have repeated social care episodes, or end up returning to a child protection plan for a second time than elsewhere, demonstrating that interventions are successful.

Efficient public services

- On 6 Dec we published our proposed budget for 2018/19 and planning for forthcoming years up to 2022. We are in a sounder financial position than in previous years, allowing us to continue to provide critical services and with the opportunity to improve how we work better for the residents and communities of Oxfordshire.

- During Quarter 3 the council was in the process of exiting from our contract with Carillion for a range of services. Robust business continuity arrangements meant that we were able to manage the impacts of Carillion's subsequent liquidation in January.

- We continued to meet our emergency callout response standards this quarter – the short spell of bad weather in early December had little impact.

- We continue trialling advanced water rescue techniques to enhance our ability to rescue casualties.

- The number of reported fatalities on the road is still significantly lower than last year (18 compared to 27) and lower than the five-year trend. We are now using more up to date information through work done with Thames Valley Police, which is provided to us more regularly. This means we are now in a position to report on fatalities from road traffic collisions sooner.

- For many years, the council and its partners have faced a challenge in ensuring patients are discharged from hospital in a timely manner. At the start of the year we set a target to reduce delays due to social care from 28 to 14 in the year. In agreement with NHS England and to help alleviate pressures on hospital we subsequently agreed to stretch this target further to a reduction of 14 by December and 10 by March 2018. We are currently out-performing performing the stretched target with just 10 social care delays at the end of December.

- When someone needs help after they leave hospital, we want them to receive reablement – a short term service to help people return to their previous level of functioning. In Oxfordshire, this service is commissioned by both the council and clinical commissioning group and provided by the Oxford University Hospital trust. As the same time as stretching the target for social care delays; we agreed a stretched target of reducing delays for this service from 68 to 35, with an interim target of 41 by the end of December. At the end of December 43 people were delayed. This was supported by a 12% increase in output from the service in the last quarter, with an action plan in place to increase this further to the expected contract levels.

- We have set up a co-production board with adult social care service users, their family and friends and other stakeholders to oversee our programme of co-production projects. We continue to recruit people to work with us on individual projects within the programme agreed by the board.

- The focus on promoting early help for children and families in need of social care continues to bear fruits. 427 early help assessments were completed last quarter compared to 458 for the whole of 2016/17. This is helping to reduce the number of MASH (Multi-Agency Safeguarding Hub) enquiries which is 24% lower than December last year; and the number of families subject of a social care assessment – 5% lower than last year. Focusing on early help means that children and families experience the most effective, least intrusive, solutions to

the issue they face. It also reduces the pressure on social care staff and allows them to work more intensely with the cases they hold.

- Managing demand and a more focused approach to children's social care assessments has meant that we have successfully addressed the number of children with overdue assessments from over 300 at the end of September to under 50 now.

- We have improved the timeliness of our response to District Council planning applications and now meet the deadline in 80% of cases, having only achieved this for around 60-62% of cases in the previous two quarters.

- 91% of Mineral and Waste applications have been determined within 13 weeks so far this year

- We continue to reduce our carbon footprint as we consolidate the number of buildings we use, routinely manage and monitor our energy use and continue to use cleaner electricity

- We continue to discharge our duties in a timely manner such that over 99% of highway defects posing an immediate risk of injury are repaired within 24 hours, and over 90% of highway defects that create a potential risk of injury are repaired within 28 calendar days

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Section B: key issues currently affecting our ability to deliver our priorities

A thriving economy

- There is a growing number of learners with high needs, placing a growing pressure on services. Allied to this Northfield School has required extensive maintenance work and has had a period of closure.

- The number of building consultations received (primarily on non-residential new-builds, significant alterations and refurbishments) are still lower than expected. This is out of the control of Oxfordshire Fire & Rescue Service (OFRS) and reflects the confidence in the economy as to whether businesses are willing to build. However, we have processed 160 more consultations than for the same period last year.

Protecting vulnerable people

- The transformation programme in Children's Services is showing signs of reducing demand. However, it will take some time to come to full fruition and is dependent on close co-ordinated work from partner agencies. This work is being co-ordinated through the Children's Trust. The most intrusive and expensive interventions (e.g. safely reducing the number of looked after children) will take the longest time to show results.

- The number of risk reduction activities has fallen: due to changes made to how and when our firework poster competition was communicated to schools, a minimal number of entries were received. If being undertaken next year, the process will likely revert to that of previous years which will mean more entries received.

- Currently Co-responding is still on target due to the high numbers attended in the first two quarters of this reporting year, the co-responding calls that OFRS has attended on behalf of South Central Ambulance Service has reduced due to national pay negotiations. The national position is still not clear. Co-Responder schemes aim to ensure that an appropriately trained person – which can include our firefighters – is on scene as quickly as possible providing necessary 'first response' to specific medical emergencies where there is an immediate threat to life prior to an emergency ambulance arriving on scene.

- Sadly, there was a fire fatality in October. This fatality was in a Portacabin which appeared to have been used regularly for inhabiting and not for its original use. Our prevention activities focus on vulnerable residents but the nature of the individual's living circumstances meant they were not known to us.

Efficient public services

- The adult social care workforce, both internal and external, both paid and voluntary, remains our key asset in delivering our objectives. The high cost of housing, alternative job opportunities and the pressure of the job present challenges in delivering a sustainable paid and volunteer workforce. The lack of availability of care, particularly home care can lead to people waiting for services for longer than is ideal.

- The introduction of charges for green waste in West Oxfordshire has led to a 20% reduction in composting. The situation is being closely monitored and is in line with national trends. A joint waste strategy consultation has been launched which will inform the development of a revised waste strategy in 2018. Performance Scrutiny Committee have formed a group to look at this issue in depth.

In this section we explain any outcomes which Directors have rated "Red". A Red rating indicates that the outcome in question might not be achieved by year end as things stand. Directors' ratings may be based on a number of factors including levels of performance and degree of risk.

1.	Corporate Plan priority	Protecting Vulnerable People
	Outcome affected	Safely reducing the number of looked after children
	Dashboard details	Success indicators 11-13

The number of looked after children rose in 2016/17 by 12%, compared with a national rise of 3%. In the first 9 months of this year the numbers have risen by 6%, such that there are currently 710 looked after children. (N.B. this figure was for the end of December; as of 22 February there are 674). The original targets were based on immediate and uniform reductions in looked after numbers, but subsequent work has refined this to review the expected impact and timeline of policy and service changes through the transformation programme. The programme to reduce numbers is a 30 month programme, which expects numbers to continue rising, but plateauing out by summer 2018 and then subsequently dropping as policy initiatives take hold:
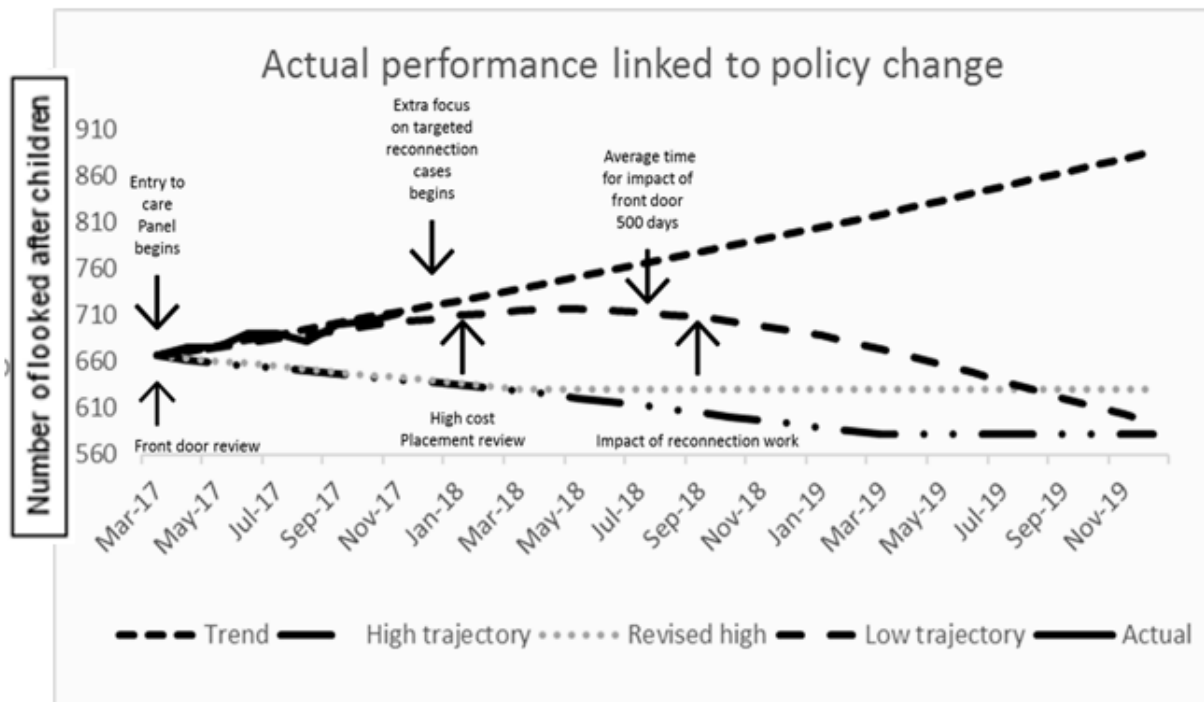
Recommended action	At its 21 February meeting County Leadership Team noted the situation and potential impact on the budget and accepted the recommendation that no actions additional to those already underway are required at present.

PRIORITY: A STRONG AND THRIVING ECONOMY							
Outcome	3,332 businesses given advice and support to grow	Increase school attendance - leading to improved attainment	An Infrastructure Strategy for Oxfordshire is delivered	High-quality jobs, and a skilled workforce, are created and sustained	Funding for public services is maximised	OCC's responsibilities for spatial planning are executed	Highways are adequately maintained

PRIORITY: PROTECTING VULNERABLE PEOPLE								
Outcomes	14,168 children and young adults (to include looked after children) to be better educated to lead safer and healthier lives	6,248 vulnerable children and adults helped to lead more secure and independent lives, supported by safe and wellbeing visits	To deliver 266,664 specific safety messages to contribute towards promoting a safer community, across all social media platforms	Ensuring all children have a healthy start in life	Preventing early death and promote healthy lifestyles	Safely reducing the number of looked after children - providing support to enable families to care	To deliver sustained and improved experience for people who access our adult social care services	To deliver Sustainable, good quality adult social care services

PRIORITY: EFFICIENT PUBLIC SERVICES								
Outcome	1,000 more people alive as a result of our prevention, protection and emergency response activities	When a fire occurs we aim to send the nearest fire engine in the quickest time possible	Helping early – most effective, least intrusive, solutions to children's and family problems	Improving the confidence & capability of the children's and family workforce	Working with the NHS, private and voluntary sector providers to deliver effective adult care services	Use the expertise of our customers and other key stakeholders to design, procure and evaluate adult social care services	Household waste is disposed of efficiently and effectively	Year on year reduction in OCC's carbon equivalent emissions

OUTLOOK KEY: ↑ the outlook is positive/improving ↓ the outlook is negative/deteriorating ↔ the outlook is stable

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SOCIAL AND COMMUNITY SERVICES – PERFORMANCE DASHBOARD – Quarter 3 2017-18

	Outcome			Success Indicator	Target	Cumulative Target Y/N	Q2 RAG	Q3 RAG	Outlook
PROTECTING VULNERABLE PEOPLE	Deliver sustained and improved experience for people who access our services	1		Maintain the high level of user satisfaction	67%	N	G	G	↔
		2		Maintain the high level of people using social care who receive a direct payment	>28%	N	G	G	↑
	Deliver sustainable, good quality services	3		The proportion of social care providers rated as 'outstanding' or 'good' by the care quality commission in Oxfordshire remains above the national average	80%	N	G	G	↑
		4		Increase the number of quality and monitoring checks that have been undertaken in the quarter	159	Y	A	G	↑
EFFICIENT PUBLIC SERVICES	Work with the NHS, private and voluntary sector providers to deliver effective services	5		Reduce the number of people delayed in hospital awaiting social care from an average of 28 in March 2017 to 14 at the end of March 2018	14	N	A	G	↑
		6		Reduce the delayed transfers of care that are attributable to adult social care from an average of 67 in March 2017 to 66 at the end of March 2018	66	N	G	A	↑
		7		Increase the number of hours from the hospital discharge and reablement service to 8920 hours per month	8920	N	R	A	↑
	Use the expertise of our customers and other key stakeholders to design, procure and evaluate services	8		Involve more people in co-producing service redesign with the council and ensure at least 9 co-production products are delivered in 2017/18	9	Y	G	G	↑

OUTLOOK KEY: ↑ the outlook is positive/improving   ↓ the outlook is negative/deteriorating   ↔ the outlook is stable

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CHILDREN, EDUCATION AND FAMILIES – PERFORMANCE DASHBOARD – Quarter 3 2017-18

	Outcome		Success Indicator	Target	Cumulative Target Y/N	Q2 RAG	Q3 RAG	Outlook
THRIVING ECONOMY	Increase school attendance - leading to improved attainment	9	Persistent absence rates to be in the top quartile nationally by 2018 for secondary schools	Top quartile	N	n/a	A	↔
		10	Permanent exclusions to remain in the top quartile nationally	Top quartile	N	n/a	R	↔
PROTECTING VULNERABLE PEOPLE	Safely reducing the number of looked after children - providing support to enable families to care	11	Reduce the number of looked after children from 667 at March 2017 to the average of our statistical neighbours (582) by March 2019, with an interim target of 629	629	N	R	R	↑
		12	Reduce the number of children becoming looked after in 2017/18 by 15%. This is a reduction from 371 to new looked after cases to 316. (This is the equivalent of reducing avoidable demand from 36% to 25%)	316	Y	R	A	↑
		13	Increase the number of children leaving the looked after service in 2017/18 by 36%. This is an increase from 266 children to 362	362	Y	A	A	↑
EFFICIENT PUBLIC SERVICES	Helping early – most effective, least intrusive, solutions to problems	14	Increase the number of early help assessments from 458 in 16/17 to 3000 in 18/19, with an interim target of 1750 in 2017/18	1750	Y	A	A	↑
		15	Reduce the level of enquiries to the MASH from 19,417 in 2016/17 to 9,500 in 2018/19, with an interim target of 12,000 for 2017/18	12,000	Y	A	A	↑
		16	Reduce the level of social care assessments from 6650 in to 3600 in 2018/19, with an interim target of 4,500 in 2017/18	4,500	Y	A	A	↔
	Improving the confidence and capability of the whole workforce	17	Reduce caseloads so that by March 2018 over 75% of staff have caseloads at or below the agreed target level	75%	N	G	G	↑
		18	Invest in the workforce so that by March 2018 80% of cases are held by permanent staff	80%	N	G	G	↔

OUTLOOK KEY: ↑ the outlook is positive/improving   ↓ the outlook is negative/deteriorating   ↔ the outlook is stable

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PUBLIC HEALTH – PERFORMANCE DASHBOARD – Quarter 3 2017-18

		Outcome		Success Indicator	Target	Cumulative Target Y/N	Q2 RAG	Q3 RAG	Outlook
PROTECTING VULNERABLE PEOPLE	Ensuring all children have a healthy start in life		19	Number of mothers who receive a universal face to face contact at 28 weeks or above	70%	N	G	G	↔
			20	Percentage of births that have received a face to face New Birth Visit	95%	N	G	G	↔
			21	Percentage of children who received a 12 month review	93-95%	N	G	G	↔
			22	Percentage of children who received a 2-2.5 year review	93-95%	N	G	G	↔
			23	Babies breastfed at 6-8 weeks of age (County)	60-63%	N	G	G	↔
			24	% of Mothers who received a Maternal Mood Review in line with the local pathway by the time the infant is aged 8 weeks.	95%	N	G	G	↔
	Prevent early death and promote healthy lifestyles		25	% of eligible population 40-74 who have been invited for a NHS Health Check since 1/4/2013	84%	Y	G	G	↑
			26	% of eligible population 40-74 who have received a NHS Health Check since 1/4/2013	42%	Y	G	G	↑
			27	Rate of successful quitters per 100,000 smokers 18+ (reported a quarter in arrears)	>2315	N	A	A	↑
			28	Number of users of OPIATES that left drug treatment successfully (free of drug(s) of dependence) who do not then re-present to treatment again within 6 months as a percentage of the total number of opiate users in treatment.	>6.8%	N	G	G	↔
			29	Number of users on NON-OPIATES that left drug treatment successfully (free of drug(s) of dependence) who do not then re-present to treatment again within 6 months as a percentage of the total number of non-opiate users in treatment.	>37.3%	N	G	G	↔
			30	Number of users on ALCOHOL ONLY that left treatment successfully (free of alcohol dependence) who do not then re-present to treatment again within 6 months as a percentage of the total number of ALCOHOL ONLY users in treatment.	>50%	N	G	G	↔

OUTLOOK KEY: ↑ the outlook is positive/improving   ↓ the outlook is negative/deteriorating   ↔ the outlook is stable

COMMUNITIES – PERFORMANCE DASHBOARD – Quarter 3 2017-18

		Outcome		Success Indicator	Target	Cumulative Target Y/N	Q2 RAG	Q3 RAG	Outlook
THRIVING ECONOMY		An Infrastructure Strategy for Oxfordshire is delivered	31	A prioritised infrastructure strategy providing a framework that enables the county's planned growth will be produced and developed by Sept 2017	Completion	N	G	G	↔
		High-quality jobs, and a skilled workforce, are created and sustained	32	Oxfordshire is chosen for 60 new investors / re-investors, 20 of which are 'high value' (as defined by DIT)	60/20	Y	G	G	↑
			33	We participate in 15 funding bids for innovation submitted to support the Smart Oxford programme	15	Y	G	G	↑
		Funding for public services is maximised	34	Value of monies secured in s106 / s278 agreements as a % of requirements identified through the Single Response process	80%	Y	G	G	↔
			35	No more than 20% of s106 monies are held within 2 years of potential payback	<20%	Y	G	G	↔
		OCC's responsibilities for spatial planning are executed	36	80% of District Council planning applications are responded to within the agreed deadline	80%	Y	A	G	↑
			37	50% of Mineral and Waste applications are determined within 13 weeks	50%	Y	G	G	↑
		Highways are adequately maintained	38	100% of highway defects posing an immediate risk of injury are repaired within 24 hours	100%	Y	G	G	↑
			39	90% of highway defects that create a potential risk of injury repaired within 28 calendar days	90%	Y	G	G	↔
			40	28% of the A and B Classified road network where carriageway maintenance should be considered.	28%	Y	R	R	↔
EFFICIENT PUBLIC SERVICES		Household waste is disposed of efficiently and effectively	41	59% of household waste is reused, recycled or composted	59%	Y	A	A	↓
			42	60% of waste from HWRC which is recycled	60%	Y	A	A	↔
		Year on year reduction in OCC's carbon equivalent emissions	43	Average 3% year on year reduction in carbon equivalent emissions from OCC estates and activities	3%	Y	G	G	↔

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OUTLOOK KEY: ↑ the outlook is positive/improving   ↓ the outlook is negative/deteriorating   ↔ the outlook is stable

COMMUNITY SAFETY SERVICES – PERFORMANCE DASHBOARD – Quarter 3 2017-18

	Outcome		Success Indicator	Target	Cumulative Target Y/N	Q2 RAG	Q3 RAG	Outlook
THRIVING ECONOMY	3,332 businesses given advice and support to grow	44	833 businesses given advice and support, per quarter.	833	Y	G	G	↔
BOOSTING VULNERABLE PEOPLE	14,168 children and young adults (to include looked after children) to be better educated to lead safer and healthier lives	45	3,542 children and young adults to be better educated to lead safer and healthier lives, per quarter	3,542	Y	G	G	↔
	6,248 vulnerable children and adults helped to lead more secure and independent lives, supported by Safe and Well visits	46	1,562 vulnerable children and adults helped to lead more secure and independent lives, supported by safe and wellbeing visits per quarter	1,562	Y	G	G	↔
	To deliver 266,664 specific safety messages to contribute towards promoting a safer community, across all social media platforms	47	To deliver 66,666 specific safety messages across all social media platforms, per quarter.	66,666	Y	G	G	↔
EFFICIENT PUBLIC SEERVICES	1,000 more people alive as a result of our prevention, protection and emergency response activities	48	250 more people alive as a result of our prevention, protection and emergency response activities per quarter	250	Y	G	G	↔
	When a fire occurs we aim to send the nearest fire engine in the quickest time possible	49	80% of emergency call attendances to be made within 11 minutes, per quarter	80%	Y	G	G	↔
		50	95% of emergency call attendances to be made within 14 minutes, per quarter	95%	Y	G	G	↔

OUTLOOK KEY: ↑ the outlook is positive/improving   ↓ the outlook is negative/deteriorating   ↔ the outlook is stable

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ANNEX 3 – FINANCIAL REPORTS – position for January 2018 (which will be reported to Cabinet on 20 March 2018)

PEOPLE – CHILDREN'S SERVICES

	Success Indicator	Target	Position at end January 2018	On Target?	Notes
Financial Performance	Actual expenditure for Education & Learning is in line with the latest agreed budget	< 2.0% of net budget	-£0.3m or -1.4%	Yes	
	Actual expenditure for Children's Social Care is in line with the latest agreed budget	<2.0% of net budget	+7.6m or +10.9%	No	The forecast overspend includes £5.7m on placements and corporate parenting, £1.0m on asylum seekers, and £1.0m children with disabilities. This is after an additional £5.3m was built into 2017/18 budget.
	School Reserves (as at 31 March 2018)	-	£10.5m		
	Number of 2017/18 budget virements requested requiring Council approval as they were a change in policy	-	None		
	Planned savings for 2017/18 assumed in the MTFP have been achieved	93% achieved			Savings that have been identified as not achievable have been reviewed as part of the 2018/19 Service & Resource Planning Process.

PEOPLE – ADULT SERVICES

	Success Indicator	Target	Position at end January 2018	On Target?	Notes
Financial Performance	Actual expenditure for Adult Social Care and Joint Commissioning is in line with the latest agreed budget	< 2.0% of net budget	1.0% or £2m	Yes	This assumes full use of the Adult Social Care Precept.
	Number of 2017/18 budget virements requested requiring Council approval as they were a change in policy	-	None		
	Planned savings for 2017/18 assumed in the MTFP have been achieved	79% achieved			Savings that have been identified as not achievable have been reviewed as part of the 2018/19 Service & Resource Planning Process.

PEOPLE - PUBLIC HEALTH

	Success Indicator	Target	Position at end January 2018	On Target?	Notes
Financial Performance	Actual expenditure is in line with the latest agreed budget	< 2.0% of gross budget	-0.6% or -£0.3m	No	Funded by a ring fenced grant which is £31.3m for 2017/18.
	Number of 2017/18 budget virements requested requiring Council approval as they were a change in policy	-	None		
	Planned savings for 2017/18 assumed in the MTFP have been achieved	100% achieved			* Corporate savings position reported to Cabinet

COMMUNITIES

	Success Indicator	Target	Position at end of January 2018	On Target?	Notes
Financial Performance	Actual expenditure for Place and Planning, Infrastructure Delivery, and Property and Investment is in line with the latest agreed budget	< 2.0% of net budget	0.8% or +£0.7m	Yes	
	Actual expenditure Fire and Rescue, Emergency Planning and Community Safety is in line with the latest agreed budget	< 2.0% of net budget	0% or £0m	Yes	
	Number of 2017/18 budget virements requested requiring Council approval as they were a change in policy	-	None		
	Planned savings for 2017/18 assumed in the MTFP have been achieved	93% achieved			Savings that have been identified as not achievable have been reviewed as part of the 2018/19 Service & Resource Planning Process.

RESOURCES

Success Indicator	Target	Position at end January 2018	On Target	Notes
Financial Performance Actual expenditure is in line with the latest agreed budget	< 2.0% of net budget	+£0.4m or +2.8%	No	Legal services are forecasting an overspend of +£0.4m. This is due to increased Counsel spend as a result of Childcare proceedings.
Number of 2017/18 budget virements requested requiring Council approval as they were a change in policy	-	None		
Planned savings for 2017/18 assumed in the MTFP have been achieved	100% achieved			* Corporate savings position reported to Cabinet

The Financial Monitoring report for January 2018 will be considered by Cabinet on 20 March 2018. The report incorporates Business Strategy savings that were agreed by Council in February 2017 and previous years. At this stage of the year, at least 95.3% of the planned savings are expected to be delivered. Progress against delivery of savings will be monitored on a regular basis and where savings are not expected to be achieved they have been reviewed as part of the 2018/19 Service and Resource Planning process.

CORPORATE

Success Indicator	Target	Position at end January 2018	On Target?	Notes
Actual expenditure for the Council is in line with the latest agreed budget	< 2.0% of net budget	+2.5% or +£10.4m	No	Whilst management action may reduce the anticipated overspend it is expected that the use of contingency of £4.1m and general balances will be required to bring the budget into balance by the year-end.
Non - Schools Reserves (as at 31 March 2018)	-	£67.7m		
General balances as a proportion of the original gross budget (£797m for 2017/18)	-	£19.7m or 2.5%		
Total reserves as a proportion of the original gross budget (£797m for 2017/18)	-	£78.2m or 9.8%		
Capital programme use of resources compared to programme agreed in February 2017	90%	95%	Yes	
Capital programme expenditure realisation rate		73%		

Corporate continued

Success Indicator	Target	Position at end January 2018	On Target?	Notes
Year to date debtor invoices – all	48 days	44 days	No	
Percentage of debtor invoices cleared in 90 days - Social Care Clients	94%	90%	No	
Percentage of debtor invoices cleared in 90 days	97%	96%	Yes	
Treasury Management Indicators – Average Interest Rate achieved (In - House) compared to Treasury Management Budgeted Rate	0.55%	0.73%	Yes	
Treasury Management Indicators – Average Annualised Return achieved compared to Benchmark Rate (*) (Pooled Fund)	2.84%	4.40%	Yes	

(*) Composite of 7 Day LIBID, 7 Day LIBID + 50BPS, IPD Other Balanced Property Funds Index, BofA Merrill Lynch 1-10 Year Non-Gilt Index & BofA Merrill Lynch Euro High Yield ex Financials Index (GBP Hedged).

Division(s): N/A

PERFORMANCE SCRUTINY COMMITTEE – 15 MARCH 2018

CORPORATE PERFORMANCE MEASURES 2018-19
Report by Director for Finance

Introduction

1. The intention to bring forward a proposed set of corporate outcomes and measures for the Committee's consideration has been revisited in light of Council's decision not to approve the draft Corporate Plan at their February meeting.

2. This decision presents an opportunity for earlier engagement with the Performance Scrutiny Committee, in helping CLT and Cabinet to develop the outcomes and measures that will demonstrate publicly how we are performing in achieving the Council's new vision as set out in the prospectus published in January 2018.

3. The expectation is that a first draft of outcomes and measures will be available for consideration by Performance Scrutiny in May 2018, but these will be kept under continuous review as the work of the Fit for the Future Programme evolves and a new target operating model is agreed.

Setting 2018-19 outcomes and measures

4. At the meeting of Performance Scrutiny on 15 March 2018, members are asked to contribute to the development of 2018/19 outcomes and measures, whilst they are still in progress. The Council Leadership Team (CLT), are seeking the Committee's views on the key areas of business within Directorates and cross cutting that are likely to be of most interest, and highest priority, to members of the public, and that should therefore be reflected in the outcomes and measures that will demonstrate progress towards the Council's vision and priorities. The six priorities as set out in Prospectus agreed in January 2018 are as follows:

Thriving Communities

- We help people live safe, healthy lives and play an active part in their community;
- We provide services that enhance the quality of life in our communities, and protect the local environment

Thriving People

- We strive to give every child a good start in life, and protect everyone from abuse and neglect;
- We enable older and disabled people to live independently. We care for those in greatest need.

<u>Thriving Economy</u>

- We support a thriving local economy by improving transport links to create jobs and homes for the future.
- We listen to residents so we can continuously improve our services and provide value for money.

5. The Committee's views will be considered when CLT meet on 21 March to prepare an initial draft suite of outcomes and measures for approval. It is intended that these measures will be clear in stating the role of OCC in contributing to the achievement of the targeted outcomes, i.e. whether it is wholly responsible, or whether we contribute to delivery but where success is dependent on contributions from other partners.

6. The revised timetable for agreeing the performance measures is:

- 15 March 2018 – Performance Scrutiny consultation on areas to be covered.
- 21 March 2018 – CLT prepare initial draft of outcomes and measures
- April 2018 – CLT finalise draft proposals
- 24 May 2018 – Performance Scrutiny review proposed outcomes and measures.
- 19 June 2018 – Cabinet receive proposed outcomes and measures for approval.
- 10 July 2018 – Council consider for approval the Corporate Plan including the agreed outcomes and measures.

7. In order to start the new business year with corporate performance management arrangements in place, Directorates will initially use the same outcomes and measures currently in use in 2017-18.

RECOMMENDATION

8. **The Committee is RECOMMENDED to suggest to CLT what it believes are the key areas of business, within Directorates and cross cutting, that are likely to be of most interest, and highest priority, to members of the public, and that should therefore be reflected in the outcomes and measures that will demonstrate progress towards the Council's vision and priorities.**

March 2018

Report by: Ian Dyson, Assistant Chief Finance Officer (Assurance)

Contact Officer: Steven Jones, Corporate Performance and Risk Manager
                       steven.fairhurstjones@oxfordshire.gov.uk 07932 318 890

Division(s): N/A

PERFORMANCE SCRUTINY COMMITTEE – 15 March 2018

UPDATE ON THE COUNCIL'S FIT FOR THE FUTURE TRANSFORMATION PROGRAMME
Report by Assistant Chief Executive

Introduction

1. The next stage of the county council's Fit for the Future transformation programme is now underway. The programme will ensure that in the future the council will be sustainable, resilient and can achieve better outcomes for our residents as well as addressing our financial challenges.

2. The work that was carried out last summer and developed over the autumn showed how staff, right across the council, were collectively spending their time. It demonstrated that relatively low proportions of effort were focused on front line service delivery and that our support processes and systems need improving.

3. In response we have now started an intensive programme of work to address these issues and design in detail how we will work in the future. With the help of PwC, we are focusing on investment in new ways of working and better use of digital technology to reduce costs further and improve customer service.

4. This will ensure we both meet residents' needs and can work more effectively and efficiently internally with the intention of achieving savings of between £33m-£58m per year, enabling political choices to be made about investment in services.

Background

5. Like all councils, Oxfordshire County Council has had to manage a significant reduction to government funding since 2010 whilst also coping with rising demand for services, particularly adult and children's social care. We have saved more than £300m per year in this period, with most of this money being used to meet growing demand for social care.

6. The council has become significantly more efficient since 2010, including by reducing 'back office' costs, sharing HR and finance services with Hampshire County Council, and reducing the number of managers. We did this to minimise cuts to services but given the scale of savings required, there have also been service reductions such as removal of bus subsidies and reduced funding for universal children's services such as 'stay and play'. Funding for roads maintenance has also reduced.

7. Since 2010 services have been redesigned to focus on people in greatest need, while working with the community and voluntary sector to increase capacity for 'community self-help'. This has enabled libraries to stay open, and community services for children and adults to start up.

8. However we have reached the limit of what we can achieve without a fundamental rethink about how the organisation operates. This has been recognised by Council and, as part of the budget setting process in February 2016, a transformation savings target of £15m per year was built into the medium term financial plan. Given the need to take an invest to save approach a budget of £6.5m was allocated by Cabinet for activity to support this work.

9. Since then there have been a number of phases of work:

- **Phase 1** – This work was concluded in the summer of 2017 and is not the focus of this report. Annex 1 provides an update on delivery of phase 1 'enabling' projects.

   Activity Analysis - As part of the phase 1 work, during the summer of 2017 and with the support of PwC, an 'activity analysis' was undertaken by all staff and the results were provided in September 2017. This identified a number of significant issues as outlined in detail below. Consequently we took stock of the work to date and determined that further analysis into these issues was required.

- **Phase 2** - undertaken in partnership with PwC, between October 2017 and January 2018 focused on developing a further understanding of the issues identified in the activity analysis, starting to develop a new operating model for the council and putting in place a new cross-council governance structure for transformation activity. This work resulted in a comprehensive 'case for change', further details are set out below.

- **Phase 3** - started in February 2018. Further details are set out below.

10. In addition to the timeline above it is worth explaining how the council's work on local government reorganisation has informed our internal thinking about the way that the council operates:

- In February 2015 the council faced a threat to its future when work that had been done collectively with local partners on devolution was used by local district councils to generate a proposal to replace the county council and district councils with four small unitary councils extending beyond Oxfordshire's boundaries into Gloucestershire and Northamptonshire.

- In response the county council considered a number of different options for local restructuring and undertook significant work to understand the opportunity that bringing together two tiers of local government services could offer for residents, taking advantage of the opportunity to fundamentally redesign the way that we work. This work focused on the benefits that a strategically driven organisation working across the county area of Oxfordshire could bring when aligned with a very local and strong community focus (articulated as a desire to be 'more strategic, more local').

- As a result of the county council's work, a unitary proposal known as 'Better Oxfordshire', with the support of South Oxfordshire District Council, Vale of White Horse District Council as well the County

Council, was submitted to the Secretary of State for Local government in March 2017.[1] We await a formal response.

- Given the period of uncertainty following the submission of the unitary document and that no decision has been forthcoming over the past year, the council has focused on applying the learning from the unitary work into the county council's organisation and ambitions (with a 'think unitary, act unitary' mentality and an approach that seeks to be both more strategic and more local in its focus). Three examples of how this has transpired are:
  - o Through the successful work with the local district councils on a Growth Deal for Oxfordshire bringing over £200m of investment for housing and infrastructure into the county.
  - o The new 'thriving communities' vision for the county council as articulated below as well as in more detail through the council's new prospectus[2]:

Thriving communities for everyone in Oxfordshire
We listen to residents so we can continuously improve our services and provide value for money

thriving people
We help people live safe, healthy lives and play an active part in their community

We provide services that enhance the quality of life in our communities, and protect the local environment

thriving communities
We strive to give every child a good start in life, and protect everyone from abuse and neglect

We enable older and disabled people to live independently. We care for those in greatest need the local environment

thriving economy
We support a thriving local economy by improving transport links to create jobs and homes for the future

  - o In the approach being taken to develop a new way of working for the council as driven through the fit for the future programme, as outlined in this report.

The Activity Analysis

11.   In summer 2017 all staff were asked to undertake a questionnaire exploring how they spent their time on a day to day basis. The aim was to provide a scan of the organisation, showing how the Council's workforce apportions effort across 37 standard local government processes. To collect the data each member of staff allocated the time they spent each week against these 37 processes. Their responses were collated to develop a baseline for the Council and enable an analysis of the extent of fragmentation and duplication of effort across the council, in comparison to other similar councils. The response rate was 56%, with 100% of all job roles covered.

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[1] https://www.better-oxfordshire.org/

[2] https://www.oxfordshire.gov.uk/cms/content/our-vision-0

12. The main findings of the analysis are shown in detail at Annex 2. Key issues to note are:

    a. That a relatively low proportion of staff's collective effort (30%) was spent on delivering services and a relatively high proportion was spent on customer management (44%). In comparison with similar councils we spend a third less total effort on service delivery and a third more effort on customer management.

Key findings - Front line

How does Oxfordshire County Council compare with comparator county councils?

Key:
■ Oxfordshire County Council
■ Average of comparator councils (CCs)

Customer Management

- CCs 32%
- OCC 44%

- A very high proportion of staff effort is spent on customer management processes.
- More IT applications support the Customer Management processes in Oxfordshire County Council than in comparator councils.
- This suggests there are hidden pockets of customer service throughout the Council.

Service Delivery

- CCs 45%
- OCC 30%

- A low proportion of staff effort is spent on service delivery.
- This indicates staff might not be focused on performing their core activities.

    b. That there were a very high number (400+) of ICT systems

    c. That there were a very high number of change initiatives (700+) underway.

    d. That staff effort is fragmented across many processes, with over 24% of staff spending 5% or more of their time on six or more processes. This is more than double the figure for comparator councils and indicates more prolific fragmentation at Oxfordshire.

13. The main conclusions from this work were that

1. **Considerable effort is being put into support services, even though some of these services are outsourced.**

Oxfordshire County Council outsources certain aspects of HR, Payroll and Finance, yet the internal effort expended on these processes is higher than the comparator group. This is significant as many of these comparator councils do not outsource this activity. This could indicate the Council is not currently getting the best value out of these arrangements and is indicative of frontline service teams spending excessive time on support processes. The fact that support functions remain embedded in service areas represents an area of opportunity for the Council.

2. **It is possible the Council could be utilising the information it holds about customers more effectively.**

A large proportion of staff effort is spent on Customer Management processes. Processes such as Enquiry Handling and Managing Appointments are supported by significantly more staff effort and IT applications than the comparator group. During the data gathering phase of this work, workshop attendees cited varying levels of concern about their knowledge of customers, citing multiple front doors and inconsistent customer offerings as problem areas. This could indicate that a lack of insight into its customers may be responsible for potential inefficiencies and duplication of effort in Customer Management.

3. Complex processes, technology and immature digital offerings may be driving some of these characteristics.

Leadership teams highlighted that confusing, non-standard processes and out-of-date IT applications were a hindrance to their workforce. This is supported by the activity analysis findings for process heavy areas of work, such as Data Entry & Recording, which seem require more staff effort in Oxfordshire County Council than in the comparator group. Concerns about the low maturity of digital and self-serve offerings for customers were also raised. These factors may be limiting the Council's ability to implement its strategy with the pace and efficiency it desires.

4. Significantly less effort is being used to deliver services compared to the comparator group.

The degree of FTE effort used to perform service delivery is considerably lower in Oxfordshire County Council than the comparator group. This may be caused by staff performing other processes that are not their core activity, as well as a high proportion of services being outsourced rather than being provided directly by the council.

5. The strategic direction of the Council could be clearer.

Uncertainty was expressed about where the Council is heading. It was noted that significant strides have been made in the past eighteen months to improve the Council, but that there was still a lack of certainty over what the Council might look like in the future.

Phase 2: October 2017 to January 2018

14. Given the findings of the Activity Analysis a decision was taken by the Chief Executive to undertake an 'operating model assessment'. This enabled more detailed analysis of the issues identified in the activity analysis and formed the basis of phase 2 workstreams that were undertaken between October 2017 and January 2018, with the support of PwC.

15. The most significant area of this work focused on a more detailed assessment of the council's operating model (the way that we work). A series of cross cutting workshops were held with many staff at different levels and from right across the council, detailed data analysis was undertaken and qualitative sessions held with the council's leadership team and directorate leadership teams for their assessment of current issues and future opportunities.

16. Other work focused on understanding the council's digital and technology environment and working with members and officers to consider future opportunities for doing things differently through the use of technology; and undertaking a detailed analysis of our third party spend environment to consider opportunities for savings through commissioned services.

17. A further workstream was in response to the fragmented approach to transformation projects that had been identified in the activity analysis. A rapid review was undertaken into the governance of transformation projects and supporting programme management arrangements.

Revised Governance Arrangements

18. In December 2017, as a consequence of the workstream on governance, a number of changes were made to the arrangements for the transformation programme. These changes were designed to:

- Strengthen overall governance and decision making, ensuring coverage of all services, avoiding duplication or gaps, and addressing concerns about the lack of a 'design authority';

- Promote clarity of arrangements for programme management; ensuring compliance with programme management tools and the council's programme management approach;

- Refresh the existing processes and templates for the programme management office;

- Improve the tracking of benefit realisation (financial and non financial benefits).

- Provide a 'whole council' comprehensive approach as previously the Transformation Board had only focused on some of the overall activity being undertaken across the council (the three 'enabling workstreams in phase 1 work).

19. In December 2017 a new Fit for the Future Board was established, chaired by the Chief Executive, with membership from strategic directors and others. This board now covers **all** transformational activity in the council, acting as a 'design authority' to ensure that there is a single and joined up authoritative approach to decision making on transformation, cutting right across the council. Annex 3 sets out the new arrangements in detail and also shows how directorate and cross cutting working groups feed into the overarching Board.

20. This workstream also changed our arrangements for programme management. A small interim team of staff was pulled into a focused programme management resource for the new Board, to ensure that the Board has oversight and accountability for all transformation projects, and that there is compliance with organisational processes and effective benefit realisation processes in place.

The Case for Change

21. A comprehensive 'case for change' was produced at the end of phase 2 which summarises the outcomes of this phase of work. The case for change sets out how designing a new way of working, known as an 'operating model', will put the council in the best position to achieve its vision of thriving communities; ensuring a sustainable and resilient future, addressing rising demand and delivering the best outcomes for residents whilst also meeting financial pressures.

22. It is expected that a new way of working, taking a holistic approach right across the council, will achieve financial savings of between £33m and £58m per year. This will put the council in a strong position for the future, more than addressing expected financial pressures and enabling political choices to be made for example about future investment in services or reduction in local taxes.

23. The investment expected to realise this scale of annual savings is estimated at this stage to be in the region of £17m (a one off cost, to be phased over the period of implementation – likely to be a period in the region of 2 years).

24. The Executive Summary of the case for change is provided at Annex 5. This provides significant detail, including how the savings and costs of implementation could be phased.

Phase 3: February to July 2018

25. To address the opportunities identified in the case for change the council is now progressing work on four workstreams, again in partnership with PwC.

26. This work runs from February to July 2018, at which point a decision will be required about implementation of a new operating model (including on the scale and pace of delivery and how this is best achieved).
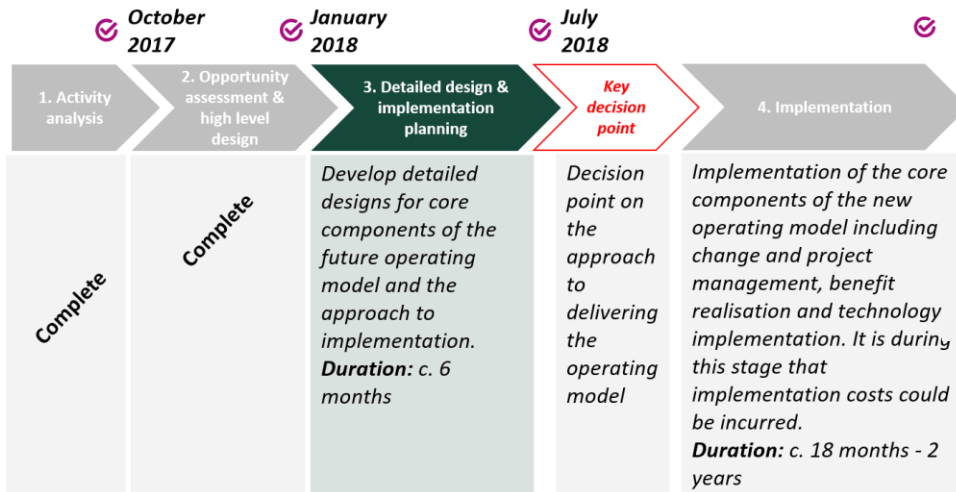
27. The four workstreams are set out below:

Workstream 1: Operating Model design

28. The most significant work is on designing in detail a new operating model for the council. This will develop a new approach to how the council does its business across nine 'layers', with the focus being on taking a holistic whole council approach to designing each layer. Detailed work is now underway, informed by initial work as set out below:

1. Demand Management - "Pre Front Door"	The Council will work with local partners, including community groups and the voluntary sector, to encourage an active role in thriving communities as well as the delivery of services to residents of Oxfordshire. This will not only enable residents to receive services at the most 'local' level possible but it will also act as a "pre-front" door helping the Council to actively manage the demand placed on its services.
2. Customer Management – "Front Door"	The operating model will be built around the concept of integrated customer management with most customer contact being managed by a single contact centre. Some contact will be channelled straight to services such as adult or children's safeguarding. Standardised ways of working and streamlined channels of contact, wherever possible, will enhance the effectiveness and efficiency of this model.
3. Customer Management - "Assessment"	The operating model will focus on establishing a consistent approach to customer assessment with consolidation of application and assessment processes (where appropriate) and underpinned by a consistent framework for assessment allowing both generalist and specialist assessment teams to operate in a consistent manner.
4. Commissioning & Intelligent Client	A commissioning and intelligent client layer will commission services in line with the direction provided by the strategic core both in terms of managing relationships with external suppliers as well as in terms of engaging with the Council's enabling and support services.
5. Support Services - Enabling	The enabling elements of support services will be supported by organisation wide intelligence and insight, integrated systems, slick processes and integrated systems, as well as a clear division of responsibility.
6. Support Services - Transactional	The transactional elements of support services will be optimised through process improvement, improved digital technology, user experience and systems and clear roles, responsibilities and guidance. In particular hand-offs with outsourcing partners will be clear and timely and self serve used only when appropriate.
7. Strategic Core	Strategic Core seeks to consolidate strategic activity from across the organisation in order to optimise efficiency and give clarity on roles and responsibilities. Corporate strategy is also housed as part of the Strategic Core, in order to be central to everything the council does. The strategic core will be supported by high-performing, specialist teams, clear and robust governance and digital technology to improve external and internal user interactions.
8. Business Intelligence	Business intelligence will underpin how the Council operates in the future. Data and information gathered from interactions with customers, businesses and partners as well as our assets and people will be used to feed into insight presented in agreed dashboards. Performance data will inform needs analyses, predictive analytics and ultimately decision making. Using a consistent data set across the council, analytics tools could use digital technology to automatically produce agreed and defined reports to support decision making.
9. Governance	The foundation of the operating model will be based on clarity around governance structures, accountability and responsibility. These will not only provide the foundations of the operating model but will also support and enable each other functional layer in order to enable process to work and decisions to be made.

29. This work will be informed through evidence gathered from the Activity Analysis and other work to date, as well through input to be gathered from 42

facilitated workshops that will involve a wide range of staff as well as councillors.

30. It will be underpinned by a set of design principles that will inform the approach taken to the design of each layer. These have been developed in draft by the council's leadership team and are now being refined, including through sharing with staff and councillors for their views.

Operating Model Component	DRAFT Design principle
Customer Offering	• Residents are experts in their own lives - they are the best to identify outcomes, inform service design and help themselves within their community. • We will hold a 'single record' for each of our customers making it easier for us to understand our communities, manage demand and offer support/ intervention based on need.
Processes	• We will design processes around the user and their experience, enabling self-service at every opportunity. • We will be transparent about the ways in which we manage risk.
Technology	• Systems, applications and infrastructure will be designed around business need, with a consistent approach to functional requirements. • We will ensure that technology is always an enabler, not a hindrance.
Information	• Our decisions will be informed by sound business intelligence and data analytics
Organisation	• We will provide transparency, clarity and consistency on roles and expectations across the organisation • Accountability will sit at the most appropriate structural and community level • We will consolidate strategic and common functions with a clear purpose, maintaining flexibility in local delivery
People Capabilities	• We will enable all our people to use their creativity to develop innovative solutions to the challenges we face.
Performance Management	• We will measure the right things, through a consistent performance management framework, from corporate outcomes to individual performance

Workstream 2: Innovation Jumpstart

31. Innovation jumpstart involves carrying out a small number of quick projects to identify and develop opportunities to use technology to improve our services or efficiency. This builds on the work undertaken as part of the phase 2 work, creating an 'opportunity bank' of around 100 innovative ideas to deliver services differently using digital technology. Of these, ten ideas will be further developed and four then selected to take forward into detailed business cases and prototype development. Some examples of ideas that could be progressed in this way include ways to support older people living independently at home for longer; opportunities to improve the efficiency of home to school transport provision; remote testing of fire alarms; use of drones in emergency situations; use of assistive technology for disabled children etc.

Workstream 3: Third party spend

32. Phase 2 work identified a list of opportunities to improve the council's approach to procuring external services. This will now be taken forward through the development and execution of three detailed 'strategic sourcing plans' to deliver savings compared to our current procurement approach.

Workstream 4: Programme management and governance

33. Work continues to embed and strengthen the new programme management and governance arrangements, as set out above.

Funding Arrangements

34.   Funding for all the work to date has been through the £6.5m transformation fund.

35.   Funding for any costs resulting from the implementation of a new operating model have not yet been agreed, and will be subject to further consideration by councillors through the usual routes.

36.   Initial modelling regarding the potential benefits of moving to a new operating model are identified in the case for change as being in the region of £33m-58m per year, with the costs of implementation being in the region of £17m. The Executive Summary provided at Annex 5 shows that, subject to decisions about the phasing of implementation, the cumulative cost / benefit position of the programme could be positive within one year (ie savings are greater than the costs by year 2).

Member Involvement

37.   The Cabinet Member for Transformation, Cllr Lorraine Lindsay-Gale, is overseeing this work.

38.   In addition there is close involvement of Cabinet members and Political Group Leaders along with relevant portfolio holders, with monthly meetings to provide updates and enable them to steer this work.

39.   Performance Scrutiny Committee is asked to provide a steer on how it wishes to scrutinise the Fit for the Future Programme and whether the Committee would like to receive regular updates on this work and its impact on the Council's current and future performance. For example the committee may wish to consider issues including:

·   the evidence that the programme is focused on the right issues for the council;

·   that there are effective arrangements in place to monitor performance throughout the current and future phases of work;

·   that effective performance monitoring is being designed into the new operating model;

·   and, subject to decisions about implementation, that there are effective mechanisms in place to ensure delivery of tangible benefits.

40.   The Audit and Governance Committee considered the programme on 7th March 2018. Verbal feedback from this meeting can be provided to the Performance Committee.

41.   An all member briefing is being held on 12 March 2018. This will provide all members with an update on the work being undertaken and also seek their input into the design principles and the way that local needs and characteristics are being built into the operating model.

42.   Further design input for members will be through locality group meetings that will be arranged in early summer 2018.

43. The decision about implementation, including the phasing and scale of savings allocated, will be for members to take in summer 2018.

Staff Engagement

44. Many staff have already been involved in the work to date, but given the scale of the programme a significant internal communications plan is now being rolled out. All senior managers were briefed in early February and a face to face presentation and discussion opportunity for all staff is currently being cascaded. In addition the Chief Executive will be undertaking a series of roadshows in early March and this will be an important topic.

45. The council's leadership team are leading the work on the new operating model, with each director taking ownership of an individual layer in the new operating model. They are supported by a lead senior manager who will spend approximately a day per week on this work for the next few months. Each layer also has a working group established to ensure wide input into the design, and broader engagement will be through a large number of workshops for a 'diagonal slice' of staff from different service areas and levels.

46. Unison have been briefed regularly on the work to date and a more detailed communication plan is being developed to inform all unions recognised by the council over the coming months.

Partner Involvement

47. Over the coming period considerable engagement will be required with the council's key partners, to ensure that the work that is being undertaken on the operating model will achieve the best outcomes for residents, and ensure that as far a possible there will be a seamless approach between organisational boundaries.

Monitoring performance

48. Governance for the phase 3 programme of work (consisting of the four workstreams set out above), is via the Fit for the Future Working Group that meets fortnightly. Members are the Chief Executive, Strategic Directors, Assistant Chief Executive (programme sponsor) and the Director of Finance, with PwC staff also in attendance. The Terms of Reference for this group are provided at Annex 4.

49. Weekly reports on progress are considered by the Fit for the Future Working Group which set out activity and outcomes of each workstreams compared to the programme plan. These identify any areas of concern and allow the working group to mitigate risks and ensure that the programme continues according to plan.

50. Governance arrangements for all transformational activity in the council is through the newly established Fit for the Future Board. Detail is provided in Annex 3.

51. The new Fit for the Future board has a monthly update on latest risks and issues and these are proactively managed by the Interim Programme Management Office manager. This report includes an analysis by the Programme Management Office of themed or escalated project risks that require a decision, intervention or active monitoring. These issues are considered formally by the Board at each meeting.

RECOMMENDATION

52. **The Committee is RECOMMENDED to:**

(a) **note the content of this report;**

(b) **comment on any issues relating to the transformation programme and its impact on the Council's current and future performance;**

(c) **provide a steer on whether the Committee would like to receive regular updates on this work, focusing on any particular issues such as**

- **the evidence that the programme is focused on the right issues for the council;**

- **that there are effective arrangements in place to monitor performance throughout the current and future phases of work;**

- **that effective performance monitoring is being designed into the new operating model;**

- **and, subject to decisions about implementation, that there are effective mechanisms in place to ensure delivery of tangible benefits.**

Maggie Scott, Assistant Chief Executive

Background papers: Annex 5 is provided as a separate document.
March 2018

Annex 1: Summary of Phase 1 Transformation delivery to date

Work Digital and Business Efficiencies workstreams (Phase 1 Fit for the Future):
- A fully responsive website (works on all devices)
- Web forms linked to customer records and workflow (tranche 1)
- Single payments solution
- Single geographical information solution (GIS)
- Customer accounts with view of current and historical transactions
- Workflow and business rules capability to configure digital processes and automation
- In-house expertise to configure and develop the platform
- Integration of legacy systems into the digital platform, with gradual replacement of systems going forward; having one set of tools for common business processes.
- Workflow tools to enable on and offline mobile working
- Business Intelligence and Master Data Management Strategy
- Activity Analysis

The following diagram indicates which technical components have been deployed (and procured, but still to deploy) to enable the above criteria.

Web Portal	Mobile Working	Other Channels				Identity Management
Web Content	Offline Forms	Email	Phone	SMS Gateway	Post	User Management
Web Forms	Geographic Data Collection	Chat	Social Media	Omnichannel		User Authentication
Web Maps	Workforce Management	**Application Integration**				Identity Verification
Custom Applications		Process Orchestration	Service Bus	Business Rules		

Generic Applications		Business Intelligence			Shared Services
Customer Relationship Management	Case Management	Data Warehouse	General Reporting	KPI Reporting	Online Payments
Booking Management	Geographic Information System	Visualisation	Geographic Analysis		Geographic Services
Document Management	Media Management	**Data Integration**			Enterprise Search
		Extract/Transform/Load	Master Data Management		

Legend: deployed recommended

The components provide re-usable capabilities to provide in future iterations of online service development:

- Content
- Applications (forms)
- Booking
- Payments
- Mapping
- Search
- Identity management
- Customer records
- Integration and workflow

Page 41

A digital services team was established to modernise and improve our current website, online transactions, user experience, and improve workforce processes, covering:
- Web design
- Web content management
- Application development, including automation of processes and business rules
- Data management, exchange and integration
- Spatial data, gazetteer and mapping
- Booking of events and resources
- User led design UX and testing
- Release management

Work to date provides technical functionality for the following to be delivered this financial year:

- Day Services Bookings
- Blue Badge Applications
- Residential Parking Permits
- New public site (homepage live)
- Payment Card Industry (PCI) compliant online and telephony payments
- Fire Rescue Service Protection Inspections
- Special Educational Needs Transport Booking
- 7 Intranet Map Applications
- 6 teams migrated to single GIS platform
- Connecting You 3707 / 4187 (89%) staff hardware replacement and upgrade to Windows 10 / Office 365
- Better Broadband 95% delivered December 2017 (top 25 nationally)
- Digital Assistance – Partial integration of Customer Service Centre / Library service to provided face to face support to customers 'digital assistance' for council services

Website Content Review - 1600 web pages reviewed:

- 296 pages removed
- 338 emails removed
- 643 phone numbers removed
- new governance rules in place

Legacy (decommissioning and replacements)

- Document Manager decommissioned
- School closures system
- Hands On Oxfordshire Heritage booking
- Teachers' Pensions administration
- Gritting alerts
- Job Evaluation Tracker
- DMMO/PRoWD
- Heritage Search replacement
- Planchest decommissioned

Annex 2 - Main findings from the Activity Analysis

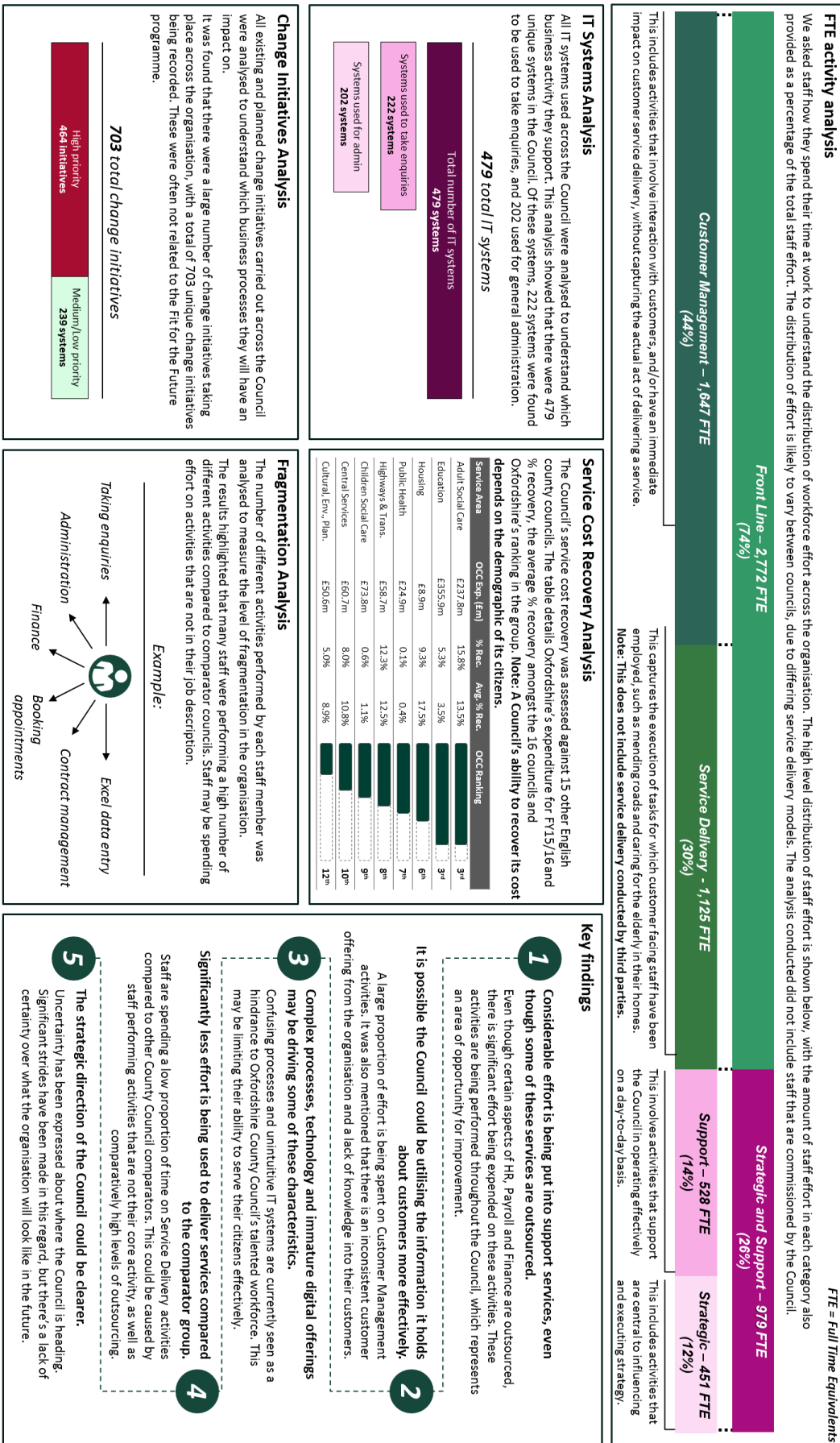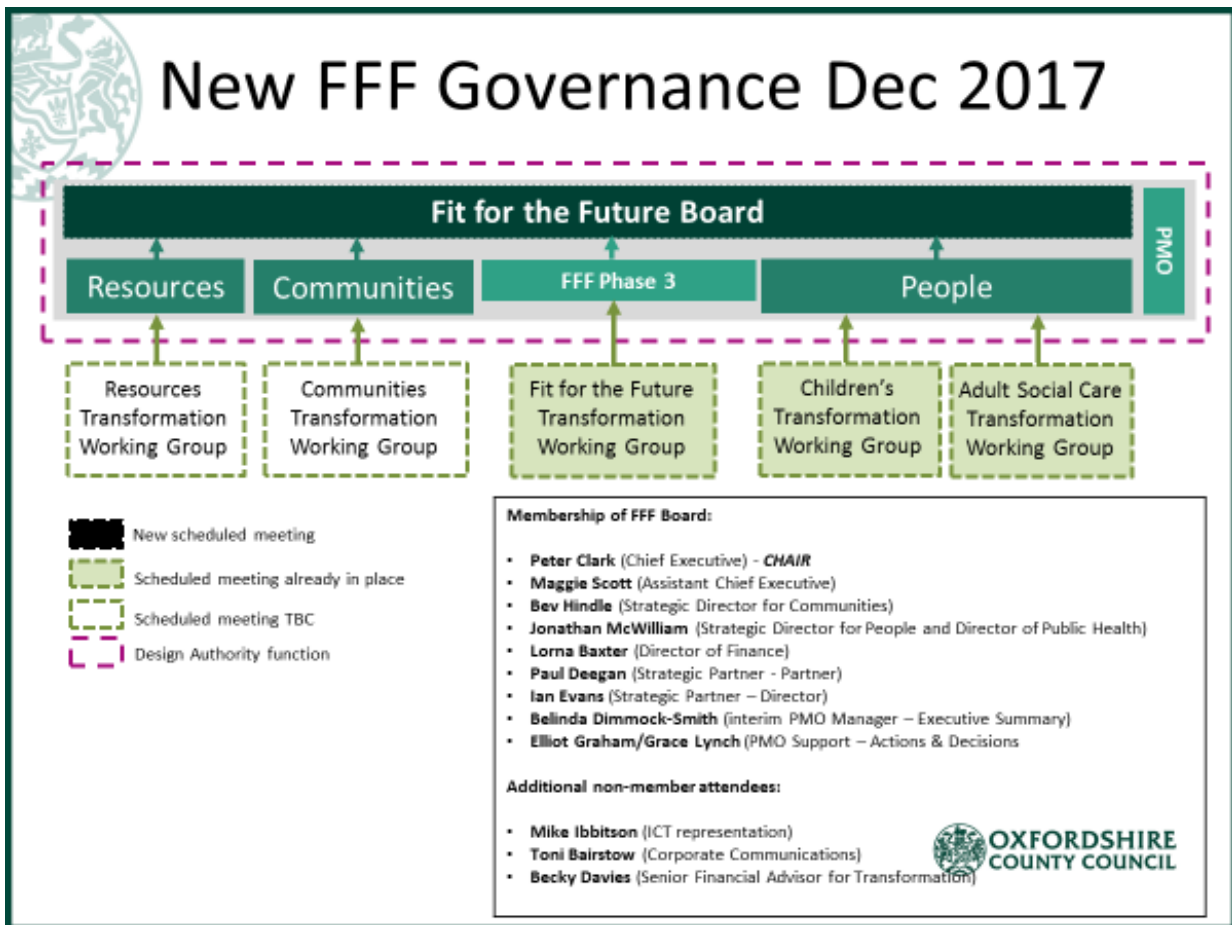## FTE activity analysis

We asked staff how they spend their time at work to understand the distribution of workforce effort across the organisation. The high level distribution of staff effort in each category also provided as a percentage of the total staff effort. The distribution of effort is likely to vary between councils, due to differing service delivery models. The analysis conducted did not include staff that are commissioned by the Council.

FTE = Full Time Equivalents

Front Line – 2,772 FTE (74%)

Customer Management – 1,647 FTE (44%)

This includes activities that involve interaction with customers, and/or have an immediate impact on customer service delivery, without capturing the actual act of delivering a service.

Service Delivery - 1,125 FTE (30%)

This captures the execution of tasks for which customer facing staff have been employed, such as mending roads and caring for the elderly in their homes. **Note: This does not include service delivery conducted by third parties.**

Strategic and Support – 979 FTE (26%)

Support – 528 FTE (14%)

This involves activities that support the Council in operating effectively on a day-to-day basis.

Strategic – 451 FTE (12%)

This includes activities that are central to influencing and executing strategy.

IT Systems Analysis

All IT systems used across the Council were analysed to understand which business activity they support. This analysis showed that there were 479 unique systems in the Council. Of these systems, 222 systems were found to be used to take enquiries, and 202 used for general administration.

479 total IT systems

Total number of IT systems
479 systems

Systems used to take enquiries
222 systems

Systems used for admin
202 systems

Service Cost Recovery Analysis

The Council's service cost recovery was assessed against 15 other English county councils. The table details Oxfordshire's expenditure for FY15/16 and % recovery, the average % recovery amongst the 16 councils and Oxfordshire's ranking in the group. **Note: A Council's ability to recover its cost depends on the demographic of its citizens.**

Service Area	OCC Exp. (£m)	% Rec.	Avg. % Rec.	OCC Ranking
Adult Social Care	£237.8m	15.8%	13.5%	3rd
Education	£355.9m	5.3%	3.5%	3rd
Housing	£8.9m	9.3%	17.5%	6th
Public Health	£24.9m	0.1%	0.4%	7th
Highways & Trans.	£58.7m	12.3%	12.5%	8th
Children Social Care	£73.8m	0.6%	1.1%	9th
Central Services	£60.7m	8.0%	10.8%	10th
Cultural, Env, Plan.	£50.6m	5.0%	8.9%	12th

Change Initiatives Analysis

All existing and planned change initiatives carried out across the Council were analysed to understand which business processes they will have an impact on.

It was found that there were a large number of change initiatives taking place across the organisation, with a total of 703 unique change initiatives being recorded. These were often not related to the Fit for the Future programme.

703 total change initiatives

High priority
464 initiatives

Medium/Low priority
239 systems

Fragmentation Analysis

The number of different activities performed by each staff member was analysed to measure the level of fragmentation in the organisation.

The results highlighted that many staff were performing a high number of different activities compared to comparator councils. Staff may be spending effort on activities that are not in their job description.

Example:

Taking enquiries → Excel data entry
Administration → Contract management
Finance → Booking appointments

Key findings

1 **Considerable effort is being put into support services, even though some of these services are outsourced.**
Even though certain aspects of HR, Payroll and Finance are outsourced, there is significant effort being expended on these activities. These activities are being performed throughout the Council, which represents an area of opportunity for improvement.

2 **It is possible the Council could be utilising the information it holds about customers more effectively.**
A large proportion of effort is being spent on Customer Management activities. It was also mentioned that there is an inconsistent customer offering from the organisation and a lack of knowledge into their customers.

3 **Complex processes, technology and immature digital offerings may be driving some of these characteristics.**
Confusing processes and unintuitive IT systems are currently seen as a hindrance to Oxfordshire County Council's talented workforce. This may be limiting their ability to serve their citizens effectively.

4 **Significantly less effort is being used to deliver services compared to the comparator group.**
Staff are spending a low proportion of time on Service Delivery activities compared to other County Council comparators. This could be caused by staff performing activities that are not their core activity, as well as comparatively high levels of outsourcing.

5 **The strategic direction of the Council could be clearer.**
Uncertainty has been expressed about where the Council is heading. Significant strides have been made in this regard, but there's a lack of certainty over what the organisation will look like in the future.

Annex 3: New governance arrangements and Fit for the Future Board Terms of Reference

New FFF Governance Dec 2017

Fit for the Future Board | PMO

Resources | Communities | FFF Phase 3 | People

Resources Transformation Working Group | Communities Transformation Working Group | Fit for the Future Transformation Working Group | Children's Transformation Working Group | Adult Social Care Transformation Working Group

New scheduled meeting
Scheduled meeting already in place
Scheduled meeting TBC
Design Authority function

Membership of FFF Board:

- **Peter Clark** (Chief Executive) - *CHAIR*
- **Maggie Scott** (Assistant Chief Executive)
- **Bev Hindle** (Strategic Director for Communities)
- **Jonathan McWilliam** (Strategic Director for People and Director of Public Health)
- **Lorna Baxter** (Director of Finance)
- **Paul Deegan** (Strategic Partner - Partner)
- **Ian Evans** (Strategic Partner – Director)
- **Belinda Dimmock-Smith** (interim PMO Manager – Executive Summary)
- **Elliot Graham/Grace Lynch** (PMO Support – Actions & Decisions)

Additional non-member attendees:

- **Mike Ibbitson** (ICT representation)
- **Toni Bairstow** (Corporate Communications)
- **Becky Davies** (Senior Financial Advisor for Transformation)

OXFORDSHIRE COUNTY COUNCIL

Terms of Reference:

Purpose of FFF Board:

A monthly decision making body responsible for the outcome and benefits of the Fit for the Future Programme by:

- Determining strategic priorities for change and transformation work in the Council, including the wider strategic fit with the Council's Operating Framework.

- Reviewing projects and making critical decisions or actions required to remove enable further progress.

- Monitoring risk management and issue resolution.

- Assessing projects against key criteria to determine whether they should move to the next stage of the project lifecycle.

- Ensuring that the impacts of proposed change are identified, understood and managed.

- Evaluating projects on their ability to unlock direct and indirect benefits for council and residents.

- Reviewing project closure and benefit reporting.

- Deciding what communications to be published to the wider council and members about transformation progress.

Scope of FFF Board:

The FFF Board requires oversight of all change and transformation projects changing the ways of working or how Oxfordshire County Council delivers services to residents to achieve savings whilst maintaining or improve the quality of services. The table on the next slide outlines more detailed criteria for determining whether a project is in scope of the FFF Board's remit. This forum, in the current absence of such a function, also acts as Design Authority to regulate design and implementation assuring no duplication or impact to the new Operating Model whilst quality assessing and aligning projects.

Exclusions:

The remit of the FFF Board does not include the delivery of projects in the Capital Programme. However, this will be kept under review and if necessary, the ToR updated accordingly.

Annex 4: Terms of Reference for the Fit for the Future Transformation Working Group

Purpose:
- To drive the successful delivery of the cross cutting elements of the Fit for the Future work programme:
    - Overseeing and steering the phase 3 detailed design phase of work with PwC as set out in the schedule dated 24.01.18
    - Closing down / transferring the remaining elements of the previous programme ('January deliverables')
- To report on progress on a monthly basis to the Fit for the Future Board

Outcomes:
- Delivery of the programme
- Ensuring that there is good communications and join up across the whole organisation regarding the work that is within the remit of the Board, including through communications with other working groups and within all service areas
- Managing the interdependencies between projects – in particular through bringing key issues from across the organisation to the Board's attention
- Management of programme risks and issues
- Prioritising the various projects
- Overseeing communications

Approach
- Meet regularly – on a fortnightly basis
- Focus on achieving the outcomes
- Using project methodologies and disciplines
- To prioritise attendance wherever possible, no substitutes to be sent.

Membership
Maggie Scott – Chair of Board
Peter Clark
Jonathan McWilliam
Bev Hindle
Lorna Baxter
Belinda Dimmock Smith – Programme Manager
PWC attendees – Ben Pykett, Ian Evans, Andrew Corder
Helena Jones (notes)
Mike Ibbitson (ICT) to be invited as needed.

Annex 5: January 2018 Case for Change Executive Summary

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Case for Change
Executive Summary
Oxfordshire County Council
Operating Model Assessment

January 2018
FINAL

OXFORDSHIRE COUNTY COUNCIL

Foreword from the Chief Executive…

Foreword

We have come a long way over the past two years. During a period of unprecedented financial pressure and political uncertainty at a national level, we have secured significant savings, improved performance in some critical service areas and delivered substantial improvements to the way we are organised and operate.

At the same time, we have played a significant role in helping to ensure the County of Oxfordshire and the people we serve have the best possible opportunities to be successful. We have provided critical care to those that need it, helped others to retain their independence, maintained and improved the infrastructure on which we all rely and have helped to ensure our economy continues to be one of the fastest growing in the UK.

It is important to recognise how much has been achieved in such a short space of time, and in particular the way in which our Members, staff, partners and communities have worked together on this agenda. For all this success, however, it is clear that we have much more to do.

The financial challenge we face remains considerable. While we may not have the burning platform being faced by some other county councils, we will have to make savings in this and future years. A proportion of this will need to be directed towards ensuring we are able to balance the books. However, I am increasingly of the view that we have a significant opportunity to make different choices about how we deploy the resources that are available to us.

The work we carried out last summer, and developed over the autumn, has confirmed my belief that we should be raising our ambitions about the type of organisation we want to be. We are all familiar with the way in which service providers in other sectors harness technology and data to achieve their objectives. Similarly, we are becoming increasingly aware of the sorts of cultures other organisations have been able to develop – cultures that encourage collaboration, innovation, operating with a commercial mindset and taking risks to deliver better outcomes for customers.

I want all these things for Oxfordshire County Council. I believe we need to secure a step change to the way in which we think about and implement transformation. This report articulates how we can go about doing this – how we can transform our processes, technology, our use of data, our relationships with each other – to establish a 21st Century model of local government. Taking these steps will help us to improve our resilience, help our key services manage demand more effectively and ensure we become a more agile and entrepreneurial organisation.

This journey will not be easy. It will require us to be focussed, disciplined and imaginative. Critically, it will require us to accelerate change within the organisation. However, if we apply ourselves to this challenge as I know we can, we will be successful in building a Council that will help Oxfordshire and its residents to thrive for many years to come.

Oxfordshire County Council – Case for Change

OXFORDSHIRE COUNTY COUNCIL

Local government continues to face significant uncertainty especially in terms of decreased funding and increasing demand for its services…

Context

Local government continues to face an unprecedented set of challenges. Further reductions in central government funding are creating a 20-30% funding gap, and there is increasing demand for existing and new services. Increasing budgetary pressures and service demand mean that councils have to do more with less.

PwC's Local State We're In 2017 review, an annual survey that consults local authority CEOs and Leaders, identified the following key themes which have begun to emerge;

1 **The 'edge' feels closer:** Almost a third of councils now feel that the 'cliff edge' is imminent and are not confident of their ability to deliver next year.

2 **Confidence in the sector is low:** When it comes to considering the sector as a whole, around half (54%) of respondents think that some local authorities will get into serious financial crisis in the next year, rising to 85% in the next five years. With the perceived threat of service and financial failure prevalent, the sector as a whole faces uncertainty as it looks to the future.

3 **Council's are at the heart of public service reform:** As councils shift their thinking towards driving public service reform across their place, six out of ten respondents agree that councils should be more responsible for facilitating outcomes rather than delivering services. However, only four in ten fully understand how to measure outcomes while only a quarter know the cost of securing outcomes across a place.

4 **Good growth continues to climb the agenda** – Place based growth has also risen up the agenda with councils' priorities for growth largely reflecting those of the public with skills, housing and transport topping the agenda. However, significant barriers remain in each of these areas, such as lack of investment in infrastructure, lack of affordable or suitable housing and lack of influence over skills.

5 **Significant capacity and capability gaps remain** – Councils need to build organisational resilience and in particular develop new skills and commercial acumen in order to be effective. Areas in particular need of development are supply chain management, contract management, talent management, cyber security and data analytics.

Oxfordshire County Council – Case for Change
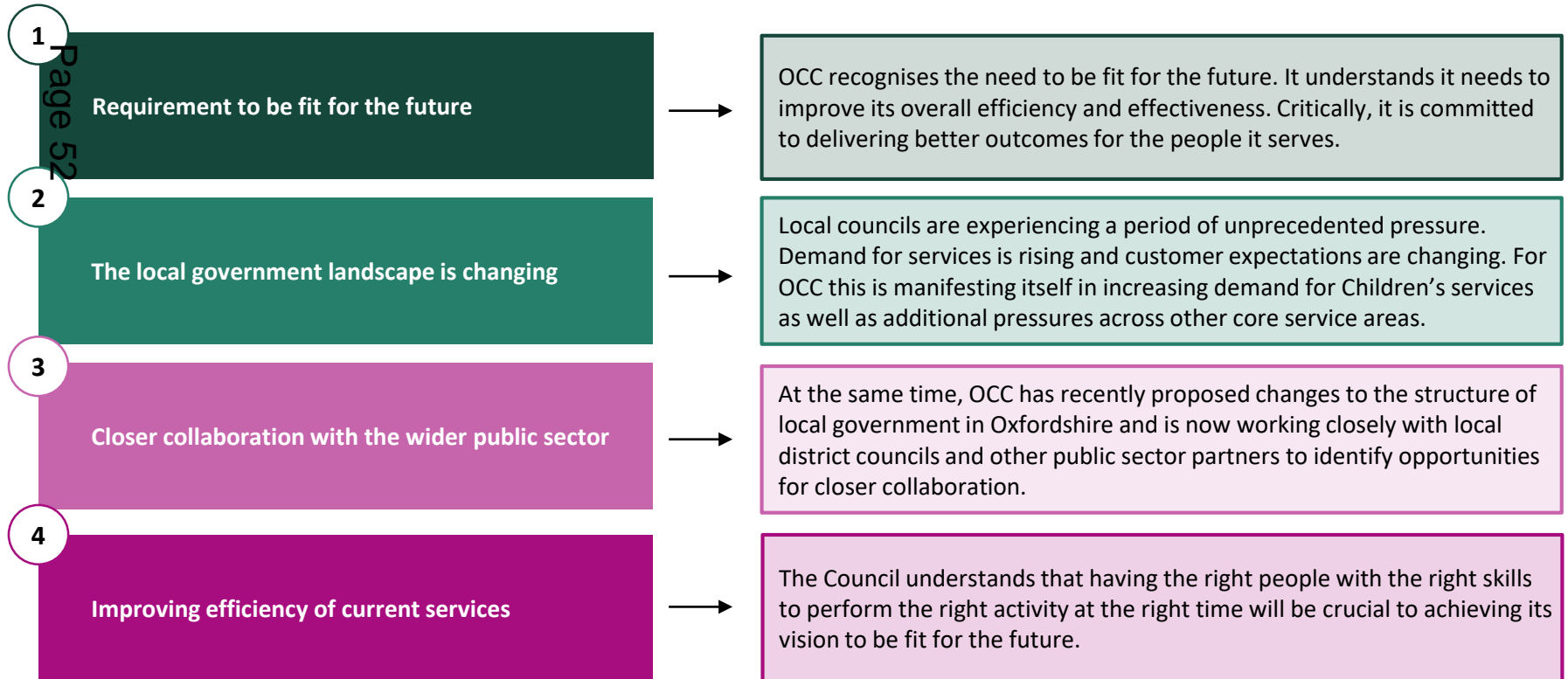
OXFORDSHIRE COUNTY COUNCIL

Oxfordshire County Council (OCC) is in a better position than many Councils but still has to make changes in order to solve the challenges they face…

Background

While the Council's current financial pressures do not constitute an immediate 'burning platform', there is a recognition amongst the Council Leadership Team (CLT) that OCC faces a number of challenges which the Council must be forward thinking in addressing in order to achieve their strategic ambition of creating, and maintaining, **"Thriving communities for everyone in Oxfordshire"**.

The challenges facing OCC

1 Requirement to be fit for the future

→ OCC recognises the need to be fit for the future. It understands it needs to improve its overall efficiency and effectiveness. Critically, it is committed to delivering better outcomes for the people it serves.

2 The local government landscape is changing

→ Local councils are experiencing a period of unprecedented pressure. Demand for services is rising and customer expectations are changing. For OCC this is manifesting itself in increasing demand for Children's services as well as additional pressures across other core service areas.

3 Closer collaboration with the wider public sector

→ At the same time, OCC has recently proposed changes to the structure of local government in Oxfordshire and is now working closely with local district councils and other public sector partners to identify opportunities for closer collaboration.

4 Improving efficiency of current services

→ The Council understands that having the right people with the right skills to perform the right activity at the right time will be crucial to achieving its vision to be fit for the future.

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OXFORDSHIRE
COUNTY COUNCIL

Specifically the Council faces cumulative budgetary pressures of £34.1m to 2021/22 driven by demographic changes, legislative changes and existing savings initiatives that are not expected to be delivered…

Scale of the financial challenge

In the most recent Service & Resource Planning 2018/19 to 2021/22 report to Cabinet (19th December 2017), Council officers identified that over the next four years the Council faces cumulative **budgetary pressures of £34.1m**, driven by:

- Demographic pressures, including increasing numbers of Children requiring placements and an increase in the number of children with disabilities.

- Legislative pressures, including those continuing to arise as a result of the implementation of the National Living Wage.

- Existing savings initiatives that are not expected to be achieved, including those related to services provided or commissioned for older people and people with learning disabilities.

In response to these pressures, the Council has identified a number savings initiatives, the successful delivery of which will be critical to ensuring it is able to meet the challenges it faces and succeed in delivering against its strategic ambition.

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
Improvements & Investments	£4.8m	£0.4m	£0.0m	(£0.5m)	£4.7m
Pressures	£18.4m	£9.0m	£6.5m	£0.2m	£34.1m
Savings	(£32.4m)	£0.0m	(£4.9m)	(£0.5m)	(£37.8m)
Transformation Savings Re-profiled	£15.0m	(£8.5m)	(£3.5m)	(£3.0m)	£0.0m
Net Pressure / (Saving)	**£5.8m**	**£0.9m**	**(£1.9m)**	**(£3.8m)**	**£1.0m**

OCC – Overall Financial Position 2018/22 (as at 19th December 2017)

Central to ensuring that OCC is able to respond to the financial challenges it faces is the need for the Council to develop an operating model that is efficient and effective, and facilitates a transformation in the way in which it delivers, or commissions, services for residents.

This case for change presents a compelling argument, based on a detailed operating model assessment (undertaken over the course of the Autumn 2017), for how the Council can transform their current operating model in order to release significant financial and operational benefits.

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OXFORDSHIRE COUNTY COUNCIL

In order to address these challenges, OCC has undertaken an operating model assessment to produce a case for change setting out how it needs to operate in the future…

Structure of the case for change

1. Activity Analysis

To begin with, OCC undertook an activity analysis to help it understand how staff effort was being deployed across the Council…

Phase 1 – Activity Analysis

In the summer of 2017, the Council embarked on a detailed review of their operating model, initially through delivering an activity analysis. The results of its activity analysis confirmed that, while OCC is functioning reasonably effectively as an organisation, there are a number of areas where there are clear opportunities for improvement.

Key messages from Phase 1 - Activity analysis

1. Considerable effort is being put into support services, even though some of these services are outsourced.

2. It is possible the Council could be utilising the information it holds about customers more effectively.

3. Complex processes, technology and immature digital offerings may be driving some of these characteristics.

4. Significantly less effort is being used to deliver services compared to the comparator group.

5. The strategic direction of the Council could be clearer.

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2. Operating Model Assessment

Alongside this, the Council assessed the maturity of it's current operating model and gave it the following RAG rating…

RAG Rating OCC's current operating model

- STRATEGY
- CUSTOMER
- BUSINESS CAPABILITIES
  - PROCESSES
  - ORGANISATION
  - TECHNOLOGY
  - INFORMATION
  - PEOPLE & CULTURE
- GOVERNANCE
- PERFORMANCE MANAGEMENT

Approach

Based on interviews held with Directorate Leadership Teams, each area of the current operating model was RAG (Red, Amber, Green) rated to identify the largest opportunity areas.

Key findings

In order for OCC to realise it's full potential as an organisation, substantial change is required to it's processes and technology.

Alongside this, work needs to be done to ensure that decision making is based on robust, consistent and accessible performance information.

Key:
- **Green** – Change would build on a good foundation.
- **Amber** – More could be done.
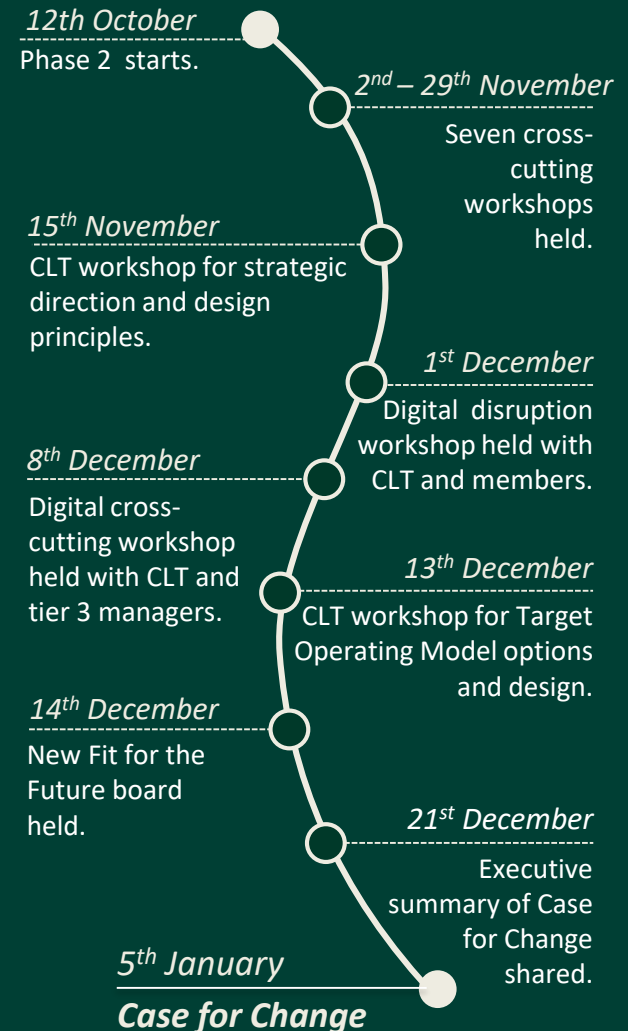- **Red** – Extensive opportunities for improvement.

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3. Opportunities for Change

Based on the findings from the operating model assessment, OCC has identified the following opportunities and enablers for change…

Opportunities and enablers for change

The opportunities identified have been categorised against core themes (i.e. areas which present significant opportunity for change). In some instances, these offer the potential to generate efficiency savings (such as FTE reduction); in others the benefits are centred on third party spend reduction or income generation. It has also become clear over the course of the assessment that there are a number of enablers which hold the key to maximising the benefits achieved (these are also listed below).

Business Model themes
What type of LA we want to be and 'doing different things'.

| Place-based transformation and leadership |
| Unlocking the power of communities |
| Partnership & integrated working |

Operating Model Themes
'Doing things differently'

Service provision and delivery models	Digital workforce – flexible/ mobile/ agile working	Commercialisation & income
Customer management/ contact & assessment model	Procurement & commissioning	Enabling & Support Services (HR/ Finance/ ICT/ Admin)
Strategic core/ BI & reporting	Role of the manager	Digital

The following enablers will hold the key to maximising the benefits achieved:

| Processes | Performance Management | Technology | Information | People Capabilities | Organisation | Customer Offering |

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4. Case for Change

By linking the identified opportunity themes and enablers to benefit drivers, the Council has developed a case for changing how it operates…

Building the case for change

Opportunity Themes
- Place-based transformation and leadership
- Unlocking the power of communities
- Partnership & integrated working
- Service provision and delivery models
- Customer management/ contact & assessment model
- Strategic core/ BI & reporting
- Digital workforce – flexible/ mobile/ agile working
- Procurement & commissioning
- Role of the manager
- Commercialisation & income
- Enabling & Support Services (HR/ Finance/ ICT/ Admin)
- Property, Assets & Estate

Enablers
- Customer Offering
- Organisation
- People Capabilities
- Information
- Technology
- Processes
- Performance Management

Benefit Drivers

Non-financial
- Efficiency & Effectiveness
- Manage Demand
- Early Intervention & Prevention
- Start, Stop, Continue

Financial
- Economies of Scale & Focus of Expertise
- Sourcing levers
- Asset utilisation
- Income generation

Benefits
- Better staff and/or customer experience
- Service improvement & better outcomes
- Income
- 3rd Party Spend & Other Expenditure
- Employee Costs/ FTE
- Releasing additional capacity

Strategic Objectives

Vision & Outcomes

Financial Sustainability (£32.98m - £57.67m benefit)

Ultimately, the transformation work needs to fulfil the Council's strategic objectives. The following framework shows how the opportunities and enablers leverage certain benefit drivers to provide the benefits shown below. These benefits will help the Council deliver its vision and outcomes and achieve financial sustainability.

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5. Target Operating Model

A target operating model (TOM) will help the Council to achieve savings as well as put it in the best position to realise it's strategic ambition…

Developing a DRAFT TOM

The assessment of the Council's current operating model has provided a deep understanding of both the issues and opportunities for change. Bringing together data from the activity analysis, a digital diagnostic, stakeholder interviews, IT architecture review and workshops with best practice examples from elsewhere we have been able to take a view about the operating model changes which would add the most value to OCC as an organisation and most importantly to it's residents.

Possible solutions: Over the following pages both the draft design principles and draft TOM options are set out. The Council has been careful to take an approach which considers all dimensions of the operating model, rather than looking solely through a process lens.

What could a new operating model look like?
The proposed draft TOM itself is built on the premise that everything OCC does could be more robustly built on data and insight, informing our strategy. The Council could then commission and procure the right services to deliver it's strategy, putting in place excellent support services to make sure it can deliver efficient and effective services which achieve it's objectives.

OCC's customers would be able to access these services through a variety of channels and the Council could manage demand innovatively and effectively through increasing the resilience of it's communities. Data collected about OCC's communities and customers could feed back into the Council's analytic capability, informing it's future strategy.

The Council will only be able to achieve the benefits associated with this TOM if it makes an active choice to pursue it and if the organisation is disciplined and relentless in making it happen.

OCC – DRAFT High Level TOM

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6. Approach to detailed design and implementation

In order to capitalise on the work it has undertaken, and to achieve significant financial and operational benefits, the Council now needs to move into designing the detail of its TOM…

Designing the TOM

A rapid three-stage approach to building the detailed design of OCC's future operating model is shown below. In addition further information is shown on the proposed approach for delivering savings / realising capacity for re-investment and operational benefits through digital solution design as well as through strategic sourcing.

The Council will only be able to achieve the benefits associated with this TOM if it makes an active choice to pursue it and if the organisation is disciplined and relentless in making it happen.

Digital operating model design
A consistent approach will be applied to design different layers of the future digitally enabled operating model. Precise requirements and functionality for each layer will be defined, then the implementation will be planned.

| Establish strategic direction and scope | → | Design functional model | → | Develop business case and implementation plan |

Output
Design principles and requirements

Output
Functional model

Output
Implementation plan and updated benefits case

Rapid solution design and delivery
To secure some early benefits a rapid solution design approach will be deployed. This will aim to achieve a cost or time efficiency, or service improvement.

| User experience | → | Conceptual prototype | → | Customer research report |

Consider the right User Experience for each opportunity.

Create a prototype focused on key customer journeys and concepts developed in the User Experience thinking.

Test the prototype with customers and document findings in a customer research report.

Procurement support
Phase 2 identified a number of opportunity areas in third party spend to achieve savings. A number of strategic savings plans will be designed and delivered to accelerate the delivery of early financial benefits.

| Produce Strategic Savings Plans (SSP) for each initiative. | → | Develop an overarching programme implementation plan. | → | Implement each approved initiative to realise the savings. |

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Oxfordshire County Council – Case for Change

To begin with, OCC undertook an activity analysis to help it understand how staff effort was being deployed across the Council…

Phase 1 – Activity Analysis

In the summer of 2017, the Council embarked on a detailed review of their operating model, initially through delivering an activity analysis. The results of this activity analysis confirmed that, while OCC is functioning reasonably effectively as an organisation, there are a number of areas where there are clear opportunities for improvement.

Key messages from Phase 1 - Activity analysis

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1. Considerable effort is being put into support services, even though some of these services are outsourced.

2. It is possible the Council could be utilising the information it holds about customers more effectively.

3. Complex processes, technology and immature digital offerings may be driving some of these characteristics.

4. Significantly less effort is being used to deliver services compared to the comparator group.

5. The strategic direction of the Council could be clearer.

OXFORDSHIRE COUNTY COUNCIL

Alongside this, the Council assessed the maturity of it's current operating model and gave it the following RAG rating…

RAG Rating OCC's current operating model

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STRATEGY

CUSTOMER

BUSINESS CAPABILITIES

PROCESSES

ORGANISATION

TECHNOLOGY

INFORMATION

PEOPLE & CULTURE

GOVERNANCE

PERFORMANCE MANAGEMENT

Approach

Based on interviews held with Directorate Leadership Teams, each area of the current operating model was RAG (Red, Amber, Green) rated to identify the largest opportunity areas.

Key findings

In order for OCC to realise it's full potential as an organisation, substantial change is required to it's processes and technology.

Alongside this, work needs to be done to ensure that decision making is based on robust, consistent and accessible performance information.

Key:

Green – Change would build on a good foundation.

Amber – More could be done.

Red – Extensive opportunities for improvement.

OXFORDSHIRE COUNTY COUNCIL

The Council continued to assess it's current operating model through a further phase of work…

Phase 2 – Operating Model Assessment

Page 57

1 **Financial analysis and high level operating model design**
Further analysis of the opportunity areas identified during the activity analysis.

2 **Strategic support to programme sponsor**
Provision of strategic advice and capacity to the operating model assessment programme sponsor.

3 **PMO mobilisation and support**
Review of current transformation programme and development of a revised programme of activity.

4 **Third party spend analysis**
Detailed examination of spend with third parties to identify opportunities to drive future efficiencies and ensure value for money.

5 **Digital diagnostic and vision**
In depth assessment of current approach to digital and support to develop future digital vision.

Oxfordshire County Council – Case for Change

Continuing the operating model assessment journey

12th October
Phase 2 starts.

2nd – 29th November
Seven cross-cutting workshops held.

15th November
CLT workshop for strategic direction and design principles.

1st December
Digital disruption workshop held with CLT and members.

8th December
Digital cross-cutting workshop held with CLT and tier 3 managers.

13th December
CLT workshop for Target Operating Model options and design.

14th December
New Fit for the Future board held.

21st December
Executive summary of Case for Change shared.

5th January
Case for Change

OXFORDSHIRE COUNTY COUNCIL

Through completing this second phase of work, the Council gathered further insight into the strengths and weaknesses of it's current operating model…

Linking the key messages from Phase 1 with the findings from Phase 2

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Key messages from Phase 1	Findings from Phase 2
Considerable effort is being put into support services, even though some of these services are outsourced.	*The Council does not consistently demonstrate leading practice in the delivery of support services.*
It is possible the Council could be utilising the information it holds about customers more effectively.	*Decision making across the Council is not robustly informed by data and insight.*
Complex processes, technology and immature digital offerings may be driving some of these characteristics.	*The Council has not fully exploited the potential of digital technology.*
Significantly less effort is being used to deliver services compared to the Council's comparator group.	*There is duplication and fragmentation of staff effort across all areas of the Council.*
The strategic direction of the Council could be clearer.	*The Council is not clear on how it will achieve its strategic ambitions.*

*Addressing the **challenges and opportunities** identified through the operating model assessment will provide the Council with **a strong foundation** upon which to achieve its strategic ambitions.*

Based on the findings from the operating model assessment, OCC has identified the following opportunities and enablers for change…

Opportunities and enablers for change

The opportunities identified have been categorised against **core themes** (i.e. areas which present significant opportunity for change). In some instances, these offer the potential to generate efficiency savings ; in others the benefits are centred on third party spend reduction or income generation. It has also became clear over the course of the assessment that there are a number of **enablers** which hold the key to maximising the benefits achieved (these are also listed below).

Business Model themes
What type of LA we want to be and 'doing different things'.

Operating Model themes
'Doing things differently'

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Place-based transformation and leadership	Service provision and delivery models	Digital workforce – flexible/ mobile/ agile working	Commercialisation & income
Unlocking the power of communities	Customer management/ contact & assessment model	Procurement & commissioning	Enabling & Support Services (HR/ Finance/ ICT/ Admin)
Partnership & integrated working	Strategic core/ BI & reporting	Role of the manager	Digital

The following **enablers** will hold the key to maximising the benefits achieved:

Processes

Performance Management

Technology

Infornnation

People Capabilities

Organisation

Customer Offering

OXFORDSHIRE COUNTY COUNCIL

By linking the identified opportunity themes and enablers to benefit drivers, the Council has developed a case for changing how it operates…

Building the case for change

Opportunity Themes

- Place-based transformation and leadership
- Unlocking the power of communities
- Partnership & integrated working
- Service provision and delivery models
- Customer management/ contact & assessment model
- Strategic core/ BI & reporting
- Digital workforce – flexible/ mobile/ agile working
- Procurement & commissioning
- Role of the manager
- Commercialisation & income
- Enabling & Support Services (HR/ Finance/ ICT/ Admin)
- Property, Assets & Estate

Ultimately, the transformation work needs to fulfil the Council's strategic objectives. The following framework shows how the opportunities and enablers leverage certain **benefit drivers** to provide the **benefits** shown below. These benefits will help the Council deliver its **vision and outcomes** and achieve **financial sustainability**.

Enablers →

- Customer Offering
- Organisation
- People Capabilities
- Information
- Technology
- Processes
- Performance Management

Benefit Drivers →

- Efficiency & Effectiveness
- Manage Demand
- Early Intervention & Prevention
- Start, Stop, Continue
- Economies of Scale & Focus of Expertise
- Sourcing levers
- Asset utilisation
- Income generation

Benefits →

Non-financial
- Better staff and/or customer experience
- Service improvement & better outcomes

Financial
- Income
- 3rd Party Spend & Other Expenditure
- Employee Costs
- Releasing additional capacity

Strategic Objectives →

Vision & Outcomes

Financial Sustainability (£32.98m - £57.67m benefit)

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OXFORDSHIRE COUNTY COUNCIL
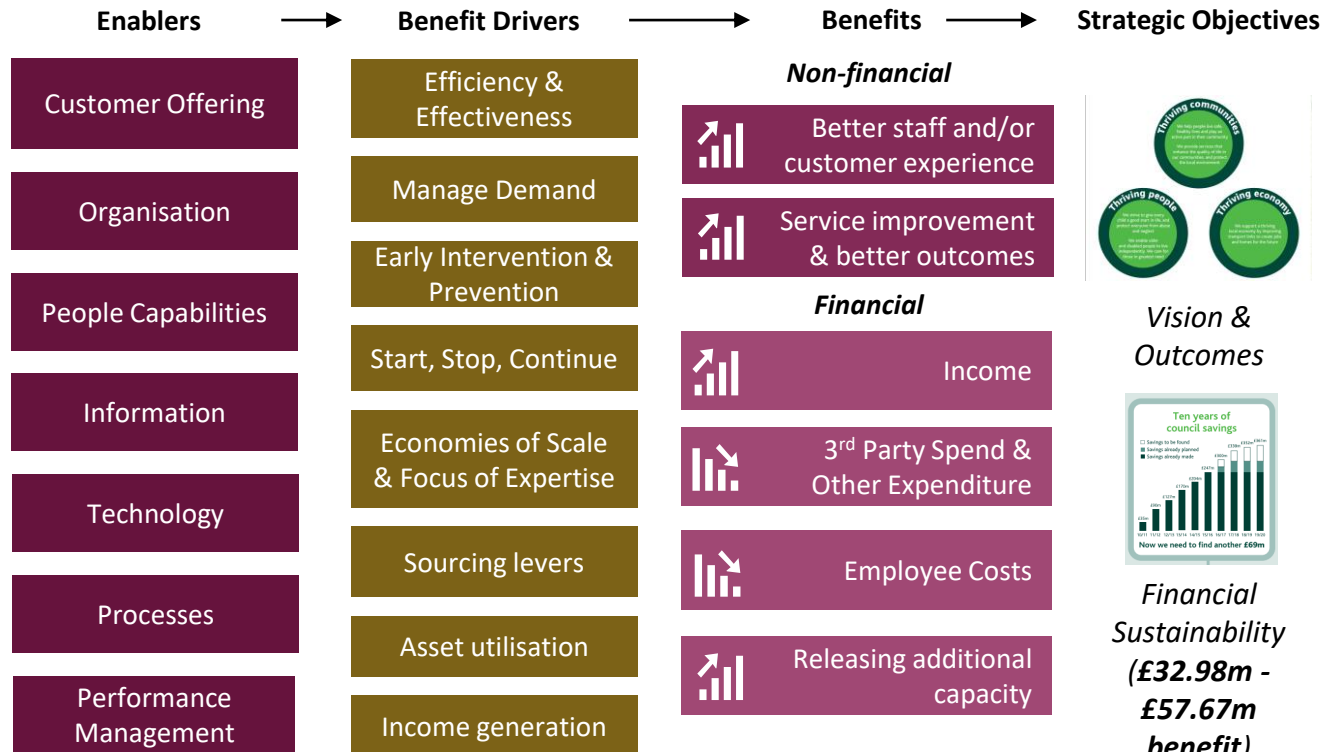
By addressing the opportunity themes, enablers and benefit drivers, OCC has the potential to deliver the following benefits…

Benefit categories

1	*Operating model transformation*	Moving to a new *Operating Model* will accelerate the benefits of addressing the more challenging areas identified in the Council's operating model assessment. The level of savings / capacity released will depend on the TOM options chosen.	*It is estimated that OCC could achieve a minimum £21m of benefit, but there is the potential to achieve more than this (up to £33m)*
2	*Quick wins*	In addition to designing and implementing a new operating model, there will be a number of opportunities that can be implemented at pace alongside accelerated delivery of targeted components of the new TOM.	
3	*Strategic sourcing & process improvements*	A wholesale review of procurement and contracts should yield significant benefits for the Council. Based on experience elsewhere and the work already completed under third party spend review workstream, it is estimated the Council could achieve at least £8m of benefit on its third party spend.	*It is estimated OCC could achieve at least £8m of benefit, but there is the potential to go achieve more than this (up to £17m)*
4	*Commercialisation*	There are a number of opportunities for non-people related initiatives to drive additional income from the Council's services. This could include a review of fees and charges, service cost recovery, or other trading or commercialisation opportunities. Based on experience elsewhere, this could generate at least an estimated £4m of additional benefit.	*It is estimated OCC could achieve at least £4m of benefit, but there is the potential to achieve more than this (up to £8m)*

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There are opportunities for the Council to deliver savings, or to release capacity, through transforming the shape and structure of it's operating model…

Operating model transformation & quick wins (minimum benefit scenario shown)

Activity area	Benefit driver	Existing cost	Transformed Cost	Benefit
Customer management	• Consolidation of contact • Leveraging technology • Single view of the individual enabled by technology	£29m	£22m	£7m
Service delivery		£33m	£32m	£1m
Customer support	• Mobile technology • Community engagement and self-serve	£34	£26m	£8m
Strategic core	• Standardising ways of working • Consolidation of activity • Integrated technology	£25m	£23m	£2m
Support services		£24m	£21m	£3m
Operating Model Transformation Savings - Total		**£145m**	**£124m**	**£21m**

Please note that all numbers are rounded to the nearest whole number.

OXFORDSHIRE COUNTY COUNCIL

As well as through changing the way it spends money with it's external suppliers…

Strategic sourcing

Category	In scope spend	Priority	Number of opportunities	Overall Savings Low	Overall Savings High	Overall Savings Low	Overall Savings High
				£		%	
Adults Social Care	£167.9m	H	5	£3.46m	£6.93m	2%	4%
Children's Social Care	£34.0m	H	4	£1.10m	£2.12m	3%	7%
Construction, Repairs & Maintenance	£2.1m	M	2	£0.08m	£0.23m	4%	11%
Facilities Management	£12.1m	H	2	£0.82m	£1.63m	7%	13%
Human Resources	£12.9m	H	3	£0.37m	£0.85m	3%	6%
Environmental Services	£10.1m	M	2	£0.11m	£0.23m	1%	2%
ICT	£8.8m	TBC	2	£0.13m	£0.25m	1%	3%
Vehicles & Transport	£9.4m	M	2	£0.22m	£0.43m	1%	3%
Sourcing savings	**£257.3m**	**-**	**22**	**£6.28m**	**£12.76m**	**2%**	**5%**
Process improvements	£386.9m	-	-	£1.50m	£3.90m	2%	4%
Total 3rd party spend savings	**£386.9m**	**-**	**-**	**£7.78m***	**£16.66m**	**2%**	**4%**

Rounded to 2dp as per 3rd Party spend deliverables

Oxfordshire County Council – Case for Change

Finally, there are opportunities for the Council to generate additional income from some of the services it provides to residents…

Commercialisation

Topic	Rationale	Benefits	Ease of delivery	Indicative Value
Strategy	The Council should put in place a clear and well communicated commercial strategy, underpinned by robust data and evidence and setting objectives with which service and business unit targets align.	Stronger decision making, realistic targets, activity focused on the right things, increased income	A	Medium
Skills	A review should be carried out to determine the skills and capacity needed to deliver the new commercial strategy. The review should assess the extent to which these are already in place, how they can form part of future recruitment strategy and what immediate gaps the Council might need to fill.	Capability to deliver commercial strategy, increased income, sustainable workforce	A	Medium
Process	The Council should implement clear and simple processes to support service cost recovery and commercial ventures e.g. council-wide fees and charges register.	Operational excellence, income maximisation	G	Low
Cost recovery	Understand current cost of services and whether more can be done to recover costs. This could include increasing associated fees and charges and exploring new service models and/or approaches.	Increased income, consistency and transparency	R	Medium
Delivery	Develop a portfolio of commercial ventures which spreads risk and is properly governed and for which there are clear objectives (e.g. could be income generating where this supports corporate objectives).	Increased income on a sustainable basis as the risk is spread, maximising the Council's assets and harnessing staff skills and ambitions	R	High

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OXFORDSHIRE COUNTY COUNCIL

If the Council implements all of the opportunities identified, it could expect to achieve the following cost / benefit profile over the next four years…

Cost / Benefit Profile

It is anticipated that implementing the opportunity themes identified through this operating model assessment, will deliver between **£33m** and **£58m** of on-going benefits over the next four years.

The implementation programme (Phase 4) will require an estimated net capital investment in year 1 of **£2.38m**, but will turn cash positive in year 2.

This estimated required investment is made up of technology, people costs such as training and change management and implementation support. A proportion, possibly even all of these one off costs could be capitalised.

The estimated investment costs are displayed in the table below (and they are profiled across the period in the table opposite):

Technology (e.g. new systems)	People (e.g. backfill)	External Support	Total
£6m	£3m	£8m	£17m

These one off capital investments will enable the Council to construct and implement its TOM, as well as to implement the new ways of working and technologies that are required to deliver the savings identified in this case for change.

The graph to the right shows the benefit off the baseline over a four year period, using the minimum benefit scenario. Following the detailed design work (phase 3), a refined benefits position will be produced based on further due diligence work.
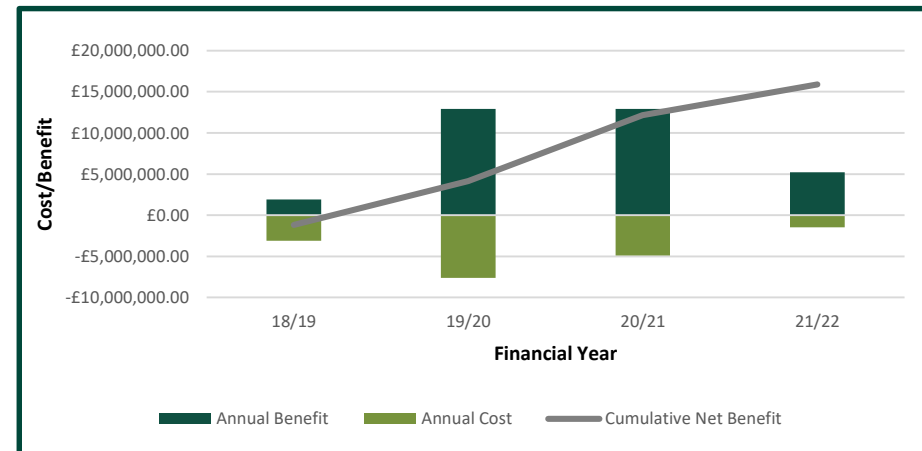
	18/19	19/20	20/21	21/22	Total
Annual benefit	£2m	£13m	£13m	£5m	**£33m**
Annual capital cost	-£3m	-£8m	-£5m	-£1m	**-£17m**
Annual net benefit	-£1m	£5m	£8m	£4m	-
Cumulative net	-£1m	£4m	£12m	£16m	-

Please note that all numbers are rounded to the nearest whole number.

Cost assumptions
- *All costs are based on a high level assessment and further refinement work / due diligence will be required in the next phase.*
- *Technology costs exclude some costs already identified by OCC (e.g. Liquid logic implementation - £3.0m and LGSS - £180.0k), we have also assumed OCC will expand the functionality of GOSS.*
- *Redundancy costs have been excluded from the cost estimate calculation*
- *Any costs associated with the detailed design and implementation planning phase (phase 3) have also been excluded.*

OXFORDSHIRE COUNTY COUNCIL

The Council has already begun its transformation journey and the benefits identified in this Case for Change build on the work completed so far...

Linking the benefits identified to the Council's current financial plan

The Council has identified that over the next four years it faces cumulative **budgetary pressures of £34.1m** and that it needs to make **£4.7m** of investments and improvements over the same period. Alongside this, the Council has re-profiled **£15m** of expected transformation savings into the period 2019/22.

In response to this challenge, the Council has identified a number of ways that it can address these pressures**.** The benefit opportunities set out in this Case for Change build on the existing transformation activities the Council has undertaken and it is recognised that there is some cross over in terms of the benefits identified. The extent of this overlap and the residual impact of the identified savings on the Council's overall financial position, is set out below:

Benefit range identified in Case for Change: £33m – £58m
Benefit range (£33m – £58m) identified in this case for change (incl. £12m overlap with proposed MTFP savings and £15m of re-profiled transformation savings)

Maximum case for change benefit – £58.0

Minimum case for change benefit – £33.0

£12m overlap

£20.6

-£4.7

-£34.1

-£15.0

£17.2

£2.7

Improvements/ investments | Pressures | Re-profiled transformation savings | Corporate measures | Existing MTFP savings | Proposed MTFP savings | Operating Model benefits (inc. £15m transformation savings)

Oxfordshire County Council – Case for Change

OXFORDSHIRE COUNTY COUNCIL

This will allow the Council to address the immediate financial pressures it faces and invest the additional benefits delivered in the development of alternative delivery models that will be more sustainable in the future…

What can the Council do with the benefit?

Pursuing the available benefits should not be thought of as a simple cost-cutting measure. There are multiple routes to improving the Council in the short and long term, delivering improved services and longer term sustainability for the Council.

Release cash to deal with existing financial pressures

The Council has identified that it needs to deliver £15.0m of savings through transforming the way it operates over the period 2018 – 2022 in order to achieve a balanced budget position.

The cumulative net benefit figure identified in the development of this case for changing the way in which the Council operates includes the £15.0m transformation savings required to achieve a balanced budget position in 2021 /22.

Reinvest in alternative delivery models to achieve long term sustainability
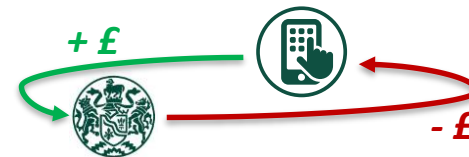
If the Council is successful in delivering the full range of benefits identified in this case for change, then it will be a position where it has some choices about what to do with the residual financial benefit delivered.

A key area for the Council to consider is re-investing a proportion of any residual financial benefit in the development of alternative delivery models, for core services, with the aim of achieving services that are both operationally and financially sustainable in the longer term. This would also put the Council in the strongest possible position to deliver against it's stated strategic ambition of creating, and maintaining, **"Thriving communities for everyone in Oxfordshire"**.

OXFORDSHIRE COUNTY COUNCIL

At the same time as securing a more sustainable future for the Council, implementing a new operating model would improve resilience and help to achieve better outcomes for local residents…

A 21st Century model of local government

In addition to the significant financial benefits that could be achieved, by focusing on delivering a holistic transformation of its current operating model, the Council could expect to secure a number of other benefits. The Council has an opportunity to develop a model of local government that is streamlined, entrepreneurial, agile, innovative and ambitious. This more productive model of public administration has the potential to be used as the template for the development of new councils elsewhere in the country.

What will this mean for customers?

Customers will be more empowered to resolve their own issues, accessing services and information via a state of the art online self service portal. For more complex enquires, specialists will have more time to dedicate to service users, working with them to consider their needs in greater detail. The customer experience will be consistent that which they experience in other aspects of their lives and will live up to their expectations.

What will it mean for services?

Services performance will be enhanced. Processes will be more consistent and capacity will be released to help services focus on managing demand more effectively, using predictive analytics to anticipate community needs and ensure their reasonable expectations are met. The resilience of some of the Council's more critical services – such as Adult Social Care and Children's Services will be improved, reducing the likelihood of service failure and improving the capacity of these types of services to manage demand more effectively.

What will it mean for staff?

Staff will feel empowered to help the Council deliver its ambitions. They will be more innovative, more commercially astute and be trusted to take the right sort of risks in pursuit of service improvement. The Council will feel less siloed, with a more obvious culture of collaboration. The workforce will be more agile, relying on technology that helps them fulfil their duties simply and effectively.

What will it mean for Oxfordshire and its communities?

The transformation of the Council's operating model will exploit the local advantages Oxfordshire possesses. It will offer opportunities for local tech start ups and data scientists to engage with the Council, to help it solve complex problems and to become part of a wider ecosystem of public sector innovators and suppliers. Communities will also benefit, receiving more support to help solve their own issues and improve outcomes within their localities.

OXFORDSHIRE COUNTY COUNCIL

A target operating model (TOM) will help the Council to achieve savings as well as put it in the best position to realise it's strategic ambition…

Developing a DRAFT TOM

The assessment of the Council's current operating model has provided a deep understanding of both the issues and opportunities for change. Bringing together data from the activity analysis, a digital diagnostic, stakeholder interviews, IT architecture review and workshops with best practice examples from elsewhere we have been able to take a view about the operating model changes which would add the most value to OCC as an organisation and most importantly to it's residents.

Possible solutions: Over the following pages both the draft design principles and draft TOM options are set out. The Council has been careful to take an approach which considers all dimensions of the operating model, rather than looking solely through a process lens.

What could a new operating model look like?
The proposed draft TOM itself is built on the premise that everything OCC does could be more robustly built on data and insight, informing our strategy. The Council could then commission and procure the right services to deliver it's strategy, putting in place excellent support services to make sure it can deliver efficient and effective services which achieve it's objectives.

OCC's customers would be able to access these services through a variety of channels and the Council could manage demand innovatively and effectively through increasing the resilience of it's communities. Data collected about OCC's communities and customers could feed back into the Council's analytic capability, informing it's future strategy.

The Council will only be able to achieve the benefits associated with this TOM if it makes an active choice to pursue it and if the organisation is disciplined and relentless in making it happen.

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OCC – DRAFT High Level TOM

OXFORDSHIRE COUNTY COUNCIL

It is important to note that in starting to think about its TOM the Council have made a clear commitment to harnessing the power of digital and disruptive technologies to help it achieve its strategic ambition...

Harnessing the power of digital and disruptive technology

While the operating model assessment summarised in this case for change presents a compelling argument for how OCC can transform its operating model it has also served as an opportunity for Members and Officers to think about how the Council can harness the power of digital and disruptive technologies in achieving its strategic ambition.

Over the course of 2 all day workshops focusing on Digital Disruption and Digital Cross-Cutting Members and Officers were able to consider the impact that digital and disruptive technologies would have, and in many cases are already having, on the residents of Oxfordshire.

As an outcome from these sessions the Council now has the following:

1 *An understanding of the current state of digital & disruptive technology trends and most importantly how these will (are) already impacting residents.*

2 *A clear view of how these technologies can help the Council achieve its strategic ambition.*

3 *A direction of travel for its future operating model that is based around harnessing the power of digital and disruptive technology.*

LOCAL KNOWLEDGE COLLABORATING WITH TECHNOLOGY

WHAT IS OUTSIDE THE COUNCIL WALLS?

FUNDAMENTAL SHIFT IN THE ROLE OF THE COUNCIL
FASTER DIFFERENT WAYS OF WORKING

USE TECH TO IDENTIFY THE PROBLEM & DO THINGS SMARTER

The concepts and themes shown above represent just some of the ways that digital and disruptive technologies can be harnessed by the Council in the design and delivery of its TOM.

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Looking at the DRAFT TOM in more detail…

DRAFT TOM

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OXFORDSHIRE COUNTY COUNCIL
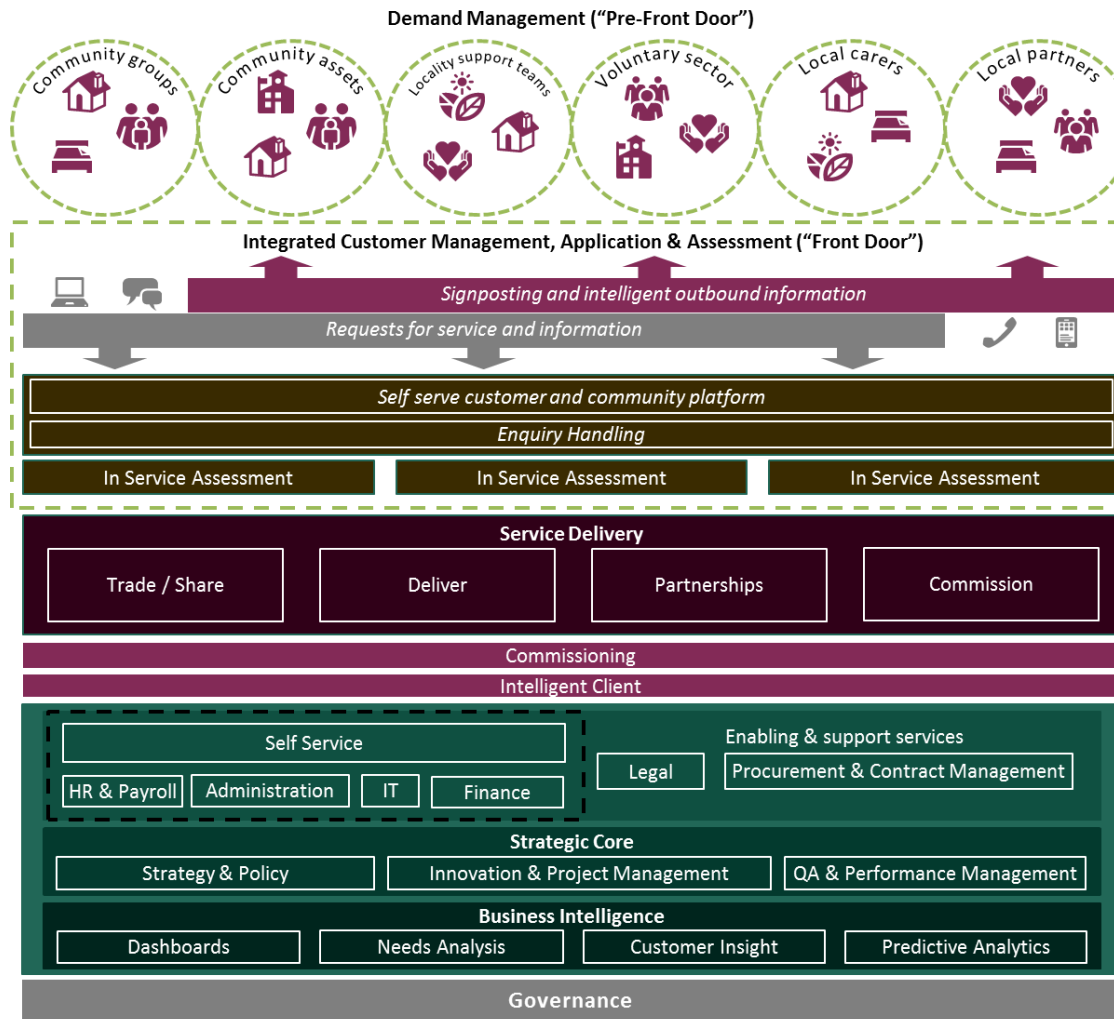
OCC's TOM will be built on a set of design principles which will guide the Council as it designs out each layer and component...

DRAFT Design principles

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Operating Model Component	DRAFT Design principle
Customer Offering	• Residents are experts in their own lives - they are the best to identify outcomes, inform service design and help themselves within their community. • We will hold a 'single record' for each of our customers making it easier for us to understand our communities, manage demand and offer support/ intervention based on need.
Processes	• We will design processes around the user and their experience, enabling self-service at every opportunity. • We will be transparent about the ways in which we manage risk.
Technology	• Systems, applications and infrastructure will be designed around business need, with a consistent approach to functional requirements. • We will ensure that technology is always an enabler, not a hindrance.
Information	• Our decisions will be informed by sound business intelligence and data analytics
Organisation	• We will provide transparency, clarity and consistency on roles and expectations across the organisation • Accountability will sit at the most appropriate structural and community level • We will consolidate strategic and common functions with a clear purpose, maintaining flexibility in local delivery
People Capabilities	• We will enable all our people to use their creativity to develop innovative solutions to the challenges we face.
Performance Management	• We will measure the right things, through a consistent performance management framework, from corporate outcomes to individual performance

OXFORDSHIRE COUNTY COUNCIL

It is important to note that there is no single answer when it comes to designing an operating model and that the Council faces a number of choices...

TOM choices

The table below sets out the key issues from the current operating model assessment against the components of the future operating model. It also shows some of the potential solutions and some of the potential options that need to be explored and agreed.

TOM component	Assessment of current operating model	Direction of travel / choices
Data and Insight	Data and insight does not fully underpin the organisation and does not draw on interactions with customers and partners.	Consolidated data and insight team
Strategic Core	Effort spent on strategic functions is highly dispersed and duplicated across the organisation.	Consolidated strategic core function.
Procurement & Contract management	Procurement activity is highly dispersed and duplicated, with unclear governance and a lack of structure.	1. Centre of Excellence 2. Centre-Led Hub and Spoke
Enabling & support services	Internal service processes such as HR and finance are clunky and are not supported by state of the art technology.	Consolidated support services with improved processes and technology.
Service Delivery	Service delivery occupies less of the organisation's effort than it should and the workforce isn't as digital and flexible as it could be.	Flexible and mobile workforce using a range of delivery models.
Customer Contact and Assessment	Customer contact and assessment has a fragmented structure and approach.	Contact 1. Single Front Door 2. Integrated Customer Management Assessment 1. In service assessment 2. Consolidated assessment hub
Community Resilience	Communities are not adequately supported to be resilient for the future, with assets such as libraries and digital not fully exploited to facilitate this.	1. Asset-based approach 2. Digital Platforms approach 3. Partnership approach

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OXFORDSHIRE COUNTY COUNCIL

This case for change presents a compelling argument for how OCC can transform it's operating model. The next stage of the journey will be to develop a detailed design for the Council's future operating model…

The next stage of the journey

The Council has taken significant steps towards becoming a more efficient and effective organisation in the future. The activity analysis enabled the Council to look at itself in a holistic manner, to understand how its effort and resource were being deployed and to identify broad opportunities for improvement.

The subsequent operating model assessment and high level design injected pace and discipline into the transformation activity. This work assessed and built upon the opportunities identified in Phase 1 and developed a clear business case for change.

The Council now needs to harness the momentum achieved in Phase 1 & 2 by developing a detailed design for the Council's future operating model. This will involve broad engagement with staff and stakeholders to ensure that the momentum that has been built up does not dissipate. The outcome of this phase of work will be a clear view of how the Council's functions will be organised in the future, what this will mean for services, customers and stakeholders and a detailed plan for implementation.

| | October 2017 | | January 2018 | | July 2018 | | July 2020 |

1. Activity analysis	2. Opportunity assessment & high level design	3. Detailed design & implementation planning	Key decision point	4. Implementation
Complete	*Complete*	*Develop detailed designs for core components of the future operating model and the approach to implementation.* **Duration:** *c. 6 months*	*Following the completion of the detailed design phase a decision will be made as to the approach the Council will take to implementation and how the Council wants to deliver this.*	*Implementation of the core components of the new operating model including change and project management, benefit realisation and technology implementation. It is during this stage that the estimated implementation costs referred to on slide 19 could be incurred.* **Duration:** *c. 18 months - 2 years*

Oxfordshire County Council – Case for Change

OXFORDSHIRE COUNTY COUNCIL

In order to capitalise on the work it has undertaken, and to achieve significant financial and operational benefits, the Council now needs to move into designing the detail of its TOM…

Designing the TOM

A rapid three stage approach to building the detailed design of OCC's future operating model is shown below. In addition further information is shown on the proposed approach for delivering savings / realising capacity for re-investment and operational benefits through digital solution design as well as through strategic sourcing.

The Council will only be able to achieve the benefits associated with this TOM if it makes an active choice to pursue it and if the organisation is disciplined and relentless in making it happen.

Digital operating model design

A consistent approach will be applied to design different layers of the **future digitally enabled operating model.** Precise requirements and functionality for each layer will be defined, then the implementation will be planned.

Establish strategic direction and scope → **Design functional model** → **Develop business case and implementation plan**

Output
Design principles and requirements

Output
Functional model

Output
Implementation plan and updated benefits case

Rapid solution design and delivery

To secure some early benefits a rapid solution design approach will be deployed. This will aim to achieve a cost or time efficiency, or service improvement.

User experience → **Conceptual prototype** → **Customer research report**

Consider the right **User Experience** for each opportunity.

Create a **prototype** focused on key customer journeys and concepts developed in the User Experience thinking.

Test the prototype with customers and document findings in a **customer research report.**

Procurement support

Phase 2 identified a number of opportunity areas in third party spend to achieve savings**. A number of strategic savings plans will be designed and delivered** to accelerate the delivery of early financial benefits.

Produce **Strategic Savings Plans** (SSP) for each initiative. → Develop an **overarching programme implementation plan.** → Implement each approved initiative to **realise the savings**.

OXFORDSHIRE COUNTY COUNCIL

The individual stages of designing out the Council's operating model are set out below…

Stages of detailed design

To date the project has seen very good engagement from across the Council. As included in our recommendations, in order to maintain that momentum and support, we are proposing that you rapidly mobilise a team (and subsequent governance arrangements) and start the detailed operating model design. Below are the stages of a design:

1 Designing the new operating model

The themes, design principles, the Council's corporate plan and other inputs such as the digital vision will be refined and used to set the top down direction for the design.

This stage involves key engagement with all levels of the wider organisation, they will be engaged through current and future workshops to redesign how their functions will be delivered in line with these.

Key activities:
- Review and agree TOM options
- Prioritise and agree areas for accelerated design and quick wins
- Design each of the themes
- Complete current/future state workshop design for each service / business unit.

2 Enablers

The new operating model will require a number of enablers to be in place. The activity in this stage of the approach is to define what will need to be in place to redesign the organisation. Both at a 'whole Council' level and a service level.

These enablers are: processes, performance management, technology, people capabilities, organisation and customer offering.

Key activities:
- Requirements review, gap analysis and investment required (skills, technical architecture, facilities infrastructure).

3 A blueprint for the organisation

The outputs from the design workshops are brought together to define the target shape and size of the organisation (a 'blueprint'). This stage will also give a first view of the benefits that can be realised from the implementation programme.

Key activities:
- Develop an organisational structure
- Develop target enterprise architecture
- Design future governance model
- Define future size and shape of the organisation
- Update business case
- Agree next steps, implementation plan and roadmap

Once the Council has completed the detailed design of its TOM it can then move forward into implementation…

3 year implementation roadmap

| Year 0 (Jan 18 – Mar 18) | Year 1 (Apr 18 – Mar 19) | Year 2 (Apr 19 – Mar 20) | Year 3 (Apr 19 – Mar 20) |

Digital Operating Model

Design → Detailed design → ⭐ Detailed design complete

Release 1 - Construct → Release 1 - Implement ▲ Release 1 complete → Benefit release

Release 2 - Construct → Release 2 - Implement ▲ Release 2 complete → Benefit release

Release 3 - Construct → Release 3 - Implement ▲ Benefit release — Release 3 complete

Rapid solution design & delivery

Rapid solution design and delivery → Benefit release

Procurement support

Strategic Sourcing Plans → Implementation → Benefit release

PMO support

Mobilisation → Projects & programme management

People & change management

Benefits management

Skills transfer

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Division(s):

PERFORMANCE SCRUTINY COMMITTEE – 15 MARCH 2018

THE COUNCIL'S RESPONSE TO THE LIQUIDATION OF CARILLION

Report by the Director: Property, Assets and Investment

Introduction

1. Carillion was Oxfordshire County Council's strategic property maintenance, investment and facilities partner. On 15 January 2018, it was announced that companies in the Carillion group structure would begin to go into liquidation. This triggered an immediate business continuity response by the Council, to guarantee continuity of delivery of key services and to ensure that schools and other functions could continue to operate.

2. Following a negotiation with representatives of the Official Receivers, it was agreed that a previously agreed termination of the contract would be brought forward to be effective from 1 February 2018. All elements of the service are now being managed directly by the Council.

3. The Performance Scrutiny Committee have requested a report on measures taken by the Council in response to the liquidation of Carillion and future plans for the service.

4. The Performance Scrutiny Committee is RECOMMENDED to note the contents of this report, and request an update on the implementation of new arrangements in autumn, 2018.

Carillion Liquidation and Contract Termination

5. The Carillion Property and Facilities contract commenced on 1 July 2012, for an initial 10-year term. It covered a wide range of property related services including capital construction, strategic asset management, transactional estate work, energy, facilities management including cleaning and catering at schools and other sites, repairs and maintenance of all buildings and health and safety in relation to staff and buildings.

6. Performance, commercial and strategic issues relating to the contract have previously been reported to the Performance Scrutiny Committee.

7. In March and then June 2017, the Council terminated certain services under the contract. In December 2017, a mutual agreement was concluded with Carillion and the Council to, amongst other things, terminate the remaining contract arrangements in phases, with the final phase due to complete by July 2018.

8.   In early January 2018, it became apparent that Carillion was likely to enter liquidation. An official announcement was made on 15 January with Carillion LSG entering formal liquidation on 25 January. From 15 January, an immediate business continuity response was put in place, to guarantee continuity of delivery of key services and to ensure that schools and other council functions could continue to operate. This included putting in place plans to supply meals to schools in the event that the Carillion catering operation had failed at or after the point of liquidation. To stabilise the supply chain, OCC wrote to suppliers guaranteeing that ultimately, the council would ensure that legitimate bills would be paid. Staff were also assured that they would be paid in all circumstances. The Council's business continuity response covered the corporate estate and all maintained schools – including those who had separate contractual arrangements with Carillion outside of the Council's main contract. A business continuity offer was extended to academy schools with Carillion contracts, fulfilling the Council's wider duty to residents. No further payments were made to Carillion after 15 January pending negotiation of a final settlement with the Official Receiver.

9.   Urgent negotiations were entered into with 'special managers', appointed by the Official Receiver. Based on a risk assessment of remaining in a contract that was at that point ultimately managed by the receivers, it was agreed to bring forward the termination date of the main contract to 31 January 2018, with all elements of the service being managed directly by OCC from 1 February. In addition, through further negotiation, OCC secured termination from the individual contracts held by some maintained schools and academies, reducing the risk to individual schools.

10.   All County Councillors were invited to attend a Cabinet briefing on these issues held on 23 January.

11.   An urgent programme of activity was delivered to complete legal termination of the contract and mobilise an operational service to replace Carillion from 1 February. This initial programme is now complete, with 261 staff having transferred and services operating at a basic level. The new service is being provided to all schools previously served through the main Carillion contract arrangement and the majority of other maintained schools who had separate direct contracts with Carillion. Services are being provided on an 'as-is' basis and schools should not experience any change in arrangements. Critically, the supply chain has remained in place through the contract termination and staff were retained. Data and detail on processes was not in all cases available to the Council. However, new service management has recovered and where necessary rebuilt the essential information needed to operate services.

12.   As a consequence of these measures, business continuity was maintained through the transfer and no significant issues have been reported.

13.   Staff were transferred on TUPE equivalent terms and are now directly employed by OCC. All staff were communicated to, as far as was possible in the circumstances, ahead of the transfer date. Subsequently, all staff are now in direct communication with OCC and final positions are being established.

14. A small number of maintained schools and all academies have made their own arrangements for services and where relevant, have transferred staff directly to their employment or to their new contractors.

15. A programme of stabilisation is now underway to complete the process of transferring staff and mobilising a fully fit for purpose property operations service.

16. In parallel, over the next six months, a new operating model and business plan for the service will be developed and end-users and stakeholders – including school management and unions – will be engaged as appropriate. Development of the operating model will require a full assessment of the current financial and commercial position, the impact of the contract termination and future modelling of capital and revenue budgets.

17. Construction operations at schools have been suspended pending OCC taking on full responsibility for works. An assessment of works in progress and outstanding is underway.

RECOMMENDATION

18. **The Performance Scrutiny Committee is RECOMMENDED to note the contents of this report, and request an update on the implementation of new arrangements in autumn, 2018.**

Alexandra Bailey, Director: Property, Assets and Investment

Contact Officer: Robin Rogers, Strategy Manager, March 2018

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Performance Scrutiny Committee

15 March 2018

Our journey

Our journey

Since our launch in 2011, we have made considerable progress championing Oxfordshire's economic potential, driving a dynamic, sustainable and growing economy that leads 'UK PLC'.

Our journey

Our achievements include:

- Securing in excess of £400 million-worth of central government funds for the Oxfordshire economy, including recent £215 million growth deal for the county

- Supporting the creation of around 40,000 new jobs over the past five years – representing close to 50% of a 2031 target of 85,600 new jobs

- Securing £142.5m for Oxfordshire through the Local Growth Fund 1, 2 and 3

Oxfordshire today

Oxfordshire today

Today, the global strength and opportunities presented via the Oxfordshire economy continues to be verified, showing we can be a key asset to 'UK PLC' post-Brexit.

Co-Star Group

Oxfordshire
Is most successful LEP in England for attracting office occupation

PwC 'Good Growth for Cities'

Oxford
One of the two highest-performing UK cities

Bidwells

Oxfordshire
Highest half-year figure for business space demand

Nesta - inward investment

Oxford
A top 10 UK city for inward capital investment

Smart Cities - Juniper Research

Oxford
One of the top 10 smart cities in the UK

Nesta - small business survival

South Oxon
One of the highest SME five-year UK survival rates

Our priorities

Our priorities

Crucial to maximising our global potential is creating investor confidence and creating an infrastructure that is fit-for-purpose; building on Oxfordshire's world-leading centre of knowledge and innovation.

OxLEP's strategies encompass our vision and key priorities of **'People', 'Place', 'Enterprise'** and **'Connectivity'.**

Our priorities

Strategies include:

- Strategic Economic Plan (SEP)
- Strategic Environmental and Economic Investment Plan (SEEIP)
- Creative Culture Heritage and Tourism Investment Plan (CCHTIP)
- Oxfordshire Skills Strategy
- Innovation Strategy
- Infrastructure Strategy (OxIS)

Oxfordshire GVA

Oxfordshire GVA
(Gross Value Added)

As the Local Enterprise Partnership for Oxfordshire, much of our work is focussed on driving forward innovation and productivity.

We do this by working in collaboration and also being one of just three regions leading on a local industrial strategy.

This in-turn supports dynamic growth within the county.

Oxfordshire GVA

Oxfordshire
32,291 GVA
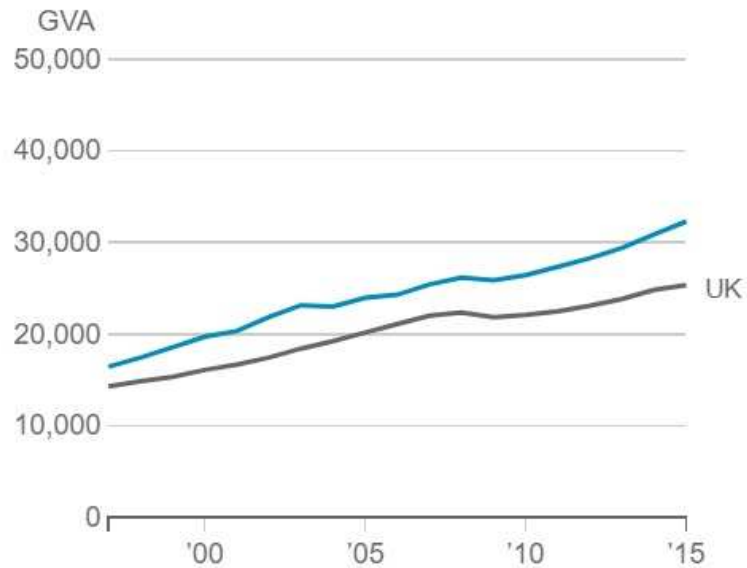
Oxfordshire's GVA per head at the end of 2015 stood at £32,921.

The UK average at this stage was £25,351.

OxLEP
driving economic growth

Working in partnership

Working in partnership

Our scale of activity and collaborative working means we have the ability to bring value as a region and – by working collectively – create conditions that help to unlock further dynamic economic growth.

Working in partnership

Local Industrial Strategy:

Working in partnership

England's Economic Heartland:
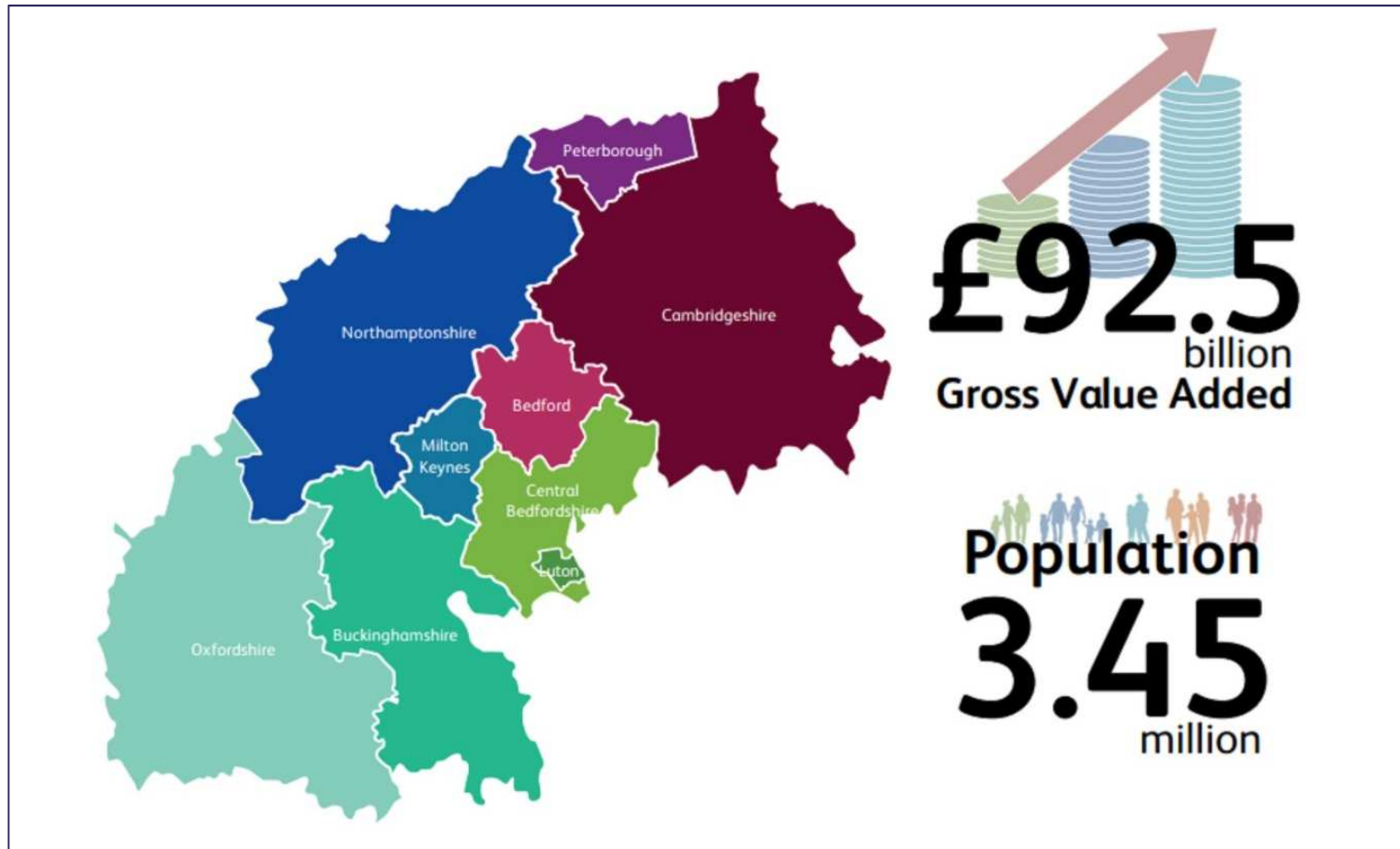
Working in partnership

Oxford-Cambridge Corridor:
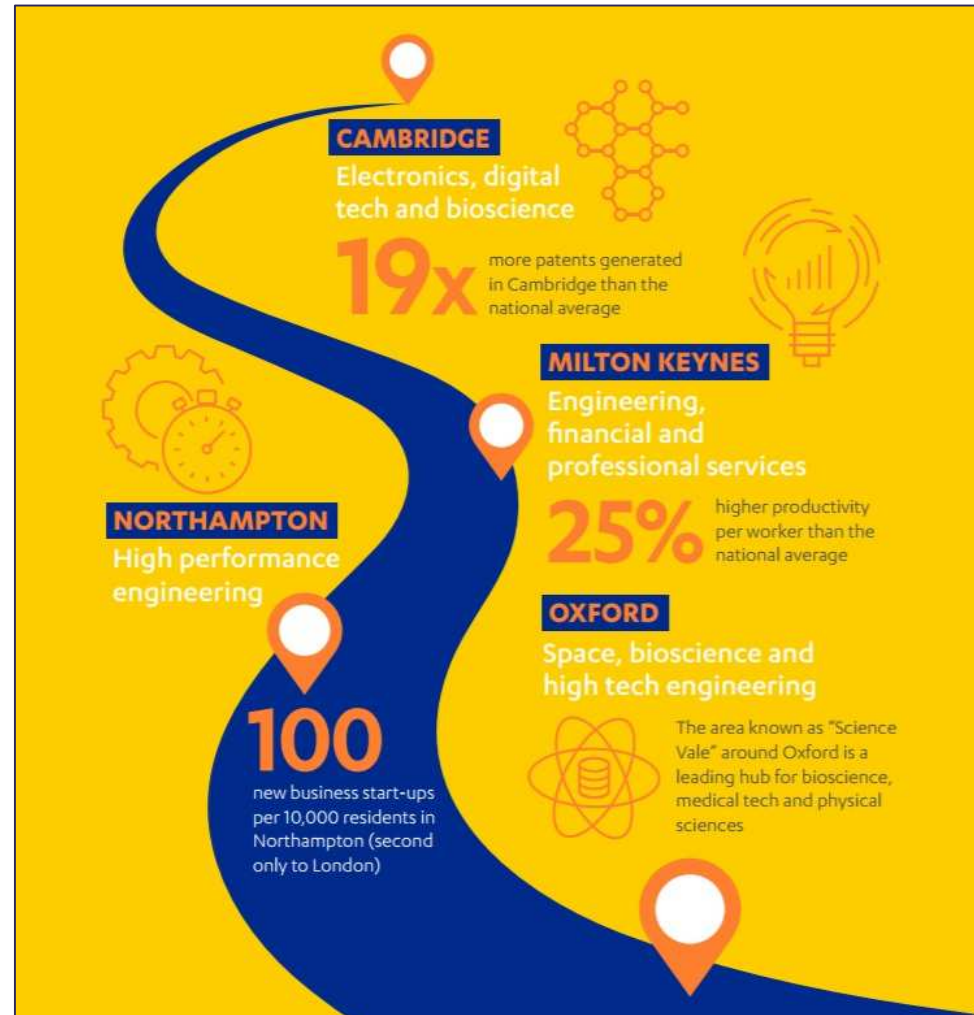
The Growth Board model

The Growth Board model

Our focus is firmly on delivery.

Productivity – Placemaking – Connectivity

The Oxfordshire Growth Board is a joint committee of OxLEP and our six councils.

It facilitates and enables joint-working on economic development, strategic planning and growth.

The Growth Board model

Productivity	Placemaking	Connectivity
Growth hub *(Start-ups and growth support)* **Skills** *(Apprenticeships, work experience and business-education relationships)* **Innovation and inward investment**	**Infrastructure and housing** *(£150 million for infrastructure, £60 million for affordable housing and £5 million capacity funding – investment in infrastructure is also recognised in the Oxfordshire Infrastructure Strategy, or OxIS)*	**Joint Statutory Spatial Plan** *(Setting the strategic direction for planning across the county to 2050)*

OxLEP
driving economic growth

OxLEP
driving economic growth

Our response to the Mary Ney Report

Our response to the Mary Ney Report

The report – published in October 2017 – focussed on a series of findings and recommendations, aimed at ensuring each organisation demonstrated ultimate transparency and governance.

Our response to the Mary Ney Report

Some of key responses include:

- Launch of a new corporate website that offers a much 'slicker' user journey, particularly in relation to governance
- Introduce a new Code of Conduct
- Formalise assurance framework between S151 Officer and OxLEP
- Ensure all Board members take full-responsibility regarding DOIs (Declarations of Interest)

Thank you

Any questions?

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Review of Local Enterprise Partnership Governance and Transparency

Led by Mary Ney, Non-Executive Director, DCLG Board

OGL

Contents

Review of Local Enterprise Partnership Governance and Transparency

1.   Introduction to Local Enterprise Partnerships

1.1   Local Enterprise Partnerships (LEPs) were established as locally-derived business-led partnerships between the private and public sector that would drive local economic growth. There are now 38 LEPs and their role has developed considerably since 2010. They now have responsibility for around £12billion of public funding and are the mechanism for channelling the Local Growth Fund to localities. Each LEP has the flexibility to determine the details of its governance and accountability arrangements and there are a variety of models including those that have remained as partnerships, local authority Section 101 committees, community interest companies and companies limited by guarantee. Public funding for LEPs is directed via a local authority in the area of the LEP, which is appointed to undertake the accountable body role. The government also appoints Relationship Managers – regionally based civil servants who provide LEPs with day to day advice and support, and are the main channel of engagement between the LEPs and central government.

1.2   Each year the Department conducts a performance review (known as an Annual Conversation) with each LEP to review their progress on Growth Deal delivery over the past 12 months. The Annual Conversation also considers a range of issues, including governance and transparency. This leads to an agreed set of actions and next steps, if there are any issues to be addressed either by the LEP or by central government.

1.3   As the role of LEPs has developed, the government has reviewed the statement of arrangements it expects to see in place within the LEP and for the accountable body role. This is set out in the National LEP Assurance Framework and is one element of the wider assurance system, which also comprises LEP reporting to government on agreed outputs, evaluation frameworks and annual performance conversations. The National Assurance Framework sets out what government expects LEPs to cover in their local assurance frameworks. The last revision of the National Assurance Framework was issued in November 2016 in order to strengthen the rules which LEPs must follow to ensure greater transparency on how public money is spent. It required LEPs to review their arrangements and publish their own local assurance framework on their websites by 28 February 2017. It also required Section 151 officers to certify that a framework had been agreed and was being implemented to these new standards by writing to the DCLG Accounting Officer. At that deadline, DCLG found that not all LEPs were fully compliant, for instance not all documents were available on websites. However, all LEPs have now published their local assurance frameworks on their websites and Section 151 officers have certified compliance.

1.4   Following concerns raised about the governance and transparency arrangements of some LEPs, the Public Affairs Committee also looked at the role of LEPs in July

2016 and reported that DCLG '[…] should enforce the existing standards of transparency, governance and scrutiny before allocating funding. LEPs themselves also need to be more transparent to the public by, for example, publishing financial information'. The government has now put in place this internal review of LEP governance and transparency conducted by a Non-Executive Director from the DCLG board with the following terms of reference:

> 'To review whether the current systems provide sufficient assurance to the Accounting Officer and Ministers that LEPs fully implement existing requirements for appropriate governance and transparency; to consider whether the current requirements for LEPs are sufficient; and to make recommendations for improvements.'

It should be noted that this review has not investigated any specific allegations which are being pursued separately by the National Audit Office. In addition, in the time available, it has not been able to look in detail at every LEP and accountable body, to identify how arrangements are implemented in practice as part of normal business. The approach to the review is set out in paragraph 2.

2. Approach to the Review

2.1 The review commenced on 28 April 2017 and was required to be completed in a six week period. The approach has been to review key documents, view a sample of LEP websites and engage with a variety of stakeholders from the LEP sector in order to obtain an overview of both issues and practice. The focus has been on governance and transparency and not on other aspects of the assurance system such as those dealing with effectiveness or value for money. Whilst, in the time available, it has not been possible to undertake a deep dive into the practice of every LEP and accountable body, it is considered that sufficient information and views have been gathered to enable recommendations to be made to improve assurance.

2.2 Attached at Appendix A is the list of documents reviewed. In addition, a number of discussions have been held:

- Meeting with a Group of LEPs CEOs;
- Telephone conversations with seven LEP Chairs;
- Meeting with a Group of Section 151 officers;
- Telephone conversations with four council leaders/elected Mayors who sit on LEP boards;
- Follow-up meeting with a Group of CEOs of LEPs to test out findings.

Meetings were also held with:

- British Chamber of Commerce
- LEP Network
- Chartered Institute of Public Finance
- National Audit Office.

3. Overview of Findings

3.1   All those who contributed welcomed the review and expressed a shared desire to ensure that LEPs provided the highest standards of stewardship of public money. There was a widespread view that the sector should work collectively and avoid reputational damage from any inconsistencies in governance arrangements and transparency. In addition, some private sector board members were concerned that their association with weak practice in governance and transparency would have potential reputational implications for their companies. LEP board members are generally not remunerated albeit the role and expectations of time commitment have increased as the workload of LEPs has developed. A number of private sector participants in this review referred to the ethos of making a public service contribution. It is important that this ethos is supported and that proposals to achieve good governance are proportionate.

3.2   Some LEPs have a history of establishing robust governance arrangements and to some extent the National Assurance Framework lags behind the practice on the ground in these places. There is a general recognition that additional clarity on the requirements in the National Assurance Framework would assist in raising standards and consistency of stewardship across the sector. This was not seen by those participating as detracting from the flexibility for LEPs to develop local arrangements but rather assisting them with the journey they were on. Overall there appears to be commitment from the LEPs to meeting the requirements of the National Assurance Framework but issues remain on the effectiveness of implementation in some cases. This would be mitigated by additional clarity in the National Assurance Framework which is proportionate, as well as by increasing the sharing of best practice, peer challenge and support across the sector.

3.3   The British Chamber of Commerce, in conjunction with the Confederation of British Industry (CBI), the Engineering Employers' Federation (EEF), the Federation of Small Businesses (FSB) and the Institute of Directors (IoD), has also recommended improvements particularly on the financial information which should be published.

3.4   There is also a need to consider the position of public sector members on LEP Boards in the context of the changing role of local authorities and their increased involvement in commercial enterprises and alternative delivery mechanisms. This is currently somewhat underdeveloped in terms of LEP governance implications and is referred to below in greater detail.

3.5   A feedback session has been held with a group of CEOs of LEPs to test out the emerging findings and broad support was received to the range of issues which would be addressed in the recommendations. In addition a feedback discussion with CIPFA was also supportive of the proposals.

4. Culture and Accountability

4.1   As with any organisation, the establishment of an embedded culture across the LEP is a prerequisite to assurance that governance arrangements are fit for purpose and are being adhered to. This requires direct and proactive leadership from the Chair and CEO of the LEP to own the establishment of a culture of strong adherence to good governance and clarity about standards. At present the National Assurance Framework requires written assurance from the Section 151 officer that standards are being met. Whilst the Section 151 officer has a critical role to play, it is insufficient to place reliance on this alone. **It is recommended that the National Assurance Framework requires a brief formal assurance statement on an annual basis from the leadership of the LEP (i.e. the Chair and CEO), on the status of governance and transparency within their organisation and which can be explored in greater detail during the Annual Conversation process with government. This statement to be published on the website.** (See also section10 below.)

4.2   It will have the benefit of making the LEP itself more directly and publically accountable and will reinforce the role of the Chair and CEO in developing the culture and dealing with matters of good governance within their organisation. It will assist in formalising good practice, which is already being developed in some LEPs. To assist in establishing an organisational culture, LEPs need to put in place their own statements of their values and the standards of conduct expected from board members and senior staff. Indeed, a number of LEPs already have such statements in place. In some cases these expectations are based on the Nolan Principles of public life, but in others they are framed in terms of requirements of company board directors and do not sufficiently embrace the dimension of public sector accountability. This is inadequate as it does not reflect the dual dimension (i.e. public and private) of the role of board members. **It is recommended that the current National Assurance Framework requirement for LEPs to have a code of conduct, which all board members and staff sign up to, should explicitly require the Nolan Principles of public life to be adopted as the basis for this code.**

4.3   The National Assurance Framework should be explicit that the code of conduct for board members should address the way in which the board conducts business; the role of the board member; dealing with conflicts of interest; declarations of interest and transactions, gifts and hospitality; policy on fees and expenses. Information on some aspects was not always easily found on LEP websites and is essential to ensure transparency. For instance, not all websites state that the board member role is unremunerated. One instance of a reference to the position of Board members undertaking contracted work/services for the LEP itself was seen. This is a potential conflict of interest which should be avoided wherever possible and the code should be explicit and transparent about its approach to such situations should they arise.

5. Structure and Decision-Making

5.1 Each LEP has developed its own arrangements for decision-making which reflects its legal structure, the complexity and needs of the locality and compliance with requirements to ensure value for money, local engagement and democratic accountability. However, the review identified a number of key features of these decision-making processes which promote assurance on good governance. These are:

- a clear strategic vision and priorities set by the Board which has been subject to wide consultation against which all decisions must be judged;
- open advertising of funding opportunities;
- a sub-committee or panel with the task of assessing bids/decisions
- independent due diligence and assessment of the business case and value for money;
- specific arrangements for decisions to be signed off by a panel comprising board members from the local authority, in some cases including a power of veto;
- Section 151 officer line of sight on all decisions and ability to provide financial advice;
- use of scrutiny arrangements to monitor decision-making and the achievements of the LEP.

It is not appropriate to be descriptive on the specific arrangements which should be adopted due to the variety of structures **but it is recommended that the National Assurance Framework draws explicit attention to the importance of LEP decision-making structures accommodating these separate components of good governance and that they form an essential part of assurance and ensuring probity.**

5.2 Local assurance frameworks describe arrangements for decision-making, including urgent decisions and decisions in the absence of a formal meeting. Whilst there may be some exceptional circumstances requiring urgent decisions, extra care is needed in such circumstances to ensure propriety and to comply with the normal rigours of the decision making process. **Local assurance frameworks should set out that ALL decisions must be subject to the normal business case, evaluation and scrutiny arrangements; there must be a written report with the opportunity for the Section 151 officer to provide** comments**, that the conflicts of interest policy will apply to decision makers regardless of whether there is a formal meeting, and that decisions should be recorded and published in the normal way, regardless of how they are taken. It is recommended that the National Assurance Framework includes requirements in relation to this.**

6. Conflicts of Interest

6.1 The National Assurance Framework requires the publication of a conflicts of interest policy and a register of interests for each board member. Whilst LEPs comply with this requirement, the content of policies and approach to publication varies considerably and is dependent on the overall cultural approach within the organisation (see 5. above). For instance, some statements seem to focus on registering directorships only, exclude land and property interests and any significant household member interests. Others seem to either use a proforma from another public body rather than having their own bespoke proforma or display board members' register from another public body. The conflicts of interest policy should be based on compliance with standards which promote good governance, transparency and stewardship. Given the wide variety of approaches currently operating it is suggested that there is a need to be more explicit about requirements to ensure consistency of standards. In addition, policies need to be clear on how conflicts are managed, the action to be taken when conflicts arise and the recording of that action. Policies should also make clear that consideration of conflicts of interest is not reserved for formal decision-making meetings and should be applied to any activity or involvement of the board member in the work of the LEP. **It is therefore recommended that the National Assurance Framework sets out specific requirements on the principles which each LEP must incorporate into its conflicts of interest policy and how it is implemented which includes:**

- **All board members taking personal responsibility for declaring their interests and avoiding perceptions of bias. This should be evidenced by producing and signing of their register of interests and publication on the website.**
- **Use of a bespoke proforma for collection and publication of the information which ensures all categories of interest are systematically considered.**
- **Categories of interest to include employment, directorships, significant shareholdings, land and property, related party transactions, membership of organisations, gifts and hospitality, sponsorships. Interests of household members to also be considered.**
- **Action in response to any declared interests applies to any involvement with the work of the LEP and is to be recorded.**

6.2 Whilst such declarations may be more familiar to public sector board members, it should be born in mind that it is not sufficient to merely refer to the councillors' declaration on the authority's website as some LEPs seem to do: a councillor's interest as a member of the LEP board may be different. Councillors will need to consider the interests they hold as council leaders/cabinet members for council land and resources, as well as for aspects of the council's commercial interests. As councils increasingly broaden their commercial undertakings and investment in land and property for income generation purposes, as well as the increasing use of council owned companies and trusts, there is increasing scope for conflict. Council leaders will need to consider the declarable interests this may give rise to in relation to their board membership of the LEP.

6.3   Similarly, it is in the nature of the role of LEPs that industrial and commercial expertise amongst board members should be utilised in developing strategies and decision-making, but which also has the potential to raise issues of conflict. The policy should explain how scenarios of both of these types will be managed without impacting on good governance. Not all policy statements address this explicitly and **it is recommended that the National Assurance Framework requires LEPs to include in their local statements how scenarios of potential conflicts of interest of local councillors, private sector and other board members will be managed whilst ensuring input from their areas of expertise in developing strategies and decision-making, without impacting on good governance.**

7.   Complaints

7.1   The National Assurance Framework requires LEPs to publish a complaints policy. Whilst LEPs comply with this requirement, very few refer to a whistleblowing policy. Whistleblowing arrangements which provide confidentiality to the complainant are an important measure in securing good stewardship of public resources and need to be part of anti-fraud policies. **It is** recommended **that the National Assurance Framework requires the publication of a whistleblowing policy and arrangements for confidential reporting of allegations of untoward concerns by third parties/ the public.**

8.   Section 151 Officer

8.1   Public funding for LEP programmes is held and managed by a local authority acting as an accountable body. The National Assurance Framework requires the Section 151 officer of the accountable body to provide reassurance on the activity of the LEP and outlines the accountable body arrangements which the LEP should have in place. Given the volume of public funding which LEPs have available, this role is a significant workload and a significant area of risk for Section 151 officers. Overall LEPs and Section 151 officers report good working relationships and a variety of arrangements in place to meet requirements. In the main, the arrangements and the role have developed over time, as LEPs have grown. In some areas they remain on that basis and in others have developed into Memorandums of Understanding or Service Level Agreements.

8.2   The Chartered Institute of Public Finance and Accountancy (CIPFA) publishes guidance on 'The role of the Chief Financial Officer'. Specifically of relevance to this role in LEPs is the need for the CFO to be ' actively involved in, and able to bring influence to bear, on all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the overall financial strategy.'

8.3   This review identified that LEPs have a variety of arrangements in place for the Section 151 officer to have line of sight and involvement in key decision making bodies including the LEP Board and in the main have the opportunity to bring influence to bear and provide their advice. However, it would be helpful if the

National Assurance Framework provided additional clarity on the expectations of the role of the section 151 officer and the substance of how LEPs need to work with that role. **It is therefore recommended that further clarity is provided in the National Assurance Framework on the role of Section 151 officers and it is suggested that this be developed in consultation with CIPFA.** This will need to consider the mechanisms the Section 151 officer uses to fulfil their role, their requirements in terms of access to decision-making bodies, ability to provide written and verbal financial advice, role of their transactional services, operation of normal checks and balances in approving expenditure, management of risk of fraud and corruption, monitoring of programme spend against resources, treasury management and borrowing, role of internal audit and external auditors and provision of an audit opinion for the LEP, visibility of reporting arrangements to both the accountable body and the LEP, production of accounts, inter-relationship with the LEP's own accounts, if relevant. The clarification of the role of the Section 151 officer could also consider the scope for the LEP CEO and the Section 151 officer to provide a formal joint Annual Governance statement which is reported to the LEP Board. **It is also recommended that the National Assurance Framework sets a requirement for the Section 151 to provide a report to the Annual Conversation on their work for the LEP and their opinion with a specific requirement to identify any issues of concern on governance and transparency.**

8.4 Finally, although not directly within the remit of this review, very many participants raised the difficulties experienced in financial programming which arise from the tension between LEP Programmes, which are by their nature longer term and spread over more than one financial year with complex phasing profiles, and the annualised budgets, sometimes with late notification of resources, and year on year uncertainty provided by government funding arrangements. Both LEPs and accountable bodies reported frustration with the diversion of effort on managing these tensions and associated risks. This could also impact on good governance if late and speedy decisions are made by LEPs which give insufficient time for all the checks and balances of the normal processes. The annual uncertainty of funding also has the consequence of some LEP staff being on fixed term contracts which is counter-productive in terms of efficiency and may have unintended impacts on good governance if it leads to insufficient organisation stability and continuity. **It is therefore recommended that government give some thought to what flexibility might be available to smooth funding allocations to LEPs over a longer period.**

9. Transparency

9.1 A number of the above recommendations refer to the need for publication of information in order to provide transparency and avoid any suggestion of untoward use of public resources. In addition, the National Assurance Framework sets out the requirements on publication of agendas, minutes and decisions etc. There remains some inconsistency across LEPs in how this is approached. The review of a sample of websites identified the following areas needing further attention in some cases:

- Publication of the approach to the appointment of board members and providing information on the time board members commit.

- Publishing the policy on claiming of expenses by board members. For instance, it is understood that some LEPs adopt the local authority code whilst others have a policy of no claims.
- Including an item 'Declarations of Interest' on all agendas and ensuring minutes record any declarations and the action taken e.g. to leave the meeting and not take part.
- Approach to publishing agendas, meeting reports and minutes varied widely from LEPs who have adopted the Local Authority Standards including public meetings, those who hold no meetings in public, those who only publish the agenda page and do not publish meeting reports, and those who record no information on confidential matters. With the exception of those LEPs following the Local Authority Standards, it is not always clear what criteria are applied for dealing with matters in private.

It is therefore recommended that the National Assurance Framework provides additional guidance on expectations on publication of agendas, meeting papers and decisions.

9.2 The differing legal basis for LEPs does result in a variety of requirements on LEPs to publish financial information and accounts. However, the LEP's own accounts will not necessarily cover those projects supported by the LEP where the funding is managed by the accountable body. In addition, the accountable body may include some financial information in their own accounts. However, this may provide only high level financial data and insufficient granularity on the detail of decisions and performance of funded programmes. In order to achieve greater transparency of financial data, co-operation and agreement between the LEP and the Section 151 officer on how best to provide financial data is needed. **It is recommended that more explicit guidance would be helpful and that this should be developed as part of the work on the role of the Section 151 officer referred to at paragraph 8.3 above. In particular, in addition to the publication of accounts, it is recommended that the LEP maintains on its website a published rolling schedule of the projects funded giving a brief description, names of key recipients of funds/ contractors and amounts by year.**

9.3 A number of LEPs, but not all, refer to the role of scrutiny in overseeing their performance and effectiveness. Some LEPs are scrutinised from time to time by their accountable body Overview and Scrutiny function. This is an area for further development which would give increased independent assurance. Given the different structures across LEPs it is not appropriate to specify any particular approach to scrutiny. It is an area which could benefit from the sharing of good practice/'what works' to assist LEPs in shaping their own proposals. **It is recommended that LEPs report on this in their annual assurance statement (see paragraph 4.1 above) during the Annual Conversation process.**

10. Government Oversight and Enforcement

10.1 Government has a number of mechanisms which provide oversight of LEP performance and functioning including the National Assurance Framework, the assurance provided by the Section 151 officer, the Annual Conversation sessions with each LEP, and the government's LEP Relationship Manager who also attend LEP Boards and have more detailed knowledge of the LEPs' functioning. Government has also made the allocation of funding conditional on compliance with requirements set out in the National Assurance Framework.

10.2 The Annual Conversation session with each LEP is a key opportunity for scrutiny and for holding LEPs to account. The focus of these conversations will be on the LEPs, strategy, its achievement of outcomes, value for money and delivery of programmes and individual projects. **It is recommended that the annual conversations have strengthened focus and designated time to examine the performance of LEPs in relation to governance and transparency and to discuss the assurance statements (see recommendation at paragraph 4.1 above) and the report of the Section 151 officer.**

10.3 This review has identified that whilst LEPs may be complying with the National Assurance Framework in terms of publication requirements, the approach to implementation locally will vary. The recommendations in this report seek to provide additional assurance without impacting on the ability to determine the detail that suits their local situation. In the main this will lead to the required improvements. However, there may be a residual need for government to be able to undertake a deep dive from time to time to provide assurance on the approach to implementation and how governance arrangements work on the ground. The LEP Relationship Manager has a key role in providing insight into that and it is important to ensure that they have the skills to identify the effectiveness of practice, perhaps using a good practice tool. In addition they should ensure that concerns about compliance are addressed by the LEP and have clear routes to escalate issues within government in a timely manner. They should contribute to the risk assessments to identify those LEPs who would benefit from a deep dive of their arrangements. **It is recommended that a risk based approach should be used to identify LEPs where a deep dive on governance and transparency would be of assistance. It is further recommended that this deep dive is undertaken by someone with no direct involvement with the specific LEP.**

10.4 The National Assurance Framework makes clear that serious non-compliance could result in delays to or loss of funding. **It is recommended that government sets out in the National Assurance Framework its approach to considering delay or withholding of funding for non-compliance so that LEPs have a clear and early understanding of the matters they need to address** and **the timescale to be met. In considering delay or withdrawal of funding from a LEP, government should consider the impact on the programme and the arrangements for projects to continue where appropriate under alternative mechanisms.**

11. Best Practice

11.1   The LEP Network currently supports a number of initiatives to share good practice and to provide support to LEPs at board and CEO level. This review identified a strong appetite amongst LEPs to further develop the sharing of good practice, buddying arrangements, peer review and support, induction programmes for new chairs and for board members. The LEP Network receives a small amount of funding from government as well as a fee from its members. The support it can give on best practice is therefore limited. However, supporting self- improvement across the sector is a valuable mechanism and **it is recommended that government continue to support this work and discusses with the LEP Network how best to take this forward.**

12. Conclusion

12.1   This review has identified a number of measures which would give greater assurance to the Accounting Officer and government on the governance and transparency of LEPs. It found a sector which has a strong understanding of its responsibilities for stewardship of public funding and the need to improve its governance accordingly. There has been some historical concern that the strength of the LEP model, in providing private sector leadership of economic growth in localities, should not be damaged by an overly bureaucratic approach. This review has found that there is on the ground recognition that strong and proportionate governance arrangements can be pursued with overall benefit and safeguarding to all involved without becoming overly bureaucratic. In practice, some LEPs have already made their own choices to go beyond the current National Assurance Framework requirements and would welcome greater clarity in the NAF so that the sector as a whole can be seen to be excellent and effective stewards of public resources. The recommendations made in this report are intended to strengthen the improvement journey and are felt to be proportionate to the need for good governance and probity whilst promoting the uniqueness of the private-public relationships which the LEPs provide. These recommendations if supported should be taken forward in partnership with the LEPs and with accountable bodies and in doing so, consideration may need to be given to the resources and capacity of both to respond effectively.

12.2   Finally, I would like to thank all those who took part in this review and gave their time to provide information and views. I am particularly grateful that contributors were able to work to such short notice. I would also wish to acknowledge the work and support provided by the Cities and Local Growth Unit in undertaking this review.

Mary Ney
NED DCLG Board
June 2017

Annex A: Documents Consulted During the Review

1. National Audit Office report on *Local Enterprise Partnerships* – Mar 2016

2. Public Accounts Committee report on *Cities and local growth* – 1 July 2016

3. Public Accounts Committee report on *Devolution in England* – 18 Dec 2016

4. National LEP Assurance Framework - (Nov 2016 and Dec 2014)

5. Government response to PAC reports in *Treasury minutes* - Dec 2016

6. Table of Chronology on LEP Assurance and Accountability

7. Local Growth Fund Accountability and Assurance Process Map

8. Examples of LEP Local Assurance Frameworks

9. Single Pot Assurance Framework guidelines; examples of Single Pot areas

10. Daily Mail articles and background (including government response)

11. Recent NAO letter from Aileen Murphie to Jacqui Ward on Daily Mail follow up and suggestions for improvement

12. Business Representative Organisations note on LEP reform

13. Summary from the recent assurance and transparency spot checks following Section 151 officer letters

14. Examples of Section 151 officer letters

15. CIPFA. 'The role of the Chief Financial Officer'.

16. CIPFA. 'Managing the Risk of Fraud and Corruption'.

17. CIPFA/IFAC 'Good Governance in the Public Sector'.

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PERFORMANCE SCRUTINY COMMITTEE

PROPOSED WORK PROGRAMME

ITEM	NOTES
24 May 2018	
Performance reporting: 2017-18 year-end Narrative Statement and forward look	An overview of corporate performance in 2017-18 and scrutiny of a new suite of outcomes and measures for 2018-19.
Reports from committee working groups	Reports from the committee working groups investigating: - Addressing inequalities experienced by young carers - Falling household recycling rates
Demand management in Children's Social Care	The effect of partnership working and early help offer. Including work with Child and Adolescent Mental Health Services. What plans are in place to fund the additional demand on children's social care, including an overview of caseloads, how staff are recruited and supported, and the impact of work to manage the Social Care market
Special Educational Needs and Disabilities (SEND) Action Plan	Scrutiny of the council's action plan to address key weaknesses identified in the SEND Local Area Inspection.
Scrutiny Annual Report 2017-18	A review of the committee's activity over the last year and an overview of where scrutiny has had a tangible impact on decision-making in Oxfordshire County Council.
5 July 2018	
Council workforce	Investors in People standard, workforce resilience. Relationship with Unison.
Social Care Workforce	Focus on outcomes of work with providers to improve recruitment and retention of adult and children's social care workforce. Explore the causes of Delayed Transfers of Care, HART service performance, recruitment and retention
Co-production	How commissioners are embedding co-production into the design of services and the impact this is having on outcomes. Including feedback from service users directly.
Diversity of Oxfordshire Fire and Rescue Service (OFRS) workforce	How OFRS is reforming its workforce to be inclusive and representative of local communities + ensuring they are safe at work.

Commissioning services across the Council	How well council staff are trained to deal with the private companies bidding for contracts, how we ensure providers deliver what they promise and contracts are cost effective.
6 September 2018	
Q1 Corporate Performance	An overview of the council's performance in Q1 and identification of areas that the committee may wish scrutinise in further detail.
Adult Social Care Contributions Policy	Scrutiny of how changes to the way the council charges for adult social care services are being implemented and the impact this is having on residents and their carers
Police and Crime Commissioner (confirmed)	Scrutiny of progress against the Police and Crime Plan 2017 - 2021
Thames Valley Police Delivery Plan 2018-19 (confirmed)	Discussion about performance of the Thames Valley Police Service in 2017/18 and areas of focus for 2018/19 – CC Habgood
Community Safety and Risk Management	Scrutiny of the Oxfordshire Fire and Rescue Service's performance in 2017-18, the county's strategic approach to improving community safety outcomes, and a review of the proposed community risk management plan for 2019/2020.
8 November 2018	
Safeguarding Adults	Scrutiny of the Oxfordshire Safeguarding Adults Board Annual Report.
Safeguarding Children	Scrutiny of Safeguarding Children Annual reports, including an overview of safeguarding work, serious case reviews and quality assurance
Safeguarding Missing Children	An update on the number of children reported as missing from home, care and school in Oxfordshire and the work undertaken by the Missing Children's Panel and partners.
13 December 2018	
Service and Resource Planning 2019/20 – 2022/23	
10 January 2019	
14 March 2019	

TO BE SCHEDULED

ITEM	NOTES
Drug use in Oxfordshire	Links with health, domestic violence, housing – examine relationship with districts and Thames Valley Police
Contract performance	SKANSKA, Carillion, Adult Social Care block contracts
Use of s.106 monies	Update on progress since the PSC deep dive into s.106/Community Infrastructure Levy (CIL) payments.
Plans to tackle roadside NO2 concentrations	Council's approach to dealing with the impact of national policy to tackle roadside NO2 concentrations on Oxfordshire's transport network/ road infrastructure (i.e. ending the sale of diesel/petrol cars by 2040)
Strategic drivers	How the council is meeting its identified strategic risks, including council transformation and culture change, its relationship with external partners, building communities, etc.
Income generation	Scrutiny of the council's approach and plans for increased income generation.
Highways customer satisfaction	Broader discussion about customer satisfaction with Highways.
Operational Assessment – Community Safety	Scrutiny's comments on the proposed next steps following the report on the operational assessment.

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