

Notice of a Meeting

Growth & Infrastructure Scrutiny Committee Wednesday, 9 December 2009 at 10.00 am County Hall

Membership

Chairman - Councillor Patrick Greene
Deputy Chairman - Councillor David Nimmo-Smith

Councillors:

Lorraine Lindsay-Gale	Anne Purse	David Turner
Michael Gibbard	Keith Strangwood	Nicholas P. Turner
Charles Mathew	John Tanner	

Notes:

Date of next meeting: 17 February 2010

What does this Committee review or scrutinise?

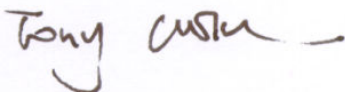
- Transport; highways; traffic and parking; road safety (those areas not covered by the Safer & Stronger Communities Scrutiny Committee); public passenger transport
- Regional planning and local development framework; economic development; waste management; environmental management; archaeology; access to the countryside; tourism
- The planning, highways, rights of way and commons/village greens functions of the Planning & Regulation Committee

How can I have my say?

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

For more information about this Committee please contact:

Chairman	-	Councillor Patrick Greene E.Mail: patrick.greene@oxfordshire.gov.uk
Committee Officer	-	Sue Whitehead, Tel: (01865) 810262 sue.whitehead@oxfordshire.gov.uk



Tony Cloke
Assistant Head of Legal & Democratic Services

December 2009

About the County Council

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

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

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

About Scrutiny

Scrutiny is about:

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

Scrutiny is NOT about:

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

What does this Committee do?

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

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

A hearing loop is available at County Hall.

AGENDA

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

To approve the minutes of the meeting held on 28 October 2009 (**GI3**) and to note for information any matters arising on them.

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

SCRUTINY MATTERS

To consider matters where the Committee can provide a challenge to the work of the Authority

5. **Service & Resource Planning** (Pages 7 - 44)
10:10 am

This report (**GI 5**) sets out the Business Improvement & Efficiency Strategy for the Environment & Economy Directorate. The strategy contains the identified pressures and proposed savings over the medium term from 2010/11 to 2014/15. For reference the current financial context and the report to Strategy & Partnerships Scrutiny Committee are included.

The Scrutiny Committee is invited to consider and comment upon the Directorate Efficiency Strategy plus the identified pressures and proposals for savings contained therein.

The Director for Environment & Economy, Head of Sustainable Development and Head of Transport will be available to respond to questions, together with the Cabinet Member for Transport Implementation.

Officers from Financial Services will also be present at the meeting to answer any questions that the Committee may wish to ask.

12:15 pm LUNCH

6. **Re-tendering of the Highways Contract**
12:30 pm

Presentation by the Head of Transport updating the Scrutiny Committee on the process and current position.

BUSINESS PLANNING

To consider future work items for the Committee

7. Forward Plan

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

INFORMATION SHARE

Listed below are reports for information and links to background information that may be of interest to Members for noting only.

Subject Matter	Document
the Association of Local Government Archaeological Officers (ALGAO) has released its response to the consultation on draft PPS15. the County Archaeology Officer will produce a note on ALGAO's response including a copy of ALGAO's response and a copy of the draft PPS in case members have not already seen it and this will be circulated to all members of the Committee.	None
LTP 3 Working Group Update	Update from Councillor David Nimmo-Smith
Scrutiny of Flooding Learning Network – 24 November 2009	Briefing note attached (Agenda Annex (Pages 45-46))

1:00 pm Close of Meeting

Declarations of Interest

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

The duty to declare ...

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

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

Whose interests are included ...

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

When and what to declare ...

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

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

Taking part if you have an interest ...

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

"Prejudicial" interests ...

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

What to do if your interest is prejudicial ...

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

Exceptions ...

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

Seeking Advice ...

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

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Agenda Item 3

GROWTH & INFRASTRUCTURE SCRUTINY COMMITTEE

MINUTES of the meeting held on Wednesday, 28 October 2009 commencing at 10.00 am and finishing at 2.20 pm

Present:

Voting Members:

Councillor Patrick Greene – in the Chair

Councillor David Nimmo-Smith (Deputy Chairman)

Councillor Lorraine Lindsay-Gale

Councillor Charles Mathew

Councillor Anne Purse

Councillor Keith Strangwood

Councillor Lawrie Stratford (in place of Councillor Gibbard)

Councillor John Tanner

Councillor David Turner

Councillor Nicholas P. Turner

Other Members in Attendance (Whole of meeting):

Councillor Ian Hudspeth

Councillor Rodney Rose

Officers:

Whole of meeting

S.Whitehead, C. Brodie-Levinsohn (Corporate Core)

Part of meeting

Agenda Item

Officer Attending

5. Question and Answer – Park & Ride

Head of Transport and P. Fermer

6. Question and Answer - Archaeological remains and planning

R. Dance (Planning Implementation) and P. Smith

7. Capital Infrastructure Process – Quarterly Update

Director of Environment & Economy

A. Ulusoy-Shipstone (Finance and Procurement)

8. Local Transport Plan 3 Scrutiny Working Group

J. Disley (Environment & Economy)

9. Minerals and waste Development Framework Progress Update

P. Day (Minerals & Waste Policy Team)

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

documents] are attached to the signed Minutes.

15/09 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS
(Agenda No. 1)

Apologies for absence and temporary appointments were received as follows:

Apology from	Temporary Appointment
Councillor Gibbard	Councillor Stratford

16/09 MINUTES
(Agenda No. 3)

The minutes of the meeting of the Growth & Infrastructure Scrutiny Committee (GI3) held on 16 September 2009 were approved and signed subject to the following:

Date to be corrected to 16 September 2009 and the following names **corrected**/added to the list of those present;

Chairman- Councillor Greene
Councillors Fitzgerald O'Connor, Tilley, Stratford and Goddard
Whole of meeting: Director of Environment & Economy,

Item 5 – Head of Communications, Marketing & Public Affairs, N. Graham, and P. Smith (Corporate Core).

Item 6 – C. Brodie-Levinsohn (Corporate Core)

Minute 8/09 - for clarity the grounds for referral to be added at the beginning of each point.

17/09 QUESTION AND ANSWER - PARK & RIDE
(Agenda No. 5)

The Committee undertook a question and answer session attended by Councillors Ian Hudspeth and Rodney Rose, Steve Howell, Head of Transport and Paul Fermer. The following are amongst the main recommendations and points for consideration:

1) Councillor Tanner – Was interested in the County Council approach to cycle parking – he felt it would be useful, as would dedicated cycle routes from P&R sites.
Recommendation : That officers look at the access to the P&R site and investigate the possibility for providing secure cycle parking and come back to a future meeting with proposals.

2) Councillor Mathew outlined a problem in respect of Seacourt P&R of left turning traffic exiting the site which was used as a means of queue jumping.

Councillor N Turner - Supported action being taken to resolve congestion at Peartree P&R.

Recommendation – That officers consider solutions to the problems outlined.

3) It was noted that franchising was being considered and support was given by Committee members to continuing work already begun by the Council to realise potential income streams via franchising of **all** P&R sites. A Member made a special case for Thornhill P&R separately to the others given its particular use by London commuters.

4) Councillor D Turner – Suggested the possibility of rural buses feeding into P&R sites outside of peak hours. It could have a double benefit of taking buses out of Oxford and providing a better service for rural users. Councillor Purse supported the suggestion in relation to Thornhill P&R and its surrounding villages.

Councillor Hudspeth asked that members feed specific ideas through the bus subsidy process. The Committee noted the suggestion and response.

5) Lewknor– A suggestion was made that officers look at the possibility of developing this site as a P&R or airport car park. This was not taken forward following the officer response that there was no interest from the bus company in taking it forward commercially and that numbers suggested that demand from London commuters had reached a plateau.

6) There was support for the introduction of airport parking. Officers advised that the current suggestion was for Redbridge P&R as there was capacity. Other suggestions were made including a new site to better serve all airport bus links. Committee members accepted the officer response that the cost of a new site would not be viable for what would be a fairly small scale operation. It was noted that discussions were ongoing with bus companies. The Committee noted the possibility of airport parking at Redbridge P&R

7) There were mixed views on charging with concern expressed over the danger of displacement parking in the surrounding area if charges were introduced. There was general support for some mechanism of demand management, particularly in relation to Seacourt P&R.

8) Councillor Purse commented that signs were sometimes showing full when spaces were clearly available.

Recommendation- That efforts be made to ensure that signs were updated regularly.

9) Councillor Purse suggested that the provision of a telephone even if linked solely to a taxi company would be useful.

Recommendation – That officers consider the suggestion and respond to a future meeting on any action taken.

10) Councillor Stratford queried whether there were any plans for a totally new P&R alongside the new developments. Officers responded that they were not currently

looking at a new site but were considering options for remote P&R along premium route networks. The Committee noted the officer response.

11) There was some discussion over the pressures around Thornhill P&R, including London commuter traffic and University parking. Councillor Hudspeth recognised the pressures but indicated that the site was difficult being on the edge of green belt. The timetable for the intended planning application with a possible submission next March/April was noted.

RESOLVED: to refer the recommendations and main list of points arising from the question & answer session to the Cabinet Member and relevant officers.

18/09 QUESTION AND ANSWER - THE COUNCIL'S POLICY ON ARCHAEOLOGICAL REMAINS IN RESPECT OF PLANNING APPLICATIONS
(Agenda No. 6)

The Committee received a presentation on activity in relation to archaeological matters and planning. There followed a question and answer session and the following were amongst the points made:

- 1) The definition of archaeology was considered alongside the definition of palaeontology. It was noted that this had changed over time and that palaeontology when linked to the physical environment could be considered alongside archaeology. There was a grey area where fossils met archaeology.
- 2) The difficulties in examining remains within gravel were highlighted by officers. Greater success could be obtained when looking at clay layers below the gravel. Any finds should be recorded and this was monitored. Efforts were being made to seek funding to undertake land form modelling below the gravels.
- 3) Councillor Mathew asked whether it would be sensible to only allow dry digging of gravel beds given the problems associated with wet digging. In response officers referred to the difficulty in enforcing such a condition.
- 4) Councillor Purse asked for more information about dinosaur footprints at Ardley Quarry and referred to a significant dinosaur find that was not known about locally with the remains being held in Cambridge. Rob Dance responded that it was only possible to bring in controls where it was known that something was there and only when there was a planning application. He stressed that conditions had been included in the most recent application. In respect to the lack of publicity of finds it was something he would take up with Councillor Purse outside the meeting.
- 5) In accepting that there was a balance to be struck Councillor Carter queried what could be done to make policies more robust. The County Archaeological Officer replied that progress had been made.
- 6) Asked about policies officers advised that it was a period of change. Local Development Frameworks were coming in and Government was consulting on a new Planning Policy Statement to replace PPG 15 and 16. Officers were working closely with the Association of Local Government Archaeology Officers (ALGAO) to give a strong response to Government. ALGAO were producing a first draft response. Members asked that they see the response

RESOLVED: that the County Archaeological Officer and a planning officer meet with Councillors Mathew and Lindsay-Gale in respect of the Association of Local Government Archaeology Officers response to guidance with a view to a future paper to this Committee as necessary.

19/09 CAPITAL INFRASTRUCTURE PROCESS - QUARTERLY UPDATE

(Agenda No. 7)

The Committee noted a brief presentation and members felt that insufficient time had been given to what was a very important element of their work.

The Cabinet Member for Growth & Infrastructure responding to a query from a Member asked that any ideas on the figures shown be submitted before the Capital Investment Board meeting on 24 November 2009.

Members agreed that this matter be given more time at future meetings and that it be given prominence if appropriate as part of the service & resource planning.

The meeting adjourned at 1.04 pm reconvening at 1.15 pm.

20/09 LOCAL TRANSPORT PLAN 3 SCRUTINY WORKING GROUP

(Agenda No. 8)

The Committee noted the update on the Local Transport Plan 3 provided by Councillor David Nimmo-Smith who was a member of the LTP 3 Scrutiny Working Group. John Disley, responding to a question from Councillor Gibbard indicated that all projects would be looked at again in the light of the new plan objectives.

Councillor Stratford suggested that further thought needed to be given to the types defined in paragraph 4 as the categories applied would not be acceptable to some communities.

21/09 MINERALS AND WASTE DEVELOPMENT FRAMEWORK PROGRESS UPDATE

(Agenda No. 9)

The Committee considered a report (GI9) updating them on the preparation of the Oxfordshire Minerals and Waste Development Framework.

Responding to questions Peter Day advised that

1) Municipal waste was only a part of the whole picture and the Framework was to look at all waste management options.

2) He agreed that it was difficult when looking at an area specific framework not to be in danger of identifying individual sites. It was something that they would revisit. Mineral working was a particular difficulty as it could only be in areas where it existed. Companies had been asked to identify sites they would like to see in the plan. It was confirmed that this was a usual practice and that it was important in terms of deliverability of the agreed plan.

3) There were still a few sites working on old mineral planning permissions. These permissions could not be cancelled but they could be reviewed and updated with conditions applied. These existing permissions would be taken into account when looking at further provision.

4) In terms of inert waste there were a number of competing factors that would need to be taken in to account.

5) Planning officers were currently considering the impact of the recent energy from waste applications.

6) It was not expected that the additional municipal waste from new housing development would be unmanageable.

7) He explained how the Stakeholder Forums had been put together and that whilst not intended to be fully representational did attempt to give a cross section of interest groups. It had not met since 2007 and the intention in future was to meet with individual interest sectors.

During discussion Councillor Mathew suggested that Oxfordshire County Council should be more proactive in terms of the review of the aggregate mineral supply policy (paragraph 17 of the report).

The Chairman asked that all Committee members receive a response from officers if any further questions were received by email.

RESOLVED: to note the contents of the report.

22/09 WORK PROGRAMME
(Agenda No. 10)

RESOLVED: to agree:

- (a) that future work programme items should include the full list of topics suggested by Members;
- (b) that an additional meeting be held on 10 March 2010 starting at 10.00am; the agenda to include but not be limited to LTP 3.

..... in the Chair

Date of signing 200

Division(s): N/A

GROWTH & INFRASTRUCTURE SCRUTINY COMMITTEE 9 DECEMBER 2009

SERVICE AND RESOURCE PLANNING 2010/11 – 2014/15

**Report by Assistant Chief Executive & Chief Finance Officer and
Director for Environment & Economy**

Introduction

1. This report forms part of a series relating to the Service and Resource Planning process for 2010/11 to 2014/15, and provides Scrutiny Committee Members with an opportunity to consider efficiency strategies for 2010/11 and the medium term for their programme area. Annex 1 provides background information on the financial context. More detailed information is provided in the Service & Resource Planning report to Cabinet on 15 September 2009.
2. The following annexes are attached:
 - Annex 1 : Financial Context
 - Annex 2: Environment & Economy
Business Improvement & Efficiency Strategy
 - Annex 3 : Report to Strategy & Partnerships Scrutiny Committee
25 November 2009
 - Annex 3,
Appendix 1 : Summary of Identified Pressures and Proposed Savings

Service and Resource Planning process 2010/11

3. The Service & Resource Planning framework is designed to enable managers to plan for their service within available resources over the medium term. The underlying process for 2010/11 remains the same as in previous years but the emphasis is on identifying adequate and acceptable plans to achieve the savings targets issued to Directorates in July 2009.
4. Directorate efficiency strategies and draft business plans were completed in September in order that financial pressures and savings over the medium term could be considered by the relevant Star Chamber as part of the Service & Resource Planning process. A report to Strategy & Partnerships Scrutiny Committee on 25 November provided the overarching business efficiency strategy and the individual Directorate strategies (including pressures identified and proposals for savings).
5. An update on the Service & Resource Planning process will be reported to Cabinet on 15 December 2009. The Cabinet will finalise their budget proposals and propose the Revenue and Capital Budget for 2010/11 –

2014/15 on 19 January 2010, taking into consideration comments from Strategy & Partnerships Scrutiny Committee on 14 January 2010

6. This report provides the context for current position, set out in Annex 1, based on the Service & Resource Planning report to Cabinet in September 2009 and includes the Business Improvement and Efficiency Strategy for Environment & Economy Directorate at Annex 2. For reference the report to Strategy & Partnerships Scrutiny Committee is attached at Annex 3.
7. The scrutiny committee is invited to consider and comment on the strategies plus the identified pressures and proposals for savings contained therein.

Identified Pressures and Proposed Savings

8. The table below sets out a summary of identified pressures and proposals for savings within this scrutiny committee's programme area. These form part of the overall position set out in the Strategy & Partnerships Scrutiny Committee report on 25 November 2009.

Directorate	2010/1 1 £'000	2011/1 2 £'000	2012/1 3 £'000	2013/1 4 £'000	2014/1 5 £'000
Environment & Economy					
Total pressures	5,256	11,020	12,815	16,869	18,830
Total savings	-8,571	-12,615	-15,525	-19,763	-20,270
Net saving	-3,315	-1,595	-2,710	-2,894	-1,440
Total for Growth & Infrastructure (#)					
Total pressures	4,099	9,329	11,107	14,789	16,750
Total savings	-6,651	-9,745	-11,585	-16,405	-17,097
Net saving	-2,552	-416	-478	-1,616	-347

(#) Excluding Property Services

9. Pressures identified for the Scrutiny area total £4.099m in 2010/11 rising to £16.750m in 2014/15. Savings identified total £17.097m giving a net saving of £0.347m.

Financial and Legal Implications

10. This report is mostly concerned with finance and the implications are set out in the main body of the report. Under the Local Government Finance Act 1992, the Council is required to set a budget requirement for the authority and an amount of Council Tax. This report provides information on the financial position for the authority which forms a basis for those requirements, leading to the budget requirement and Council Tax being agreed in February 2010.

RECOMMENDATION

- 11. The Scrutiny Committee is invited to consider and comment upon The Directorate Efficiency Strategy plus the identified pressures and proposals for savings contained therein.**

SUE SCANE

Assistant Chief Executive & Chief Finance Officer

HUW JONES

Director for Environment & Economy

Background Papers: Nil

Contact Officers: Lorna Baxter – Assistant Head of Finance (Corporate Finance) Tel. 01865 323971

December 2009

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Financial Context

1. The current Medium Term Financial Plan (MTFP) for the period 2009/10 to 2013/14 was agreed by the Council in February 2009. For 2010/11, this assumed an indicative Council Tax increase of 3.75% based on a budget requirement of £391.1m. However, as set out in the Service & Resource Planning report to Cabinet on 15 September 2009, it is likely that the global financial position will impact on our Medium Term Financial Planning, and on our ability to maintain the assumptions underpinning that.
2. The following table sets out the assessment of the estimated changes to the financial position for 2010/11 and the medium term compared to the MTFP agreed by Council in February 2009.

	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
<u>Estimated Funding</u>					
Central Government Grant		-7.8	-8.8	-9.9	-9.9
Council Tax (precept)	-1.4	-5.7	-9.7	-10.1	-10.6
Council Tax surpluses/deficits	-0.8	-0.5	-0.5	-0.5	-0.5
Total Funding	-2.2	-14.0	-19.0	-20.5	-21.0
<u>Planned Expenditure</u>					
Identified pressures	6.5	13.0	20.0	30.4	34.0
Savings required ¹	-16.2	-30.5	-44.4	-55.0	-55.0
Carry Forward of Savings	7.5	3.5	5.4	4.1	
Total Expenditure	-2.2	-14.0	-19.0	-20.5	-21.0

Changes to Estimated Funding

3. The estimated funding is the total external funding available to the Council after taking into account expenditure funded by specific grants and income raised through fees and charges. It includes Revenue Support Grant, National Non Domestic Rates, Council Tax (precept) income and the county council's share of the district councils' collection fund surpluses or deficits. The Service & Resource Planning report to Cabinet in September set out the changes in assumptions from those in the MTFP as follows:

Central Government Grant

4. 2010/11 will be the final year of the Local Government Finance Settlement for 2008/09 to 2010/11. Whilst the grant for 2010/11 will not be confirmed until

¹ The MTFP agreed in February included an additional £5.0m of savings to be made; these savings had not been identified and are required in addition to the £55.0m shown in the table.

January 2010, it is not expected to change. Oxfordshire is expected to receive £106.3m in 2010/11, a 1.5% increase from 2009/10.

5. The next Comprehensive Spending Review which will set out the expected grant for the three years 2011/12 to 2013/14 is not now likely to be published until October 2010 (assuming a general election in June 2010). The MTFP currently includes annual increases of 1% beyond 2010/11. Given the current level of public sector borrowing and the likely need to reduce expenditure to compensate, the expectation is that there will be no increase in grant for the three year period up to 2013/14. Each 1% change in grant equates to approximately £1.1m.
6. As part of the Revenue Support Grant, Oxfordshire is expected to receive £6.7m of 'Damping grant' in 2010/11. This ensures that Oxfordshire receives the minimum grant increase set by the Government. A possible outcome of the next Comprehensive Spending Review could be that this support could be reduced or it may even cease completely.

Council Tax (precept)

7. The planned Council Tax increase for 2010/11 and the medium term set out in the agreed MTFP is 3.75%. The taxbase, representing the number of properties Council Tax can be collected from, is assumed to increase by 0.5% in 2010/11 and 2011/12, and 0.75% thereafter. Since agreeing the MTFP, there has been no sign of recovery in new house building. With growth of only 0.39% in 2009/10, an increase of 0.5% in 2010/11 now looks very unlikely. Consequently the updated assumption is that there will be no growth in 2010/11 and only 0.25% in 2011/12. The impact of this is to reduce the total funding available by £1.4m in 2010/11 rising to £2.2m in 2011/12. The actual taxbase for each of the district councils will not be confirmed until January 2010.
8. Should the Conservative Party win the next general election, a Conservative government would work with local government to freeze council tax for two years. The impact of reducing council tax increases to 2.5% for the two years 2011/12 and 2012/13 has been included in the current assumptions.

Council Tax surpluses/deficits

9. The county council's share of the district councils' Collection Fund surpluses and deficits was £1.95m in 2009/10. The MTFP assumes £0.8m in 2010/11 and £1.25m in each year beyond. The lower figure for 2010/11 reflected the likelihood that in the short term the amount of bad debts from Council Tax could increase, lowering the income through the Collection Fund. Due to rising unemployment and the likelihood that it may take some time to recover from the recession, this position could no longer be realistic. At this stage it is prudent to assume that there will be no surplus in 2010/11 and reduced surpluses of £0.8m in each year beyond then. The impact of this is to reduce the one-off funding available in each year. As with the taxbase, figures will not be confirmed until January 2010.

Planned Expenditure

Starting point for the 2010/11 budget

10. The starting point for the 2010/11 budget is the 2009/10 budget adjusted for those items set out in the agreed MTFP for 2009/10 - 2011/12². These include inflation, previously agreed budget changes and function changes.
11. Planned savings of £4.8m for 2010/11 are already built into the MTFP, as well as savings of £5.0m for each year from 2011/12 to 2013/14. When the MTFP was agreed by Council in February 2009, further savings of £2.5m in 2010/11 rising to £5.0m in 2011/12 were required but not identified at that stage.

Changes to Planned Expenditure since February 2009

12. Since the budget was agreed, the financial position has been under continuous review. Pressures relating to the medium term have already been identified which require changes to the planning assumptions. These reflect the scale of the national and global recession, changes in legislation and pressures in the cost of services. The pressures which have been identified are:

Global recession

13. Impacts on Strategic Measures: Whilst CPI and RPI inflation measures are reducing as expected, the Baxter index (which is based on construction indices and applied to developer contributions) is not falling so fast or expected to fall as far. It is currently assumed that an extra £1m may be required. Assuming that the rate of deposit remains more in line with the base rate, the amount of income earned on deposits in 2010/11 could be £0.5m lower than budgeted.
14. The MTFP already includes £6m in 2011/12 for the possible increased costs of the employer's pension contributions following the next triennial valuation due to take place in April 2010. The position based on an assessment in June 2009 showed that the cost could be £2.5m higher than already assumed.

Government legislation

15. If responsibility for concessionary fares is transferred to county councils, there would be a shortfall in funding currently estimated to be £3.0m from 2011/12.
16. Further increases in landfill tax of £8 per tonne for each year from 2011 were announced in April 2009. This will cost an additional £1.5m each year, reaching £6.0m by 2014/15.
17. The Carbon Reduction Commitment (CRC) legislation to address climate change and energy saving was passed in October 2008. However, the details and financial implications of the scheme were only announced in the spring 2009. It is estimated that the cost could be £0.1m in 2010/11 rising to £0.2m in 2012/13. When trading commences, the costs may be much more

² Part of the Service & Resource Planning – Financial Plan 2009/10 to 2013/14 document

significant and could be £1.0m in 2013/14 rising to £1.5m in 2014/15 although this will depend upon the Council's performance on carbon reduction.

Directorate pressures

18. In previous years budgets there have been pressures in Directorates which the Council made a decision to fund. As referred to earlier, in setting the budget and MTFP in February 2009, identified pressures were built in. However, there are likely to be some further pressures which arise that will need to be managed. Over the medium term, it is estimated that pressures required to be funded are £6.5m in 2010/11 rising to a total of £21.5m by 2014/15. These include pressures in Children and Families in Children, Young People & Families and the implications of changes in eligibility for Continuing Care within Social & Community Services.

Savings Targets

19. Adding together the effect of the funding and expenditure changes gives a total of £60.0m. Of that £21.0m relates to reduced funding, £34.0m to pressures and £5.0m to the unidentified saving built into the MTFP. The level of reduced funding will be a real reduction in the level of expenditure (ie. it will reduce the overall Budget Requirement), but the remaining savings identified will be recycled to fund continuing or new pressures within the overall funding available.
20. To ensure that pressures identified can be managed across the medium term, savings targets totalling £60m as shown in the following table were allocated to Directorates to be addressed through the business planning process.

Directorate	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	TOTAL £m
Children, Young People & Families	4.4	3.9	3.2	2.5	14.0
Social & Community Services	8.1	7.2	6.1	4.6	26.0
Environment & Economy	3.4	3.1	2.6	1.9	11.0
Community Safety & Shared Services	1.6	1.4	1.1	0.9	5.0
Corporate Core	1.3	1.1	0.9	0.7	4.0
TOTAL	18.8	16.7	13.9	10.6	60.0

21. The savings identified through this process are included as part of the Efficiency Strategies along with any additional pressures.



Business Improvement and Efficiency Strategy

2010/11 – 2014/15

Environment and Economy

Context for Environment and Economy

The Environment and Economy directorate (E&E) has an overall budget of £101 million (gross) and employs 592 ftes (27 of which are hosted by OCC but externally funded). Of this £101 million, half is contracts or third party payments, a reflection of the fact that a significant part of what the directorate delivers is delivered through contractors or with partners. The directorate leads in the delivery of 2 of the 4 corporate priorities and 8 of the 14 medium term priorities.

Directorate	Environment and Economy
2009/10 Gross Budget	£101m
2009/10 FTE	592

Cumulative	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
Total Pressures (including previously agreed savings not identified)	5,256	11,020	12,815	16,869	18,830
Total Savings Proposed	-8,571	-12,615	-15,525	-19,763	-20,270
Net Position	-3,315	-1,595	-2,710	-2,894	-1,440

Savings Target	-3,439	-6,508	-9,054	-11,000	-11,000
Position compared to target	124	4,913	6,344	8,106	9,560
Less Pressures included in £60m	0	-4,500	-6,000	-7,500	-9,000
Adjusted Position compared to target	124	413	344	606	560

Staffing Changes in Full Time Equivalentents (FTEs)	-18	-24	-36	-48	-48
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In terms of its key expenditure, the directorate has two primary functions:

1. The delivery of infrastructure critical for Oxfordshire's success

E & E delivers the critical infrastructure necessary for Oxfordshire's economic and social development. We manage the inter-relationship between the economy, housing growth, the environment, transport infrastructure and business.

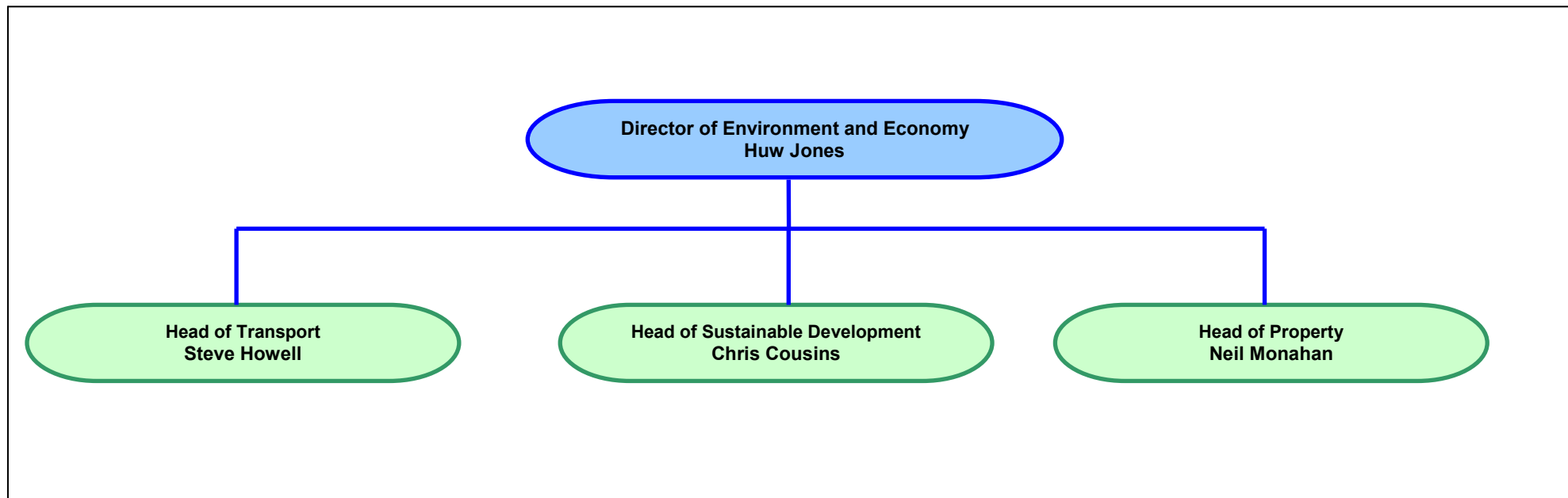


2. The delivery of necessary internal county council infrastructure

Through the strategic management of our property assets, we enable efficient service delivery and shape the presence of the Council in the county.

Management structure of Environment and Economy

The directorate is currently structured into three services, each led by a head of service. There is scope for further rationalisation of our structure to enhance our ability to deliver against our priorities, whilst also delivering further efficiencies. The restructuring will reduce the number of management layers, and the overall establishment figure for the directorate by approximately 10%. The current management structure is set out below



Broad approach to improvement and efficiency

The current Medium term Financial Plan (MTFP) identifies already agreed pressures and savings of +£9.8 million and -£7.0 million respectively. In addition to which, the directorate efficiency target for the period of 2010/11 to 2014/15 is £11 million and we also need to account for 6 million of landfill tax pressures.

Our strategy for service improvement and efficiency is focused on the following areas:

1. Generating efficiencies through procurement

In the next four years we will re-tender all of our high value contracts; Oxfordshire Highways, Residual Waste Management and Property consultancy, construction and Repairs & Maintenance services. In each case we will be seeking contract efficiencies in excess of 15% and will negotiate shared risk partnering arrangements.

2. Re-structuring the directorate

Over the next four years we will re-structure the directorate to enable both the delivery of our efficiency targets and leaner operational structures, but also the development of the strategic capacity necessary to deliver our core objectives. The business re-engineering should reduce the number of management layers, the number of senior service managers and the overall establishment figure.

3. Creating the strategic capacity to deliver critical infrastructure/manage the growth agenda

The challenges of the next five years will create pressure on the directorate to provide the strategic leadership necessary to manage the growth agenda. In the medium term we will create this capacity by re-structuring, which will both create efficiencies and improve our capacity. We will however, also need to invest in these key growth areas. In devising our efficiency strategy we have sought to fund this pressure whilst ensuring that we still meet our overall savings target.

4. Prioritisation of our services

While the efficiencies gained through re-tendering and re-structuring will go a long way towards meeting our savings targets, we have also had to consider the priority afforded to some of our services. All services have considered areas where they could stop/reduce non-statutory services or reduce the level of delivery to the statutory minimum.

Contract savings have been factored in to MTFP forecasts for some time and the additional targets are indeed challenging and only possible due to the more radical approach to integrated delivery and service re-engineering. The new contractual arrangements and re-structuring will be managed to generate maximum efficiency which, if greater than anticipated, would then be re-invested in areas where cuts are planned.

5. Strategic management of property

We will review the strategic management of our property assets. The review will focus on the following areas:

- a. We will conduct a strategic review of our asset and accommodation needs with a view to reducing our footprint and encouraging the co-location of services. The outcome of the review will be a reduction in rents, rates and service charges of approximately 10%.
- b. We will review the balance between delegated and non delegated budgets and responsibilities for repairs and maintenance.

6. Review of Income

We have reviewed the opportunity to generate income through our fees and charges. There are a number of significant opportunities to generate income through initiatives such as the management of charges within the parking account and the maximisation of developer funding.

The directorate efficiency strategy was tested as part of an inter-directorate peer challenge session, and the areas outlined above reflect the actions identified in the challenge session.

These issues are addressed in the efficiency planning for each service. We have additionally provided an analysis of the type of saving, categorised as follows:

ES	Efficiency Savings (achieve the same outputs for less resource or additional outputs for the same resource)
IG	Income Generation (increased charges or increased volume, or new charge)
SR	Service Reduction (providing a lower level of service and/or a lower level of quality for the same/less money)
O	Other Types (e.g. alternative use of previously agreed funding, changes to funding streams)

In addition to these categorisations, we have provided an overall risk assessment of each saving based on the likelihood of achieving the saving.

Directorate Pressures

Oxfordshire is at the centre of a major growth agenda. The next five years will see the directorate face significant challenges and demands on our services. We must ensure that we have the capacity and the resources to manage the following pressures:

Challenges/ Opportunities to develop our critical infrastructure

- The choice of Oxfordshire as a pilot area for the Homes and Community Agency’s “single conversation” and the need to develop a “local investment plan” as part of this.
- The impact of the recession and the implications of our duty to create the economic conditions for growth.
- The implications of the Pitt Review (flooding) and the requirement to develop Surface Water Management Plans and fund road drainage alleviation schemes.
- The development of a long term Local Transport Plan 3
- The delivery of Transform Oxford within the wider localities agenda, and the political commitment to reduce congestion.
- Development/growth pressures to provide the transport infrastructure to enable the county’s growth through Access to Oxford and Science Vale, Local Development Frameworks and schemes such as North West Bicester.
- Maximising the Council presence throughout the County to deliver local critical services from a rationalised and well maintained property estate.

Fiscal and Taxation challenges

- The implications of the Comprehensive Spending Review and the likely reduction in transport funding
- The change in funding structures; increasing the importance of being able to secure funding at a regional rather than a local level (subject to any change in funding approach post general election).

- Landfill Tax is levied on every tonne of waste sent to landfill. This has been increasing annually and will continue to do so at £8 per year until 2013 reaching £72 per tonne. Implementation of the preferred solution by 2014 will be essential in capturing the savings of the agreed waste management strategy.
- Measures to bring into balance the parking account to fund existing MTFP priorities.
- Investment required to offset carbon reduction commitment taxation (essentially a carbon trading tax), where we will be comparatively ranked and significantly penalised for poor comparative performance.

PRESSURES (CUMULATIVE)						
REF	DESCRIPTION	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
	<u>TRANSPORT</u>					
	<u>POLICY & STRATEGY</u>					
	Concessionary Fares		3,000	3,000	3,000	3,000
	<u>NETWORK MANAGEMENT</u>					
EEP1	Parking Account pressures to bring into balance			300	550	550
EEP2	Parking Account to generate surplus to redistribute	1,000	1,025	750	525	550
	<u>OXFORDSHIRE HIGHWAYS</u>					
EEP3	Additional Cost of Transferred Responsibility of Tree Management (Property)	80	80	80	80	80
EEP4	Flood and extreme weather pressure	100	290	500	750	1,086
EEP5	Flooding - Surface Water Management Plans	75	75	75	75	75
EEP6	Highways contract mobilisation pressure	250				
TOTAL TRANSPORT PRESSURES		1,505	4,470	4,705	4,980	5,341

PRESSURES (CUMULATIVE)						
REF	DESCRIPTION	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
	<u>SUSTAINABLE DEVELOPMENT</u>					
	<u>Planning Implementation Group</u>					
EEP7	Single planning policy/implementation team (redundancy)	60				
EEP8	Unfunded post min/waste enforcement	30				
	<u>Economy, Spatial Planning & Climate Change</u>					
EEP9	Local Authority Business Growth Incentive (LABGI) Funding shortfall			63	63	63
EEP10	Supporting Oxfordshire through the Recession initiatives	100	50	25		
EEP11	Programme of Economic Growth initiatives		50	75		
	<u>Waste Management</u>					
EEP13	Landfill Allowance Trading Scheme (LATS) pressure if we continue to landfill (maintaining a Value for Money budget build)				1,156	1,300
	Landfill Tax Pressures		1,500	3,000	4,500	6,000
EEP14	Trade waste enforcement implementation (estimated)	100	20	20	20	20
EEP15	Management staffing pressures - need for one member of staff to strengthen client side to manage contract for recycling centres, plus additional enforcement measures	150	150	150	150	150
TOTAL SUSTAINABLE DEVELOPMENT PRESSURES		440	1,770	3,333	5,889	7,533

PRESSURES (CUMULATIVE)						
REF	DESCRIPTION	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
	<u>PROPERTY SERVICES</u>					
EEP16	Rent & Service Charges	7	41	58	110	110
EEP17	Unrealised capitalisation of Health & Safety	250	250	250	250	250
EEP18	Restructure of Property Services in accordance with Capital Governance	100	100	100	100	100
EEP19	Re-investment of delegated schools Repairs & Maintenance resulting from review	500	1,000	1,000	1,000	1,000
EEP20	Rates Revaluation	120	120	120	120	120
EEP21	Additional Better Offices Programme (BOP) pressure due to changes from the original business case	180	180	180	500	500
TOTAL PROPERTY PRESSURES		1,157	1,691	1,708	2,080	2,080
	<u>Carbon Management</u>					
EEP22	Carbon Management Schools support	150	150	150	150	150
EEP23	Awards to schools for good performance (technical solutions)	150	150	150	150	150
EEP24	Carbon Management Programme (2 fte)	80	80	80	80	80
EEP25	Carbon Reduction Commitment (purchase of allowances)		679	659	1,491	1,447
EEP26	Carbon Reduction Commitment administration	50	50	50	50	50
EEP27	Automatic Meter Reading	100	100	100	100	100
EEP28	Waste reduction through schools and non- school buildings	12				
TOTAL CARBON MANAGEMENT PRESSURES		542	1,209	1,189	2,021	1,977

PRESSURES (CUMULATIVE)						
REF	DESCRIPTION	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
	<u>DIRECTORATE INTEGRATION</u>					
EEP29	Upfront investment for directorate restructure	135	170	170	170	170
EEP30	Cost of enhancing Cost Centre manager advice and support (1fte)	42	42	42	42	42
	<u>DIRECTORATE GENERAL</u>					
EEP31	Budget inflation reduction not realised	822	1,055	1,055	1,055	1,055
EEP32	Unrealisable capitalisation of H&S	613	613	613	613	613
EEP33	Unrealised previously agreed savings				19	19
TOTAL DIRECTORATE WIDE PRESSURES		1,612	1,880	1,880	1,899	1,899
TOTAL ENVIRONMENT & ECONOMY PRESSURES		5,256	11,020	12,815	16,869	18,830

Despite these pressures we anticipate that Environment and Economy will achieve significant efficiency savings over the next five years and deliver against its priorities.

Service	Transport
Head of Service	Steve Howell
2009/10 Gross Budget	£50m

The total savings target will not be met by efficiencies alone. To enable us to meet our efficiencies we have looked at :

- Procurement
- Re-shaping the service
- Reprofile income through the parking account
- Possible reductions in services
- Other pressures

Oxfordshire Highways

The Transport service is in the process of re-procuring the Oxfordshire Highways Contract. The financial efficiencies that will be generated by the re-tendering of this contract were factored in to the Medium Term Financial Plan (MTFP) and competitive dialogue with our bidders has confirmed that we are likely to achieve the efficiencies built in to the MTFP.

The contract will fundamentally change the way we deliver our transport services, improving our performance and our relationship with our customers. The contract is likely to result in a reduction in staffing; however some of our bidders have indicated that they may be able to utilise surplus resource on work outside Oxfordshire, which would potentially limit our costs.

Significant efficiencies are already factored in to the MTFP. However more fundamental and integrated delivery proposals may realise additional savings, which, if greater than anticipated, would then be re-invested in areas where service reductions are planned.

Re-shaping the service

The joint venture approach being taken with the remaining bidders will significantly re-profile and reduce management overheads and provide a more flexible structure. This will not only generate efficiencies, but will also provide us with an opportunity to reallocate existing resources to enable us to meet future pressures.



There are a number of significant areas of policy development that will require strategic management and capacity in the coming years. Our service will lead on the strategic development of the Local Transport Plan 3, Access to Oxford and Science Vale, the Local Development Framework(s) and North West Bicester. We will work to improve bus provision, rural transport networks, and park and ride operations. We will secure funding for Access to Oxford and look to ensure that following the Comprehensive Spending Review, and the likely reduction in transport funding, we are in a strong position to secure regional funding. We will resource these pressures from the reallocation of existing resources.

Possible reduction in services

We have reviewed our approach to highways maintenance: both asset management and responsive maintenance. Whilst planned asset management provides greatest value for money, this consideration needs to be balanced against the customer priority afforded to responsive maintenance.

While the majority of our highways asset management is funded by capital, there is still a significant part which is funded by revenue. Through the current Medium Term Financial Plan we are committed to reductions in excess of £0.5 Million in roads maintenance. With less revenue available for asset management we are unlikely to be able to make significant improvements in our highways condition

We will need to reduce the level of responsive maintenance. This will impact: reactive maintenance (pot holes etc); footways and carriageway maintenance; cyclic maintenance; and winter maintenance. As these are the most customer facing forms of maintenance this may impact on customer satisfaction; however, this may be preferable to a significant reduction in our asset management of the highways.

Parking Account

The reduction of on street charging areas and the funding of free parking at the park and rides has led to a reduction in the surplus on the parking account. Corrective action is necessary to bring the parking account back in to balance to enable investment in our priorities.

We need to review on street charging and propose: bringing on street charging in line with off street charges; increasing charges for permits; considering re-instating Sunday and evening charges; and exploring new areas of charging. Once the position on bus lane

enforcement has been clarified by the courts, we will need to put plans in place to ensure that enforcement continues and to identify additional areas for enforcement to maximise our approach to traffic management and reducing congestion.

De-criminalised parking will be introduced in West Oxfordshire in 09/10 and Cherwell is also keen to introduce this. This is unbudgeted and would place further pressures on the parking account going forward.

Additional pressures

In 2009/10 we made a modest increase in additional high profile drainage schemes. However following the Pitt Review and clarifying legislation, the county has significant additional duties (unfunded by government grant) with regard to flood defence. The county has a duty to develop surface water plans and to significantly increase the funding available to implement road drainage alleviation schemes.

Further details of these saving proposals follow below, along with a risk analysis.

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
<u>GENERAL</u>								
EE1	Integrated Organisation Structure (Average £32k basic 37fte)	ES	Med	-400	-425	-825	-1,200	-1,200
EE2	Car Allowances saving 10%	ES	Low	-40	-40	-40	-40	-40
EE3	Additional external funding (adoptions)	IG	Med	-100	-100	-100	-100	
EE4	Use of commuted sums	O	Low	-200	-204	-258		
<u>POLICY & STRATEGY</u>								
EE5	Public Transport Contract Efficiencies	ES	Med	-88	-176	-176	-176	
EE6	Reduce Policy & Strategy activity	SR	Med	-24	-155	-155	-155	
EE7	Reduced support for Thames Valley Road Safety Partnership	O	Med	-100	-100			
<u>NETWORK MANAGEMENT</u>								
EE8	Consistency of On-Street Parking against off street charges	IG	Low	-150	-150	-150	-150	-150
EE9	Reintroduce evening and Sunday charging	IG	Med	-600	-600	-600	-600	-600
EE10	New areas of charging Oxford e.g. Summertown	IG	Low	-150	-150	-150	-150	-150
EE11	Increase charge for residents' & other permits	IG	Low	-100	-125	-150	-175	-200
EE12	Drawdown of Parking Account	O	Low	-800	-1,062	-458	-413	

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
	<u>OXFORDSHIRE HIGHWAYS</u>							
EE13	Contract savings by lower rates	ES	Low	-600	-900	-1,200	-1,200	-1,200
EE14	Carbon Reduction - part night lighting - 14,000 units - up front capital investment £275k	ES	Low		-200	-200	-200	-200
EE15	Reduce s42 payments	SR	Low	-100	-120	-140	-150	-160
	TOTAL TRANSPORT SAVINGS			-3,452	-4,507	-4,602	-4,709	-3,900

Sustainable Development

Service	Sustainable Development
Head of Service	Chris Cousins
2009/10 Gross Budget	£28m

The Sustainable Development Service strategy for business improvement and efficiency is focused on the following areas:

Waste management

In 2008/09 we let a ground-breaking contract to treat food and garden waste. The contract will deliver an increase in recycling rates by approximately 5% and thus reduce the ongoing cost of sending waste to landfill by £300k per year.

Most recent re-procurement of the service at our waste recycling centres has resulted in a £300k annual saving. Offset against this is the need to increase the management resource to ensure excellent contract performance through both staff resources and implementation of enforcement policies. This results in an annual net saving of £150k.

In 2013/14 we will realise the benefits of the residual waste treatment contract which will reduce our expenditure on landfill and generate further efficiencies of £892k per annum. However there is now an increased risk profile to maximising efficiency savings with the potential for project implementation delay which we are working to resolve.

The efficiencies gained through waste management will enable us to meet some of the challenges created by the current economic climate and the challenging growth agenda of the next five years.

Growth and infrastructure

The challenging growth agenda coupled with the economic recession heightens the need for strategic management and leadership from our service

We will lead on the pilot Homes and Communities Agency's 'Single Conversation' and develop the local investment plan to secure the infrastructure needed to support planned growth. We will continue to lead on the development of strategic sites and their contribution to the overall capital strategy.

The recession has heightened the focus on the role of the County council in supporting local businesses. We will continue to deliver measures which tackle the recession including job clubs, business support for market towns and city centre management. As the lead service in delivering the corporate priority of a 'world class economy' we will focus on generating inward investment and supporting the development of specific economic sectors; (eg. Science Vale UK, tourism)

We will meet these challenges by restructuring sustainable development to create improved strategic capacity and to gain economies of scale by merging strategic and operational teams. In addition we are proposing a modest re-instatement of funding for economic growth, a pressure we have met within our service savings.

Carbon management

Any future growth agenda will need to reduce the economy's dependence on carbon. This impetus will significantly increase with the introduction of the "carbon reduction commitment"; a cap and trade mechanism applied to both the public and private sectors.

Notwithstanding our public commitment to reducing carbon emission, there is now a clear business case for reducing carbon.

The carbon reduction commitment has significant financial implications for the council. We will develop a strategic approach for investment to reduce our taxation liability. An essential part of this strategy will be to engage schools, which are responsible for 67% of our total carbon emissions. (Based on the carbon reduction commitment footprint which includes only Property (schools and non-schools) and street lighting).

Further details of these saving proposals follow below, along with a risk analysis which in the case of carbon needs to be taken alongside the potential physical taxation penalty.

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
	General							
EE16	Staff vacancy management	ES	Low	-70	-70	-70	-70	-70
EE17	Car Allowances (10% target)	ES	Low	-8	-8	-8	-8	-8
	Planning Implementation Group							
EE18	Single planning policy/implementation team	ES	Low	-60	-60	-60	-60	-60
	Economy, Spacial Planning & Climate Change							
EE19	Bid from unallocated LABGI fund	IG	Low	-100	-100	-153		
EE20	Additional income – future LABGI or other funding sources	IG				-10	-63	-63
	Waste							
EE21	Landfill tax not needed (only £72/t announced)	O	Low					-1,500
EE22	Reduction in LATS due to market intelligence	O	Low	-482	-1,700	-2,856		
EE23	Reduction in LATS due to contract award	O	High				-5,800	-5,800
EE24	Trade waste enforcement at WRCs giving rise to saving on cost of disposal	IG	Med	-100	-100	-100	-100	-100
EE25	Abandon vehicles	SR	Low	-40	-40	-40	-40	-40
EE26	Saving from W&S contract/wood	ES	Low	-600	-600	-600	-600	-600
EE27	Closed landfill	ES	Low		-25	-24	-30	-30
EE28	Drawdown on the Waste Management Reserve	O	Low	-384				
EE29	Procurement efficiencies through waste procurement	ES	Med				-978	-978
	TOTAL SUSTAINABLE DEVELOPMENT SAVINGS			-1,844	-2,703	-4,921	-7,749	-9,249

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
	<u>Carbon Management</u>							
EE30	Schools' contribution (20% top slicing energy eff.)			-33	-66	-99	-132	-165
EE31	Directorate contribution (20% top slicing energy eff.)			-13	-28	-43	-58	-72
EE32	Redeployment of 2 fte to carbon management			-80	-80	-80	-80	-80
EE33	Carbon Management (reduced carbon allowances from 3% reduction)				-21	-41	-46	-44
EE34	Recycled payments (Carbon Reduction Commitment)				-679	-659	-1,491	-1,447
EE35	1% reduction in OCC waste to landfill			-5	-5	-5	-5	-5
	TOTAL CARBON MANAGEMENT SAVINGS			-131	-879	-927	-1,812	-1,813

Service	Property
Head of Service	Neil Monaghan
2009/10 Gross Budget	£18m
2009/10 FTE	57

The Property Services strategy for business improvement and efficiency is focused on the following areas:

Reduction of our property portfolio

Working with directorates, we will review the strategic management of our property assets. The aim of the review will be to reduce the overall size of our property portfolio by exploring co-location and reassessing the property needs of services following likely changes to the establishment. The review will focus on releasing leased accommodation to reduce the revenue costs for rent, rates and service charges. A 10% reduction would produce a saving of circa £580,000.

Contract management

There will be a major opportunity for securing savings in 2012/13 when the current contracts for property consultancy services, construction for capital projects and most of the term contracts for repairs and maintenance will expire. We will seek to secure contract efficiencies of 15% of our revenue spend. In the meantime we will work our current contractor to explore joint staffing arrangements to improve efficiency and achieve short term savings.

Delegated and non delegated budgets

The total Council expenditure on repairs and maintenance is £11.7m per year (comprising £5.9m delegated to schools; £2.82m non-delegated DSG; and £3m held by Property Services). Of the £3m held by property services £1.2m is spent on repairs to comply with our minimum statutory duty, i.e. without which we would face legal challenge. The remaining £1.8m is both planned and urgent response maintenance.

The reduction in repairs and maintenance to make the required efficiencies would mean that only urgent repairs could be possible with the resultant deterioration in capital stock. To ensure that this reduction is managed so as to minimise the impact on our assets we will conduct a fundamental review of repairs and maintenance funding and responsibilities.

We will review the balance between delegated and non delegated budgets, and delegated and non delegated responsibilities to ensure the necessary reduction in the total R&M spend has least impact on service delivery.

Further details of these saving proposals follow below, along a risk analysis.

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
EE36	Salary Savings from not filling vacancies (1 fte)	ES	Low	-43	-43	-43	-43	-43
EE37	Staffing savings target (5fte)	ES	Med		-230	-230	-230	-230
EE38	Reduce assessed need surveys	SR	Low	-73	-73	-73	-73	-73
EE39	Car Allowance (10% Target)			-2	-2	-2	-2	-2
EE40	Reduce Repairs & Maintenance (excluding fees) by a further 39% leaving funding only for urgent reactive work	SR	High	-1,127	-1,127	-1,127	-400	-220
EE41	Restructure - reduce consultancy fees	ES	Low	-175	-175	-175	-175	-175
EE42	Re-procurement of contracting & consultancy hard (& possibly soft FM) - Property Services fees budget)	ES	High			-550	-550	-550
	<u>Savings requiring County Council Management Team (CCMT) action</u>							
EE43	Reduce costs of property by between 10% - 15% - reducing size of portfolio	ES	High		-220	-740	-885	-880
EE44	Reviewing schools delegated Repairs & Maintenance budget (amount going to schools)			-500	-1,000	-1,000	-1,000	-1,000
	TOTAL PROPERTY SAVINGS			-1,920	-2,870	-3,940	-3,358	-3,173

Directorate Wide

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
	<u>Directorate Integration</u>							
EE45	Integrated Organisational Efficiencies (Management Cost)	ES	Low			-167	-167	-167
EE46	Directorate Integration Efficiencies					-312	-312	-312
	<u>General</u>							
EE47	Budget Inflation Savings	ES	Low	-1,220	-1,652	-1,652	-1,652	-1,652
	TOTAL DIRECTORATE WIDE SAVINGS			-1,220	-1,652	-2,131	-2,131	-2,131

Summary

This medium term financial plan holds very challenging targets and significant pressures. The majority of the Directorate pressures are in terms of uncontrollable taxation and unfunded legislation. All other pressures have been absorbed within the target financial envelope for the Directorate. The six key areas of focus in this strategy will provide for a sharper business model with leaner operation costs and a re-direction of resources only into recognised areas of corporate priority. Some of the proposals will involve a high degree of public impact but are designed to protect critical frontline activity. The key challenge is to preserve adequate levels of investment in critical infrastructure and in particular the key areas of asset management will require strategic review if the target savings are to be successful and achieve the required benefit realisation.

Huw Jones
Director of Environment and Economy

Division(s): N/A

STRATEGY & PARTNERSHIPS SCRUTINY COMMITTEE 25 NOVEMBER 2009

SERVICE AND RESOURCE PLANNING 2010/11 – 2014/15

Report by Assistant Chief Executive & Chief Finance Officer and Assistant Chief Executive (Strategy)

Introduction

1. As part of the Service & Resource Planning process, Strategy & Partnerships Scrutiny Committee is meeting prior to the December round of Scrutiny Committees to consider the Business Improvement and Efficiency Strategies for all Directorates. Each Scrutiny Committee will then consider the strategies for their programme areas with comments from each being passed back to Strategy & Partnerships Scrutiny Committee in January 2010, in order that the committee can then feed back to Cabinet in time for consideration as part of their budget proposals.
2. The following annexes are attached:
 - Annex 1 : Summary of Identified Pressures and Proposed Savings
 - Annex 2 : Oxfordshire's Business Efficiency Strategy
 - Annex 3 : Children, Young People & Families Business Improvement & Efficiency Strategy
 - Annex 4 : Social & Community Services Business Improvement & Efficiency Strategy
 - Annex 5 : Environment & Economy Business Improvement & Efficiency Strategy
 - Annex 6 : Community Safety Business Improvement & Efficiency Strategy
 - Annex 7 : Corporate Core & Shared Services Business Improvement & Efficiency Strategy

Service & Resource Planning process 2010/11 - 2014/15

3. The report to Cabinet in September set out that since the budget was agreed in February 2009, the financial position has been under continuous review. Pressures relating to the medium term were identified which required changes to the planning assumptions. These reflected the scale of the national and global recession, changes in legislation and pressures in the cost of services. The impact of these was spread across the timeframe of the business plans, but with a significant impact in 2011/12.
4. In total pressures of £60.0m were identified, £21.0m relating to reduced funding, £34.0m relating to pressures and £5.0m relating to previously agreed budget changes in the Medium Term Financial Plan (MTFP). The level of reduced funding being a real reduction in the level of expenditure, however, the remaining savings identified being recycled to fund continuing or new pressures.

5. In July 2009, savings targets rising to £60m over the medium term were issued to Directorates to ensure that the identified pressures could be managed across the medium term and allow adequate time for options and plans to be worked up before the budget is agreed in February 2010.
6. In addition to the £60.0m savings target, the existing MTFP already includes £30.0m of planned savings over the period 2009/10 – 2013/14.

Identified Pressures and Proposed Savings

7. Directorate Business Improvement and Efficiency Strategies alongside draft business plans were completed in September in order that financial pressures and savings over the medium term could be considered by the relevant Star Chamber as part of the Service & Resource Planning process.
8. Through this process pressures totalling £83.5m have been identified, an increase of £23.5m from the estimate in July. The total of savings proposed is £81.1m, after deducting £5.0m already required in the existing MTFP, is £16.1m more than planned. The pressures and savings include £7.5m which have already been agreed as part of the existing MTFP (and form part of the £30m referred to in paragraph 6), but for which specific savings had not previously been identified. The new pressures and savings should therefore exclude this figure. The table below sets out the position.

Year on Year	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	TOTAL £m
Total Pressures Identified	19.4	20.0	10.8	21.4	11.9	83.5
Less : Previously agreed but unidentified savings now shown as a pressure		-1.1	-3.1	-3.3		-7.5
NEW PRESSURES	19.4	18.9	7.7	18.1	11.9	76.0
Total Savings Proposed	-30.1	-17.6	-15.8	-15.4	-2.2	-81.1
Less: Savings required in existing MTFP	2.5	2.5				5.0
Less : Previously agreed but unidentified savings now shown as a pressure		1.1	3.1	3.3		7.5
NEW SAVINGS	-27.6	-14.0	-12.7	-12.1	-2.2	-68.6
NET POSITION	-8.2	4.9	-5.0	6.0	9.7	7.4

9. The table shows that over the medium term there is still a shortfall of £7.4m. This assumes that in 2010/11 and 2012/13 the surpluses are carried forward to future years to cover or contribute towards the deficits.

10. The overarching business efficiency strategy and the individual Directorate strategies (including identified pressures and proposed savings) are set out in Annexes 2 to 7.

Staffing Changes

11. When the savings target of £60m was distributed, it was recognised that there would be a reduction in the number of posts over the medium term of around 500. The table below sets out the proposed staffing changes in full time equivalents (FTE) over the medium term, which arise from the individual Business Improvement and Efficiency Strategies.
12. Many of these reductions can be met through turnover and redeployment. There are currently in excess of 500 vacant posts throughout the organisation (excluding schools), with annual turnover based on the first six months of this financial year at 15%.

Year on Year	2010/11 FTE	2011/12 FTE	2012/13 FTE	2013/14 FTE	2014/15 FTE	TOTAL FTE
Children, Young People & Families	-52.1	-54.7	-113.1	-47.9	-4.6	-272.4
Social & Community Services	-15.0	-22.4	-14.5	-18.5	-2.0	-72.4
Environment & Economy	-18.0	-6.0	-12.0	-12.0	0	-48.0
Community Safety	-4.2	-4.0	0.5	3.0	0	-4.7
Shared Services	-12.0	-3.0	-3.0	0	0	-18.0
Corporate Core	-55.0	-19.0	-16.0	-16.0	0	-106.0
NET POSITION	-156.3	-109.1	-158.1	-91.4	-6.6	-521.5

Council tax

13. The existing MTFP assumes Council tax increases of 3.75% for 2010/11 and beyond. Given the current low rates of inflation, the Committee are asked to consider if they think 3.75% is still an appropriate increase. In considering this, the Committee should bear in mind that every 1% reduction in Council tax requires £2.7m of savings, which would be required in addition to those already set out in the Business Improvement and Efficiency Strategies.

Capital Programme

14. The timetable for consideration of capital is slightly later than the consideration of revenue. The Capital Star Chamber was held on 24 November 2009 and the draft Capital Strategy and Corporate Asset Management Plan will form part of the report to Cabinet on 19 January 2009 having been considered by Strategy & Partnerships Scrutiny Committee on 17 December 2009. Given the later consideration, it is proposed that the chairs from each Scrutiny

Committee are invited to attend the December meeting to comment on the capital proposals.

RECOMMENDATION

15. **The Scrutiny Committee is invited to :**
- (a) comment on the overall Council position and the balance of pressures and savings across the directorates;**
 - (b) note that the Directorate Business Improvement & Efficiency Strategies plus the pressures and savings therein will be considered by the Service Scrutiny committees, their comments being fed back to Strategy & Partnerships Scrutiny Committee for consideration in January 2010;**
 - (c) consider whether the Council tax increase in the existing MTFP is still appropriate recognising that any reduction would require further savings to be identified; and**
 - (d) agree to invite the chairs of the Service Scrutiny Committees to attend the Strategy & Partnerships Scrutiny Committee on 17th December 2009 to comment on the capital proposals.**

SUE SCANE
Assistant Chief Executive & Chief Finance Officer

STEPHEN CAPALDI
Assistant Chief Executive (Strategy)

Contact Officers: Lorna Baxter – Assistant Head of Finance (Corporate Finance)
(Tel. 01865 323971)
Alexandra Bailey – Corporate Performance & Review Manager
(Tel. 01865 816384)

13 November 2009

Service & Resource Planning 2010/11 - 2014/15**Summary of Identified Pressures & Proposed Savings**

		2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
Corporate and Cross Directorate (details set out in Annex 1a)	Pressures	1.7	2.5	2.5	5.2	6.6
	Savings	0.0	0.0	0.0	0.0	0.0
	Net Pressures	1.7	2.5	2.5	5.2	6.6
Children, Young People & Families	Pressures	5.1	5.4	6.6	7.7	10.1
	Savings	-5.9	-9.7	-13.3	-16.6	-18.3
	Net Pressures	-0.8	-4.3	-6.8	-8.9	-8.2
Social & Community Services	Pressures	2.1	3.8	5.6	7.6	12.7
	Savings	-10.2	-19.2	-27.0	-33.6	-33.4
	Net Pressures	-8.1	-15.4	-21.4	-26.0	-20.8
Environment & Economy	Pressures	5.3	11.0	12.8	16.9	18.8
	Savings	-8.6	-12.6	-15.5	-19.8	-20.3
	Net Pressures	-3.3	-1.6	-2.7	-2.9	-1.4
Community Safety	Pressures	0.4	0.5	0.8	0.9	0.9
	Savings	-0.9	-1.4	-1.9	-2.6	-2.6
	Net Pressures	-0.5	-0.9	-1.1	-1.6	-1.6
Shared Services	Pressures	0.0	0.0	0.1	0.2	0.2
	Savings	-0.8	-1.0	-1.1	-1.1	-1.1
	Net Pressures	-0.8	-1.0	-1.0	-0.9	-0.9
Corporate Core	Pressures	2.6	2.2	2.7	3.2	3.4
	Savings	-3.8	-3.9	-4.7	-5.2	-5.5
	Net Pressures	-1.1	-1.7	-1.9	-2.1	-2.1
TOTAL	Ongoing Pressures	17.2	25.4	31.2	41.7	52.6
	Savings	-30.2	-47.8	-63.6	-78.9	-81.1
	Net Pressures	-12.9	-22.4	-32.4	-37.2	-28.4
Year on Year		-12.9	-9.4	-10.0	-4.8	8.8

Summary of Overall Funding Position

	Savings Identified	Saving in MTFP	Total Savings	Identified Pressures	Tax and Grant Funding Pressures	Total Pressures	Net Savings and Pressures	Cumulative Balance	Minimum further Savings to be found
	£m	£m	£m	£m	£m	£m	£m	£m	£m
2010/11	-30.1	2.5	-27.6	17.2	2.2	19.4	-8.2	-8.2	
2011/12	-17.6	2.5	-15.1	8.2	11.8	20.0	4.9	-3.3	
2012/13	-15.8		-15.8	5.8	5.0	10.8	-5.0	-8.3	
2013/14	-15.4		-15.4	10.5	10.9	21.4	6.0	-2.2	
2014/15	-2.2		-2.2	10.9	1.0	11.9	9.7	7.4	7.4
Total	-81.1	5.0	-76.1	52.6	30.9	83.5	7.4		

Totals excluding £7.5m of previously agreed but unidentified savings recorded now as a pressure and a saving

Total	-73.6	5.0	-68.6	45.1	30.9	76.0	7.4
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Growth & Infrastructure Scrutiny Committee

9 December 2009-12-01

Briefing Note on the Scrutiny of Flooding Learning Network

Background

Oxfordshire County Council was invited to be part of a learning network which drew together a cross-section of County and District authorities from around the country. This was organised by the Local Government Information Unit and the Improvement and Development Agency (IDeA). The network is to meet on three occasions in London: -

- 24 November 2009
- Tues 26 January 2010
- Tues 13 April 2010

One officer and one councillor were invited to attend these sessions. I attended the first of these gatherings on behalf of Councillor Greene. We hope to both be able to attend the two future dates.

Purpose

The topic being considered is the part that local authorities can play in flood risk management. Steve Waller, Sustainability Advisor at the IDeA, stressed that the focus would be on prevention and flood risk management, not on flooding *per se*. Oxfordshire County Council has undertaken two reviews on flooding and emergency planning, but it is useful for us to attend in order to:

- Share our experiences of scrutinising this issue
- Learn from others – a useful case study was shared at the first event, of an approach taken by Hampshire County Council.
- Network and develop relationships with like-minded people
- Continue to raise the profile of Oxfordshire County Council as a leading authority in the South East.

Our place in this network

It was interesting to learn that Oxfordshire was granted a place on this course because of our reputation as a beacon authority. The course was over-subscribed and we were one of the chosen (!)

A talk was given by Jonathan Carr-West, Head of Centre for Local Democracy, on 'Understanding the process of Scrutiny', which was well received. He argued that scrutiny has in the past focussed on reacting to issues, but the future of scrutiny should be increasingly about having strategic input in future decision-making and policy. I was pleased to reflect that this is the direction that we are taking in Oxfordshire – for example with the Local Transport Plan 3 working group, in which members have the opportunity to scrutinise every step in the progress of this major programme.

Our attendance at this network is helpful for us in order to: -

- Reflect on lessons learned from the 2008 review
- Learn new principles for scrutiny work which may be useful for reviews in other areas

If anyone would like any further information about the event, please let me know.

Christa Brodie-Levinsohn, Performance Advisor
01865 815463

26 November 2009