



# **Business Strategy**

**2012/13 – 2014/15**

**Chief Executive's Office**

**Directorate Statement**

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

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

**Variations to MTFP Savings**

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

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

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

## Context

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

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

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

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

The Chief Executive's Office three primary functions remain:

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

## Broad Approach

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

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

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

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

## Corporate Finance & Internal Audit

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

### Variations to MTFP Savings

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

### Current Service Activity

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

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

### Plus

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

### **Progress to date**

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

### **Statutory minimum**

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

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

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

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

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

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

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

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

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

**Capital implications of proposed change:**

None

**Human Resources**

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

**Variations to MTFP Savings**

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

**Current Service Activity**

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

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

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

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

### **Statutory minimum**

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

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

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

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

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



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

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

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

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

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

**Capital implications of proposed change:**

There are none

## Law & Governance Services

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

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

### Variations to MTFP Savings

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

### Current Service Activity:

#### Member Issues

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

#### Legal Issues

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

### **Registration & Coroners**

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

### **Governance**

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

### **Statutory minimum**

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

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

Marriage Act 1949

Marriage and Civil Partnership (Approved Premises) Regulations 2005

Nationality, Immigration and Asylum Act 2002

Representation of the People Acts 1983 and 2000

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

### **Democratic Services**

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

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

### **Registration and Coroners**

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

### **Legal Services**

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

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

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

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

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

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

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

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

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

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

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

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

There are none.

## Strategy and Communications

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

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

### Variations to MTFP Savings

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

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

#### Financial and HR savings

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

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

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

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

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

### **Tangible Outcomes**

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

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

### **Core Service Activities:**

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

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

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

### **Statutory minimum**

There are legal obligations in relation to:

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

### **Pressures**

None

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

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



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

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

**Capital implications of proposed change:**

None

**Personal Office & Change Fund**

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

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

**Variations to MTFP Savings**

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

**Current Service Activity:**

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

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

### **Statutory minimum**

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

### **Proposals to deliver savings**

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

### **Impact on service users and communities**

None

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

**Capital implications** None