

AUDIT AND GOVERNANCE COMMITTEE – 6 SEPTEMBER 2018

**IMPLEMENTING A NEW OPERATING MODEL FOR OXFORDSHIRE
COUNTY COUNCIL**

Report by the Chief Executive

Introduction

1. The Audit and Governance Committee was updated in March 2018 on the progress of the Council's Fit for the Future Transformation programme and was introduced to the development of a new Operating Model for the Council as a whole.
2. The Operating Model is a detailed description of how the Council will work in the future, with the key aims of putting better outcomes for residents and the delivery of the Thriving Communities Vision at the centre of all plans and operations.
3. Development activity since March has produced a detailed design for the Operating Model and Cabinet is due to consider the proposal on 18 September 2018. Further detailed work on implementation will be required beyond the agreement of the Operating Model. Therefore, a subsequent report on the investment required for implementation and a recommended strategy for delivery will be considered by Cabinet in October 2018. Consideration of identified financial benefits from delivery of the Operating Model will be developed as part of the Service and Resource Planning process for ultimate agreement by Council in February 2019.
4. The draft Cabinet Report and Annexes, including the full Business Case for the Target Operating Model (which incorporates an Executive Summary), are attached to this report.
5. This paper highlights, in brief, specific areas of the Operating Model which may be of particular interest to the Committee. It goes on to recommend that the committee notes the content of this report and comment on any issues relating to the proposed adoption of the Operating Model.

Background Information

6. The background to the development of the Operating Model and the development of a Case for Change were considered by the Committee in March and are not repeated here. They are set out in full within the attached draft Cabinet report.

The Business Case

7. The purpose, approach and structure of the Business Case for a new Operating Model are set out in the attached Cabinet report.
8. Fundamentally, the Operating Model seeks to describe the way that the Council will function in the future. The Operating Model, in itself, does not determine *what* the Council will do but *how* it will work. It is therefore closely aligned to the Corporate Plan and the wider strategic policy and planning framework which set out the Council's agreed priorities and objectives and is integral to the delivery of that framework.
9. The business case is set out in full at Annex 1 of the Cabinet report, introduced with an Executive Summary.
10. Members of the Audit and Governance Committee may be particularly interested in the following areas of the Cabinet Report, the Operating Model and the associated Business Case:

Internal control arrangements for the transformation programme

11. From paragraph 68, the Cabinet report sets out governance arrangements for the transformation programme itself. The report goes on (from paragraph 73) to propose a set of delivery principles that will guide future detailed decision making within the programme governance arrangements.

Governance arrangements in the new Operating Model

12. This section (section 4f, slide 229) describes the proposals for how working under a new Operating Model would impact on the Council's internal delivery governance (i.e. that under the responsibility of the Council's officers) and outlines what development is needed from the current capabilities. It should be noted that the Operating Model is intended to work with any political governance structure and so is not dependent and does not pre-judge the outcomes of the ongoing Governance Review.

The Financial Case

13. This section of the Business Case (section 5, slide 257) sets out the financial case for change in terms of the programme itself.

Financial Implications

14. The Cabinet report sets out the relationship between the savings from transformation already required in the Medium Term Financial Plan (MTFP) and the proposals within the Operating Model. This Cabinet Report deals with how existing MTFP savings will be delivered through the implementation of the Operating Model and will not in itself lead to review of the MTFP. However, the extent to which the Council chooses to apply the model and the approach to implementation will have an impact which will be incorporated through the usual Service and Resource Planning processes, throughout the lifetime of the programme, and agreed by members in the usual way.

Risks

15. Section 8 of the Business Case (slide 324) sets out high-level risks that have been identified as part of the design of the Operating Model. If implementation is agreed, these risks will need to be incorporated into appropriate programme risk management processes and if necessary, be incorporated into the corporate risk register.

RECOMMENDATION

16. **The Committee is RECOMMENDED to:**
 - a) **Note the contents of this report and its attachments;**
 - b) **Comment on any issues relating to the operating model and its impact on the Council's current and future performance;**
 - c) **Comment on the ongoing role of the Committee in engaging with the delivery of the Operating Model, if agreed.**

PETER CLARK
Chief Executive

Attachment 1: Draft Cabinet Report *Implementing a new Operating Model for Oxfordshire County Council*

- Annex 1: Business Case
- Annex 2: Service and Community Impact Assessment

Contact Officer: Robin Rogers, Strategy Manager
August 2018

--