



# **County Council**

**18 February 2014**

## **Agenda**

## Declarations of Interest

### The duty to declare.....

Under the Localism Act 2011 it is a criminal offence to

- (a) fail to register a disclosable pecuniary interest within 28 days of election or co-option (or re-election or re-appointment), or
- (b) provide false or misleading information on registration, or
- (c) participate in discussion or voting in a meeting on a matter in which the member or co-opted member has a disclosable pecuniary interest.

### Whose Interests must be included?

The Act provides that the interests which must be notified are those of a member or co-opted member of the authority, **or**

- those of a spouse or civil partner of the member or co-opted member;
- those of a person with whom the member or co-opted member is living as husband/wife
- those of a person with whom the member or co-opted member is living as if they were civil partners.

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

### What if I remember that I have a Disclosable Pecuniary Interest during the Meeting?.

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

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

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

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

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

### List of Disclosable Pecuniary Interests:

**Employment** (includes *“any employment, office, trade, profession or vocation carried on for profit or gain”*.), **Sponsorship, Contracts, Land, Licences, Corporate Tenancies, Securities.**

For a full list of Disclosable Pecuniary Interests and further Guidance on this matter please see the Guide to the New Code of Conduct and Register of Interests at Members’ conduct guidelines. <http://intranet.oxfordshire.gov.uk/wps/wcm/connect/occ/Insite/Elected+members/> or contact Rachel Dunn on (01865) 815279 or [Rachel.dunn@oxfordshire.gov.uk](mailto:Rachel.dunn@oxfordshire.gov.uk) for a hard copy of the document.

**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, but please give as much notice as possible before the meeting.**

To: **Members of the County Council**

## ***Notice of a Meeting of the County Council***

**Tuesday, 18 February 2014 at 10.00 am**

**County Hall, Oxford OX1 1ND**

*Joanna Simons*

Joanna Simons  
Chief Executive

February 2014

Contact Officer: **Deborah Miller**  
Tel: (01865) 815384; E-Mail: [deborah.miller@oxfordshire.gov.uk](mailto:deborah.miller@oxfordshire.gov.uk)

In order to comply with the Data Protection Act 1998, notice is given that Item 3 will be recorded. The purpose of recording proceedings is to provide an *aide-memoire* to assist the clerk of the meeting in the drafting of minutes.

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***Members are asked to sign the attendance book which will be available in the corridor outside the Council Chamber. A list of members present at the meeting will be compiled from this book.***

***A buffet luncheon will be provided***

## **AGENDA**

### **1. Minutes (Pages 1 - 24)**

To approve the minutes of the meeting held on 10 December 2013 (CC1) and to receive information arising from them.

### **2. Apologies for Absence**

### **3. Declarations of Interest - see guidance note**

Members are reminded that they must declare their interests orally at the meeting and specify (a) the nature of the interest and (b) which items on the agenda are the relevant

items. This applies also to items where members have interests by virtue of their membership of a district council in Oxfordshire.

#### **4. Official Communications**

#### **5. Appointments**

To make any changes to the membership of the Cabinet, scrutiny and other committees on the nomination of political groups.

#### **6. Petitions and Public Address**

#### **7. Report of the Remuneration Committee to Oxfordshire County Council on the Council's Pay Policy (Pages 25 - 50)**

Report by the Head of Human Resources (CC7)

The Remuneration Committee is required to report annually to Council on the Pay Policy Statement. The report updates the pay policy statement and indicates the future proposals of the Remuneration Committee, including the introduction of local bargaining on pay and terms and conditions for Green Book and Senior Employees.

***The Council is RECOMMENDED to:***

- (a) receive the report of the Remuneration Committee;***
- (b) approve the revised Pay Policy Statement at Annex 2 to this report.***

#### **8. Service & Resource Planning 2014/15 - 2017/18 (Pages 51 - 302)**

Report by the Chief Finance Officer (CC8) including the Leader of the Council's overview (Section 1), Budget Strategy and Capital Programme (Section 2) and the Directorate Business Strategies (Section 3). The recommendations set out below (and in the report) are made subject to the Chief Finance Officer's statutory report on the robustness of the budget estimates and adequacy of financial reserves (Section 4).

The Labour, Liberal Democrat, and Green Groups propose to submit amendments to the budget proposals (CC8 Labour), (CC8 Liberal Democrat), and (CC8 Green) respectively and these will be circulated separately.

***The Council is RECOMMENDED to:***

- (a) approve the updated Financial Strategy as set out in section 2.1;***
- (b) (in respect of revenue) approve:***
  - (1) a medium term plan for 2014/15 to 2017/18 as set out in section 2.2 (which incorporates changes to the existing medium term financial plan as set out in section 2.3);***

- (2) **a budget for 2014/15 as set out in section 2.4;**
  - (3) **the planned level of balances and reserves as set out in section 2.7.2;**
  - (4) **the council tax and precept calculations for 2014/15 set out in section 2.5 and in particular:**
    - (i) **a precept of £277,733,607;**
    - (ii) **a council tax for band D equivalent properties of £1,208.41;**
  - (5) **the use of Dedicated Schools Grant (provisional allocation) for 2014/15 as set out in section 2.8;**
  - (6) **virement arrangements to operate within the approved budget for 2014/15 as set out in section 2.9;**
- (c) **(in respect of treasury management) approve:**
- (1) **the Treasury Management Strategy Statement for 2014/15 as set out in section 2.6;**
  - (2) **that any further changes required to the 2014/15 strategy be delegated to the Chief Finance Officer in consultation with the Leader of the Council and the Cabinet Member for Finance;**
  - (3) **the continued delegation of authority to withdraw or advance additional funds to/from external fund managers to the Treasury Management Strategy Team;**
  - (4) **the Treasury Management Policy Statement as set out at Appendix E of section 2.6;**
- (d) **approve the Prudential Indicators as set out in Appendix A of section 2.6;**
- (e) **approve the Minimum Revenue Provision Methodology Statement as set out in Appendix B of section 2.6;**
- (f) **(in respect of capital) approve:**
- (1) **the updated Asset Management Plan in section 2.10.1;**
  - (2) **the Transport Asset Management Plan in section 2.10.2;**
  - (3) **a Capital Programme for 2013/14 to 2017/18 as set out in section 2.11;**
- (g) **approve the directorate business strategies as set out in section 3.1 to 3.6.**
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## OXFORDSHIRE COUNTY COUNCIL

**MINUTES** of the meeting held on Tuesday, 10 December 2013 commencing at 10.00 am and finishing at 3.20 pm.

**Present:**

Councillor Tim Hallchurch MBE – in the Chair

Councillors:

Anne Purse	Mark Gray	Neil Owen
Lynda Atkins	Patrick Greene	Zoé Patrick
Jamila Azad	Pete Handley	Glynis Phillips
David Bartholomew	Jenny Hannaby	Susanna Pressel
Mike Beal	Nick Hards	Laura Price
Maurice Billington	Neville F. Harris	G.A. Reynolds
Liz Brighthouse OBE	Mrs Judith Heathcoat	Alison Rooke
Kevin Bulmer	Hilary Hibbert-Biles	Rodney Rose
Louise Chapman	Simon Hoare	Gillian Sanders
Mark Cherry	John Howson	John Sanders
John Christie	Ian Hudspeth	Les Sibley
Sam Coates	Bob Johnston	Roz Smith
Yvonne Constance	Richard Langridge	Lawrie Stratford
Surinder Dhesi	Stewart Lilly	John Tanner
Arash Fatemian	Lorraine Lindsay-Gale	Melinda Tilley
Neil Fawcett	Sandy Lovatt	Michael Waine
Jean Fooks	Mark Lygo	Richard Webber
Mrs C. Fulljames	Kieron Mallon	David Williams
Anthony Gearing	Charles Mathew	David Wilmshurst
Janet Godden	David Nimmo Smith	

*The Council considered the matters, reports and recommendations contained or referred to in the agenda for the meeting and decided as set out below. Except insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports, copies of which are attached to the signed Minutes.*

### **84/13 MINUTES**

(Agenda Item 1)

The Minutes of the Meeting held on 5 November 2013 were approved and signed.

### **85/13 APOLOGIES FOR ABSENCE**

(Agenda Item 2)

Apologies for absence were received from Councillors Nick Carter, Caroline Newton and Val Smith.

## **86/13 OFFICIAL COMMUNICATIONS**

(Agenda Item 4)

The Chairman reported as follows:

The death of Terry Joslin, who was a County Councillor for the Didcot Division 1989 – 2007, died in December 2013. Councillors Harris, Brighthouse, Mrs Fulljames, Hards and Purse paid tribute to the former County Council. The Council then observed a Minute's Silence in his memory.

The Council observed a Minute's Silence in Memory of Nelson Mandela.

The Chairman reminded members that 27<sup>th</sup> January next year was Holocaust Memorial Day. He encouraged colleagues and staff to attend the joint commemoration of this day at Oxford Town Hall at 2pm on the 27<sup>th</sup> January.

## **87/13 PETITIONS AND PUBLIC ADDRESS**

(Agenda Item 6)

Mr Steve Pratt in support of Motion 12 (Councillor Pressel). He urged the County Council to give serious consideration to implementing a workplace parking levy on the basis that it would achieve less congestion in the City and additional income for the County Council which could be reinvested into local sustainable transport.

## **88/13 QUESTIONS WITH NOTICE FROM MEMBERS OF THE COUNCIL**

(Agenda Item 8)

12 Questions with notice were asked. Details of the questions and answers and the supplementary questions and answers (where asked) are set out in Annex 1 to the Minutes.

In relation to Question 12 (Question from Councillor Gill Sanders to Councillor David Nimmo Smith) Councillor Nimmo Smith undertook to provide Councillor Gill Sanders with a written answer to the question of why the Cuttleslow works could be carried out prior to the regulations coming into effect, when Blackbirds Leys works could not.

## **89/13 TREASURY MANAGEMENT MID-TERM REVIEW (2013/14)**

(Agenda Item 9)

The Council had before them a report (CC9) which set out the Treasury Management Activity undertaken in the first half of the financial year 2013/14, including Debt and Investment activity, Prudential Indicator monitoring, changes in Strategy and forecast interest receivable and payable for the financial year.

Councillor Fatemian, Cabinet Member for Finance paid tribute to the Council's Treasury Management Team.



**RESOLVED:** to note the Council's Mid-Term Treasury Management Review 2013/14.

**90/13 REPORT OF THE CABINET**

(Agenda Item 10)

The Council received the report of the Cabinet.

In relation to paragraph 1 (Staffing Report – Quarter 2, 2013) (Question from Councillor Pressel) Councillor Lindsay-Gale undertook to look into what was happening with the post of Archaeological Conservator and to write back to Councillor Pressel with an answer.

**91/13 LOCATION OF COUNCIL MEETING - APRIL 2014**

(Agenda Item 11)

The Council had before them a report (CC11) which examined options for the Council to hold its April 2014 meeting at Bodicote House, Banbury to enable members to test webcasting capability at Bodicote House with a view to extending electronic access to Council Meetings in County Hall.

12 Members by standing in their places required a named vote in accordance with Council Procedure Rule 15(a). Voting was as follows

Councillors voting for the motion (32)

Councillors Atkins, Bartholomew, Billington, Bulmer, Chapman, Constance, Fatemian, Mrs Fulljames, Gearing, Gray, Greene, Hallchurch, Handley, Heathcoat, Hibbert-Biles, Hoare, Hudspeth, Langridge, Lilly, Lindsay-Gale, Lovatt, Mallon, Mathew, Nimmo Smith, Owen, Reynolds, Rose, Sibley, Stratford, Tilley, Waine, Wilmshurst.

Councillors voting against the motion (15)

Councillors Beal, Brighouse, Cherry, Christie, Coates, Dhesi, Hards, Lygo, Phillips, Pressel, Price, Gill Sanders, John Sanders, Tanner, Williams.

Councillors abstaining (11)

Councillors Fawcett, Fooks, Godden, Hannaby, Harris, Johnston, Patrick, Purse, Rooke, R Smith, Webber.

It was accordingly:

**RESOLVED:** (by 32 votes to 15, with 11 abstentions) to:

- (a) agree in principle to hold its April 2014 meeting at Bodicote House, Banbury;
- (b) ask the County Solicitor & Head of Law and Culture and the Director for Environment & Economy to make the necessary arrangements

with Cherwell District Council for holding the meeting at Bodicote House and to liaise with the Chairman of the Council and with Group Leaders to finalise these.

**92/13 MOTION FROM COUNCILLOR SUSANNA PRESSEL**

(Agenda Item 12)

Councillor Pressel moved and Councillor John Sanders seconded the following motions:

“Congestion in Oxford City is getting worse by the day. This has a negative impact on quality of life, health, economic development and many other aspects of life for the people of Oxfordshire and our many visitors.

Given the historic value and compact nature of the City and the constraints on the availability of public sector funds there are limited opportunities to tackle congestion without adopting a different approach. Council therefore requests Cabinet to investigate urgently how we can consult the people of our county on moving towards charging for workplace parking in Oxford City as speedily as possible, and to report back to the next Council meeting on progress towards this.”

18 Members by standing in their places required a named vote in accordance with Council Procedure Rule 15(a). Voting was as follows

Councillors voting for the motion (16)

Councillors Azad, Beal, Brighthouse, Cherry, Christie, Coates, Dhesi, Hards, Lygo, Phillips, Pressel, Price, Gill Sanders, John Sanders, Tanner, Williams.

Councillors voting against the motion (42)

Councillors Atkins, Bartholomew, Billington, Bulmer, Chapman, Constance, Fatemian, Fawcett, Fooks, Mrs Fulljames, Gearing, Godden, Greene, Hallchurch, Handley, Hannaby, Harris, Heathcoat, Hibbert-Biles, Hoare, Hudspeth, Johnston, Langridge, Lilly, Lindsay-Gale, Lovatt, Mallon, Mathew, Nimmo Smith, Owen, Patrick, Purse, Reynolds, Rooke, Rose, Sibley, R. Smith, Stratford, Tilley, Waine, Webber, Wilmshurst.

Councillors abstaining (1)

Councillors Gray.

Accordingly, the motion was lost by 42 votes to 16, with 1 abstention.

**93/13 MOTION FROM COUNCILLOR KIERON MALLON**

(Agenda Item 13)

Councillor Mallon moved and Councillor Tilley seconded the following motion:

“That this Council notes that it is estimated that up to 66,000 women and young girls in the UK have undergone Female Genital Mutilation, of this number 20,000 are under the age of 15. We further note that these procedures have no health benefits and is a harmful traditional practice and an act of violence against women and girls, constitutes a violation of their fundamental rights, particularly the right to personal security, physical and mental health and of their sexual and reproductive health and is an act of child abuse. Such violations can under no circumstances be justified by respect for cultural or religious traditions or initiation ceremonies.

To date, there has not been a single prosecution for this in 28 years within the UK for those responsible for perpetrating this horrific crime as opposed to a more proactive approach in France.

Council asks the Director for Children’s Services to ensure all health and social care professionals in Oxfordshire including midwives, obstetricians, nurses, social workers, community workers, police, Crown Prosecution Service and policy makers work together to identify women and young girls who are at risk and to work in partnership to take effective action to bring to and end this barbaric practice.”

Following debate, Councillor Hallchurch moved and Councillor Dhesi seconded “that the question be now put”.

The motion was put to the vote and was carried by 26 votes to 10.

**RESOLVED:** (26 votes to 10) that the question be now put.

The substantive motion was then put to the vote and was agreed unanimously.

**RESOLVED:** (unanimously)

That this Council notes that it is estimated that up to 66,000 women and young girls in the UK have undergone Female Genital Mutilation, of this number 20,000 are under the age of 15. We further note that these procedures have no health benefits and is a harmful traditional practice and an act of violence against women and girls, constitutes a violation of their fundamental rights, particularly the right to personal security, physical and mental health and of their sexual and reproductive health and is an act of child abuse. Such violations can under no circumstances be justified by respect for cultural or religious traditions or initiation ceremonies.

To date, there has not been a single prosecution for this in 28 years within the UK for those responsible for perpetrating this horrific crime as opposed to a more proactive approach in France.

Council asks the Director for Children’s Services to ensure all health and social care professionals in Oxfordshire including midwives, obstetricians,

nurses, social workers, community workers, police, Crown Prosecution Service and policy makers work together to identify women and young girls who are at risk and to work in partnership to take effective action to bring to and end this barbaric practice.

**94/13 MOTION FROM COUNCILLOR JANET GODDEN**

(Agenda Item 14)

Councillor Godden moved and Councillor Fawcett seconded the following motion:

“Council notes that time pressures at its meeting on 5 November meant that it was unable to debate the motion at Agenda Item 17, which proposed asking the Leader to invite the Secretary of State for Communities and Local Government to attend an additional ‘Talking Oxfordshire’ event about the impact of further cuts to services in Oxfordshire, with a randomly chosen audience from across the County.

Despite subsequent media coverage of exchanges between the Leader and the Secretary of State, Council remains unconvinced that the Department for Communities and Local Government has a full understanding either of the of the Council’s current financial situation or of the local consequences of the cuts that will result from the additional reductions in revenue.

Council therefore asks the Leader to write to the Secretary of State inviting him to come to Oxfordshire and meet with key workers and local members as first proposed, and to invite his parliamentary colleagues among the County’s MPs to meetings in their own constituencies for the same purpose.”

Following debate, Councillor Hallchurch moved and Councillor Hibbert-Biles seconded “that the question be now put”

The motion was put to the vote and was carried by 33 votes to 13.

**RESOLVED:** (33 votes to 13) that the question be now put.

The substantive motion was then put to the vote and was lost by 30 votes to 28.

**RESOLVED:** accordingly.

**95/13 MOTION FROM COUNCILLOR DAVID WILLIAMS**

(Agenda Item 15)

Councillor Williams moved and Councillor Coates seconded the following motion:

“There is mounting concern as to the likely impact on the environment of Oxfordshire in relation to hydraulic fracturing of natural gas and oil, the system popularly known as ‘fracking’.

The Council considers that the potential scale of environmental damage would place a severe strain on County Environmental services and will have immediate consequences on other County services whilst drilling operations are in hand. Of special concern is the potential release of carcinogenic Radon gas from pockets locked in the Oxfordshire geology.

The County Council is also aware that the release of climate changing gases such as methane and carbon dioxide that will result from the extraction of more fossil fuels will contradict the Councils commitment to moving to a local low carbon economy.”

Following debate the motion was put to the vote and was lost by 28 votes to 14 with 13 abstentions.

**RESOLVED:** accordingly.

**96/13 MOTION FROM COUNCILLOR DAVID WILLIAMS**

(Agenda Item 16)

Councillor Williams moved and Councillor Coates seconded the following motion as amended with Council’s agreement by Councillor Roz Smith in strikethrough:

“This Council notes with concern the Davies Commission’s invitation for invitations to submit proposals for additional airport capacity within the South East and the potential implications for Oxfordshire.

Oxfordshire County Council is dismayed that a consultation and bids for greater airport capacity is being considered again even though only 3 years ago the Conservative party were arguing that there would be no need for greater capacity in the London area and therefore they would not back expansion at Heathrow. (Conservative Manifesto 2010 General Election)

The Council believes that any airport close to the already existing landing systems of Brize Norton and London Oxford Airport is unnecessary and would bring greater pollution and disturbance to the area.

Such a proposal would run counter to all the County Council’s planning policies to date, meaning dramatic changes to assumptions made for transport, housing, environmental control, and economic planning. All County services would be directly affected from education to adult care to wildlife protection.

Oxfordshire County Council urges Cabinet in any consultation response to resist demands for ever more airport expansion because of the ~~carbon~~ burning consequences such proposals generate and to turn down any proposal for an Oxfordshire Airport as unsuitable to the needs of the County and the Country as a whole.”

The motion, amended as shown in strikethrough was put to the vote and was lost by 29 votes to 14, with 13 abstentions.

**RESOLVED:** accordingly.

**97/13 MOTION FROM COUNCILLOR GLYNIS PHILLIPS**

(Agenda Item 17)

Councillor Phillips moved and Councillor John Sanders seconded the following motion:

“This Council is very concerned about the deterioration to the road surface on London Road, Headington, Oxford and therefore calls on the Cabinet to reconsider its road maintenance priorities in order to expedite necessary repairs there.”

Following debate, the motion was put to the vote and was lost by 41 votes to 13, with 2 abstentions.

**RESOLVED:** accordingly.

**98/13 MOTION FROM COUNCILLOR JOHN TANNER**

(Agenda Item 18)

Councillor John Tanner moved and Councillor Gill Sanders seconded the following motion:

“The residents of much of Blackbird Leys and Littlemore in Oxford have a partial residents’ parking scheme which only operates when football matches are played at the Kassam Stadium and when car-boot sales are held there. The football matches parking scheme works well and keeps supporters’ cars from flooding the area. But the car-boot sales scheme is unnecessary and only leads to local residents, their relatives and friends, being fined for parking.

We call on the Cabinet to re-examine the parking needs of the Blackbird Leys and Littlemore areas with a view to lifting the parking controls for car-boot sales.”

Following debate, the motion was put to the vote and was lost by 41 votes to 12, with 2 abstentions.

**RESOLVED:** accordingly.

**99/13 MOTION FROM COUNCILLOR ARASH FATEMIAN**

(Agenda Item 19)

Councillor Fatemian moved and Councillor Rose seconded the following motion:

“Council is surprised to note that Oxford City Council has refused to sign the Local Contribution Legal Agreement to contribute funding towards the proposed East-West Rail project (OCC Cabinet Meeting, 15/10/2013 and Oxford Mail 11/11/2013). Given that all other authorities along the route recognise the importance of such a development for economic growth and prosperity, this Council notes with disappointment that Oxford City Council have chosen not to contribute.

The apparent reason given for non-contribution was that the City Council “see this is a project where the benefits for the city will be limited economically” (Oxford Mail, 11/11/2013)

Given that:

- The Oxfordshire LEP has stated that congestion into and around the City represents the biggest threat to growth in and around Oxford and that this will start damaging the local economy unless something is done and;
- That the new proposed East-West rail link will significantly improve congestion in and around Oxford by taking at least 200 lorries an hour off the ring road and offering a fast train service from Water Eaton to Oxford

It would appear that there are indeed very significant benefits for Oxford City from East-West Rail.

As such, Council asks the Leader to write to the City Council expressing this authorities’ disappointment, sadness, and regret that Oxford City Council have failed to recognise the obvious benefits such a scheme will bring to the residents of Oxford and the obvious Economic impact on the city as a whole and to invite the City Council to reconsider a short-sighted and ill-considered position.”

Following debate, the motion was put to the vote and was carried by 41 votes to 11, with 2 abstentions.

**RESOLVED:** (41 votes to 11, 2 abstentions)

Council is surprised to note that Oxford City Council has refused to sign the Local Contribution Legal Agreement to contribute funding towards the proposed East-West Rail project (OCC Cabinet Meeting, 15/10/2013 and Oxford Mail 11/11/2013). Given that all other authorities along the route recognise the importance of such a development for economic growth and prosperity, this Council notes with disappointment that Oxford City Council have chosen not to contribute.

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..... in the Chair

Date of signing .....



## QUESTIONS WITH NOTICE FROM MEMBERS OF THE COUNCIL

Questions are listed in the order in which they were received. The time allowed for this agenda item will not exceed 30 minutes. Should any questioner not have received an answer in that time, a written answer will be provided.

<b>Questions</b>	<b>Answers</b>
<p><b>1. COUNCILLOR STEWART LILLY</b></p> <p>At our September meeting a motion was unanimously passed to instruct officers to examine the merits or otherwise, of installing forms of solar/ environmentally friendly energy systems for OCC premises – where appropriate. May I enquire as to the progress to date?”</p>	<p><b>COUNCILLOR DAVID NIMMO-SMITH, CABINET MEMBER FOR ENVIRONMENT</b></p> <p><b>Previous work</b></p> <p>From 2003, the Council has worked to promote renewable energy and heat on its own estate and in schools with some 30, mainly small, installations to date. In late 2012, with the introduction of the Feed In Tariff for solar PV, the conditions were right to make a major investment in solar PV</p> <p>We engaged Thames Valley energy to identify roofs suitable for solar PV and invited tenders for a framework PV installation contract. As we did this, the Government lowered the FIT rate and by the time the tenders were returned, the balance of cost and FIT made the schemes unviable. The pay-backs were longer than the design life of the units. Since then the balance has shifted so that pay-backs are better but this project has now been superseded by the Properties and Facilities with Carillion.</p> <p><b>Current approach</b></p> <p>The contract with Carillion started in July 2012. The energy component of the contract is predicated on a ‘whole building’ approach. Carillion will identify the buildings with the greatest energy saving potential; survey them and propose a full set of energy measures – both energy efficiency and renewable energy.</p> <p>In this way, Carillion will visit each building once in the course of the contract and carry out the full set of measures necessary to reduce energy consumption by 25% - the contractual target for the corporate estate. We consider this to be more</p>

Questions	Answers
	<p>cost effective than installing a single measure across the whole estate with repeat visits to anyone building.</p> <p>Carillion have already used our historical energy performance data to benchmark the whole estate and have carried out feasibility studies on buildings with the greatest energy saving potential. Out of 8 buildings proposed for the 2013/14 programme, 7 included solar PV and 3 included biomass boilers.</p> <p>However, there are two main constraints on our investment in energy measures: One is uncertainty over the future shape of the estate and the other is the availability of funding.</p> <p><b>Stranded assets</b></p> <p>'Whole building' energy projects tend to have a payback period of between 10 – 15 years. Individually, the solar PV schemes currently proposed by Carillion have a minimum payback of 12 years.</p> <p>To make an investment of this length requires some confidence that we will be using the building for at least the pay-back period and preferably for the life of the asset in order to maximise the return. (Solar panels have a guaranteed life of about 20 years.)</p> <p>At the moment, the Council is planning to rationalise its estate. Until we know the final shape of these plans, we will not have the confidence needed to make these medium term investments across the whole estate.</p> <p><b>Capital funding</b></p> <p>The Council requires schemes funded from capital to pay-back within ten years. For this year's projects, the pay-back periods for the solar PV schemes proposed by Carillion ranged from 12 to 16 years. Therefore none of them can be approved for funding from the Council's own capital.</p>

Questions	Answers
	<p data-bbox="880 220 1496 252"><b>Loan funding from prudential borrowing</b></p> <p data-bbox="880 293 2029 400">The Council is prepared to fund schemes from prudential borrowing provided they are self-financing. We have therefore asked Carillion to revisit its proposals to test their viability with prudential loan funding.</p> <p data-bbox="880 442 1182 474"><b>Community funding</b></p> <p data-bbox="880 515 1854 547">We are also exploring the benefits of a community funding approach.</p> <p data-bbox="880 588 2029 695">The County Council has partnered with the City Council to promote a community funding project called OxFutures. The project is being delivered by the Low Carbon Hub.</p> <p data-bbox="880 737 2029 992">The Low Carbon Hub has already demonstrated its ability to raise funds through community share offers. It raised over £500k to fund the construction of the Osney Lock hydropower scheme and has just installed the largest solar PV scheme in the county on the roof of the Oxford Bus Company garage, worth £150k. The company receives free electricity and the carbon benefit. The Hub receives the FIT to pay off the loan and generate a surplus which is reinvested in local energy projects.</p> <p data-bbox="880 1034 2029 1102">The OxFutures project will strengthen the Hub's offer with revolving funds to develop projects and to fund construction before the public share offer.</p> <p data-bbox="880 1144 2029 1326">Such an approach fits well with the Coalition policy on community energy: to "encourage community-owned renewable energy schemes where local people benefit from the power produced<sup>1</sup>." In fact, the Government completed a consultation on a community energy strategy earlier this year and expect to publish the strategy next year.</p>

<sup>1</sup> *The Coalition: our programme for government*, Cabinet Office, May 2010.

Questions	Answers
	<p>As part of OxFutures, the Low Carbon Hub is offering funded solar PV schemes to schools. We are now considering this approach for our own buildings and comparing it with prudential loan funding.</p> <p><b>Conclusions</b></p> <p>The Council already installs renewable energy schemes alongside its energy efficiency projects where they are cost effective.</p> <p>Carillion has benchmarked the whole estate to identify buildings with the greatest potential for cost effective energy measures and developed a first year investment programme.</p> <p>The rate of investment is constrained by access to appropriate funds and the current uncertainty over the future shape of the corporate estate.</p>
<p><b>2. COUNCILLOR SUSANNA PRESSEL</b></p> <p>Now we are living in the 21<sup>st</sup> Century would the Leader of the County Council consider recommending to his Cabinet colleagues that Oxfordshire County Council follows the majority of local governments in the UK in their quest to be more open and accountable and have the full Council proceeding video recorded and made available to view on the Council's website?</p>	<p><b>COUNCILLOR IAN HUDSPETH, LEADER OF THE COUNCIL</b></p> <p>This issue was raised at the last Council meeting and has been discussed by Political Group Leaders, who are all supportive of improved transparency. The Deputy Leader is coordinating a cross party group to consider this issue further and will report back in due course.</p>
<p><b>3. COUNCILLOR SUSANNA PRESSEL</b></p> <p>Would the Chair and the Cabinet join me in congratulating the Oxfordshire County Music Service, together with massed choirs from a</p>	<p><b>COUNCILLOR MELINDA TILLEY, CABINET MEMBER FOR CHILDREN, EDUCATION &amp; FAMILIES</b></p> <p>The Music Service is indeed a jewel in our crown. What is most important is that it continues to provide those remarkable opportunities for the children and young people of Oxfordshire. I am committed to supporting the service in a way in</p>

<b>Questions</b>	<b>Answers</b>
dozen Oxfordshire schools, on yet another amazing and joyful concert, this time celebrating the 100th anniversary of the birth of Benjamin Britten -- and would you all agree that it is vital for the County Council to remain involved in any new governance arrangements, so that it can remain a truly <i>county</i> service, that we can continue to be proud of?	which it remains both viable and sustainable. To do this in the present climate requires us to recognise that old models of organisation and delivery may not be sustainable.
<p><b>SUPPLEMENTARY QUESTION</b></p> <p>My original question states very clearly “it is vital for the County Council to remain involved in any new governance arrangements” so what I would like to know is – to what extent does the Cabinet Member guarantee that the County Council will remain involved in any new governance arrangements?</p>	<p><b>SUPPLEMENTARY ANSWER</b></p> <p>Thank you Chairman, I refer Councillor Pressel to my previous answer.</p>
<p><b>4. COUNCILLOR NICK HARDS</b></p> <p>Please will the Cabinet Member explain what steps can be taken to enforce the parking restrictions on roads such as Lydalls Road, Lydalls Close and Manor Road in my Division, and also the restriction on the section of Station Road which is supposed to be used for access only. The problem is largely down to commuters who park all day, walk to the station, flout the rules and subject my constituents to foul mouthed tirades when</p>	<p><b>COUNCILLOR DAVID NIMMO-SMITH, CABINET MEMBER FOR ENVIRONMENT</b></p> <p>At present the County Council have no powers to enforce parking restrictions in South Oxfordshire and as such the restrictions you refer to can only be enforced by Thames Valley Police. I will ask that County Council officers contact TVP to see whether PCSO’s can make regular visits to the streets to issue Fixed Penalty Notices to any offending vehicles.</p> <p>The County is working closely with SODC and Didcot Town Council to determine whether an application to adopt parking enforcement powers in the District could be considered.</p>

<b>Questions</b>	<b>Answers</b>
they are challenged.	
<p><b>SUPPLEMENTARY QUESTION</b></p> <p>What more can you (as Cabinet Member for Oxfordshire County Council) do to support District Town Council and Henley Town Council, which are also trying to achieve this in securing parking enforcement powers to South Oxfordshire District Council.</p>	<p><b>SUPPLEMENTARY ANSWER</b></p> <p>This is a difficult one for the County. As my role as a Henley Town Councillor, I am supporting the Town Council in their pursuit with the District Council in trying to get similar parking done in the area, but it is down to the District Council in the end. All we can do is lobby them and encourage them to do it.</p>
<p><b>5. COUNCILLOR SUSANNA PRESSEL</b></p> <p>I asked last year if the Leader and the CEO could please ask Scottish and Southern Electric (SSE) to prevent the quite regular power outages that people in my division are suffering. Unfortunately, they seem to be getting more rather than less frequent. As well as inconveniencing residents, on one or two occasions recently they have forced restaurants and the cinema in Walton Street to close. Please make it clear that this is NOT acceptable!</p>	<p><b>COUNCILLOR DAVID NIMMO-SMITH, CABINET MEMBER FOR ENVIRONMENT</b></p> <p>In October the Emergency Planning Team contacted Councillor Pressel to advise that contact had been made with SSE to raise our concerns about power outages in Oxford. The Council has asked for written notification of the action SSE proposes to take to rectify the outages with expected timescales for such action. This, along with any changes received, will be shared with Councillor Pressel as they are made available to officers. The Councils Street Lighting Team has similarly raised concerns about the number of outages through SSE's contracting arm. Should Councillor Pressel wish to reinforce the Councils views SSE's Director of Distribution for the South is Bev Keogh and can be contacted at <a href="mailto:bev.keogh@sse.com">bev.keogh@sse.com</a></p>
<p><b>SUPPLEMENTARY QUESTION</b></p> <p>Would the Cabinet Member agree that it is very disappointing that I/we seem to have had no reply yet? Or is it that we haven't been asking the right people or the right question?</p>	<p><b>SUPPLEMENTARY ANSWER</b></p> <p>As you will see in my initial answer, I have given the email address of the SSE Director of Distribution for the South and hopefully, Councillor Pressel and I in our separate lobbying will be able to get something out of them.</p>

Questions	Answers
<p><b>6. COUNCILLOR SUSANNA PRESSEL</b></p> <p>I was horrified to learn that there is now apparently NO money in the highways budget to renew any lines on the roads for the rest of the financial year. In some parts of my division they are so faint that road users are in danger. This is not good enough and I'd like to know what the Cabinet member is going to do about it.</p>	<p><b>COUNCILLOR DAVID NIMMO-SMITH, CABINET MEMBER FOR ENVIRONMENT</b></p> <p>The Council's budget for maintaining roads is under considerable pressure due to the deterioration of the carriageways arising from particularly bad winters in the last few years. Nevertheless, the Council has continued to invest in improving road markings at around £50 per mile for all the County roads. Road markings are far more likely to last longer when laid in the warmer months as they do not adhere well to cold or damp surfaces. As a result the cost of works is cheaper in summer as cost increases in winter as it is necessary to dry the road surface prior to laying the lines although the life expectancy of lines laid in winter would still not be as long as those laid in summer months. In order to make the most of the limited resources therefore the team have sought, as far as possible to have all planned lining works done during the summer period, which is why the bulk of this budget has now been spent. A small amount of the budget is retained however in order that the Council can react to areas where there is a demonstrable safety issue that needs to be resolved more quickly.</p> <p>Officers are not aware of any outstanding requests for lining works raised by Cllr Presell, but if there are specific locations of concern on principal roads could she please make David Tole aware and if they are considered safety-critical we will endeavour to respond in the current financial year or if not then they will be programmed into future works programmes as per the relative need compared to other locations. Any concerns on non-principal roads, will fall under the remit of Oxford City Council.</p> <p>This year the Area Stewardship fund is available for maintenance activity, including line refresh should Cllr Pressel wish to use her fund in this way.</p>
<p><b>SUPPLEMENTARY QUESTION</b></p> <p>It says here that officers are not aware of any outstanding requests. There are four major</p>	<p><b>SUPPLEMENTARY ANSWER</b></p> <p>I am not prepared to make any guarantees about how the Council funding is allocated. Yours is not the only division in the County there are another 62 and</p>

<b>Questions</b>	<b>Answers</b>
<p>outstanding requests by me, where the work has yet been done, so please make sure you have the right facts in future. But my question is that I have already used a big chunk of my area stewardship money and I can't possible cover all the work that needs to be done with the rest of my area stewardship money, so please can you guarantee that money will be found for the urgent work to be done.</p>	<p>money has got to be wisely spread across the whole of the County. In respect of the outstanding issues in your division, Huw Jones and Sue Scane who are the Directors for that area are sitting at the back and hopefully they will take note of the outstanding items and push it down the line.</p>
<p><b>7. COUNCILLOR JOHN TANNER</b></p> <p>Would the Cabinet member say what steps the County Council has taken to prevent dumping of asbestos, old fridges, builders' rubble and other rubbish in the fields adjacent to the travellers' site at Redbridge Hollow just outside Oxford?</p>	<p><b>COUNCILLOR DAVID NIMMO-SMITH, CABINET MEMBER FOR ENVIRONMENT</b></p> <p>The fields adjacent to the Redbridge Hollow traveller's site are owned by Oxford City Council. They fall within the Vale of the White Horse District Council administrative area. Fly tipping of the type referred to is a criminal offence under the Environmental Protection Act 1990. District Councils have responsibility for enforcement of this legislation where the tipping occurs within their district.</p> <p>The County Council owns and manages the Redbridge Hollow traveller site. We have been working closely with the Vale of the White Horse District Council and Oxford City Council to address the continuing problem of illegal waste disposal around the site. As landlord for the traveller site we will take legal action if a resident is proven to be illegally disposing of waste in the area. We are also jointly reviewing options to secure the land to reduce the opportunity for illegal waste disposal to take place.</p>
<p><b>8. COUNCILLOR JOHN TANNER</b></p> <p>Would the cabinet member say when facilities at the Redbridge Recycling Centre in Oxford will again allow pedestrians and cyclists,</p>	<p><b>COUNCILLOR DAVID NIMMO-SMITH, CABINET MEMBER FOR ENVIRONMENT</b></p> <p>The County Council strive to ensure the Household Waste Recycling Centres (HWRCs) are managed to protect the wellbeing of all visitors. We operate reasonable and proportionate measures to prevent accidents from occurring</p>



<b>Questions</b>	<b>Answers</b>
<p>particularly from my Isis division, to take in items for recycling?</p>	<p>when a hazard is identified. None of Oxfordshire's HWRCs are able to allow pedestrian access because they do not have pavements that provide access nor dedicated walkways around the site. As such, we are unable to guarantee the wellbeing of visitors arriving on foot. Currently Oxfordshire's residents can bring their recycling to the Redbridge HWRC by bicycle as they are considered to be road users and form part of the flow of traffic and are able to enter and exit the site without undue risk.</p> <p>The Household Waste Recycling Centre strategy will be under review soon and as part of this review a public consultation is planned next year. Pedestrian access will be considered as part of any future works or redevelopment of the sites.</p>
<p><b>9. COUNCILLOR JOHN TANNER</b></p> <p>Does the Cabinet member appreciate the distress and heart-ache caused to parents and staff by the threat of closure and loss of funding to both the Grandpont Children's Centre and the independent Donnington Doorstep centre in my Isis division?</p>	<p><b>COUNCILLOR MELINDA TILLEY, CABINET MEMBER FOR CHILDREN, EDUCATION &amp; FAMILIES</b></p> <p>I am of course aware of and sympathetic to the concerns of parents and others about the potential loss of any local service that is valued. However, I am now clear that any changes to the work of the Directorate involving early years, social care and early intervention will be subject to detailed review. This review will involve senior Councillors and is likely to take significant time to complete. It is not envisaged that this work will be completed before 16/17 or implemented before 17/18. The Council does not envisage closures for any children's centres or early intervention facilities. The aim is to find innovative ways to save money while at the same time maintaining frontline services.</p>
<p><b>SUPPLEMENTARY QUESTION</b></p> <p>Would Councillor Tilley agree with me that the reality is that in four years' time, there will be some closures of children's centres and how does she anticipate that she is going to make 10% savings without effecting front line</p>	<p><b>SUPPLEMENTARY ANSWER</b></p> <p>We are doing an in-depth review of all children's centres at Hobson's satellites as I am sure everyone knows and we will be reporting back to Cabinet sometime in the spring 2016 about what we find and Cabinet will make a decision then. I have no intention in pre-empting anything.</p>

<b>Questions</b>	<b>Answers</b>
services.	
<p><b>10. COUNCILLOR SUSANNA PRESSEL</b></p> <p>Many private cars are used only once or twice a week, if that. The rest of the time they clutter up our streets and cost a fortune in depreciation. One answer that more and more people are considering is to join a car club. How can the County Council do more to enable and encourage car clubs?</p>	<p><b>COUNCILLOR DAVID NIMMO-SMITH, CABINET MEMBER FOR ENVIRONMENT</b></p> <p>The potential of car clubs to meet transport and other Council policy objectives is recognized and we have supported the provision of these clubs, particularly in Oxford City. We are currently investigating a scheme to link the Council's pool car fleet pool to a car club, this has been done in other areas and has resulted in a saving to the council in the running costs of the pool cars and has also increased the availability of car club vehicles for use outside of office hours.</p>
<p><b>SUPPLEMENTARY QUESTION</b></p> <p>My question said "can the County Council do more to enable and encourage car clubs" the reply stated that we have supported the provision of these clubs, but it has been very half-hearted support, trying to get spaces for a car club car is like getting blood out of a stone in some instances that I am aware of. So please can you try and make sure that much more is done to enable and encourage.</p>	<p><b>SUPPLEMENTARY ANSWER</b></p> <p>I will certainly make sure that much more effort is put into the enabling and encouraging, but at the end of the day people do have choice.</p>
<p><b>11. COUNCILLOR SUSANNA PRESSEL</b></p> <p>My division must be the most beautiful in the County, but it does have one glaring problem -- the congestion in Botley Road. The City Council is hoping to succeed in its latest</p>	<p><b>COUNCILLOR DAVID NIMMO-SMITH, CABINET MEMBER FOR ENVIRONMENT</b></p> <p>The County Council is currently assessing future Park &amp; Ride demand across Oxford. As part of this we are looking at existing and future pressures on Seacourt and the western approach to Oxford. However, the western approach cannot be looked at in isolation: we are therefore looking at the future strategy for</p>

<b>Questions</b>	<b>Answers</b>
<p>attempt to extend the Seacourt park-and-ride car park, but this won't be enough. Please can you tell us when you will be setting up a park-and-ride car park further west, perhaps in Witney, to help reduce the pollution and congestion that is so damaging to our health, our quality of life and our economy?</p>	<p>Park &amp; Ride sites as part of the wider approach to transport networks supporting Oxford and its environs.</p> <p>Technical work is currently underway that will consider the impact of growth in Oxford and across the county on our transport networks. This will form part of the evidence base that will in turn help shape future investment proposals that will come forward as part of the update of the Local Transport Plan.</p>
<p><b>SUPPLEMENTARY QUESTION</b></p> <p>Thank you, yes it's a detailed answer but it doesn't give me the answer to my main question which is "when will we see a new park &amp; ride car park?" The answer is really vague and I would like to have an assurance that we won't just wait another two decades suffering horrendous congestion on the Botley Road while people just twiddle their thumbs, so please can I have a bit more reassurance.</p>	<p><b>SUPPLEMENTARY ANSWER</b></p> <p>There is a possibility of a northern gateway development in the City as part of the S106 monies. If that does materialise, this sort of thing could be considered and included.</p>
<p><b>12. COUNCILLOR SUSANNA PRESSEL</b></p> <p>We are told that Oxfordshire's public health budget is 5% below what it should be, if it were allocated on a fair basis. Please can the Leader tell us what he has done to fight for a fair share of the money for Oxfordshire?</p>	<p><b>COUNCILLOR IAN HUDSPETH, LEADER OF THE COUNCIL</b></p> <p>The Public Health Grant for Oxfordshire in 2014-15 is 5% below what would be expected on a fair shares basis. There is no published timetable for when local authorities should reach a fair shares target. Across the country there is a wide range in the "distance from target" from 43% below target to 529% above target. Within the Thames Valley Local Authorities the range is -43% in Slough to -5% in Oxfordshire. Oxfordshire is one of the 44 councils in the country who are within 5% of their target allocation.</p> <p>The grant allocation for Oxfordshire is sufficient to cover the costs of public health services currently commissioned. For this reason no specific</p>

Questions	Answers
	representation was made with regard to the public health grant. However at every opportunity I have when meeting senior Politian's I make the case for a fairer funding formula for the residents of Oxfordshire.
<p><b>SUPPLEMENTARY QUESTION</b></p> <p>There is one sentence in this reply that I think is incredible factious. It is the sentence at the beginning of the second paragraph, the grant allocation for Oxfordshire is sufficient to cover the costs of public health services currently commissioned. Well of course it is, you are not going to commission services if you haven't got the money to do it. Are you trying to say please Leader that we have got all the money we need, that Oxfordshire's health is so perfect that we don't need any more money, because that is how it reads.</p>	<p><b>SUPPLEMENTARY ANSWER</b></p> <p>As I said in my answer, I am always prepared to ask for more money for the residents of Oxfordshire and I do make representations in line with that, but currently, allocation for public health is quite sufficient for the areas we have commissioned.</p>
<p><b>13. COUNCILLOR GILL SANDERS</b></p> <p>Could the Cabinet member please promise to re-examine the parking needs of residents of Littlemore, Blackbird Leys and Northfield Brook? When the Kassam Stadium was being built it was agreed that parking restrictions in these areas should be introduced to alleviate any potential problems for residents. This scheme has worked well and we would all wish that it continues.</p> <p>It was then decided to extend the parking</p>	<p><b>COUNCILLOR DAVID NIMMO-SMITH, CABINET MEMBER FOR ENVIRONMENT</b></p> <p>I note the Councillor's positive comments regarding the operation of the residents parking scheme around the Kassam Stadium and I will ensure that the Parking Team are made aware of them – the nature of their job means that they are normally recipients of criticism rather than praise</p> <p>I'm told that the extension of the scheme to cover Sunday mornings was brought in during 2007 at the request of the local councillors representing the area around the stadium at that time as part of the feedback to the consultation to introduce charges for parking permits throughout Oxford.</p> <p>Councillor Sanders will no doubt be aware that the rules governing the signs and</p>

<b>Questions</b>	<b>Answers</b>
<p>restrictions to cover the car boot sales that take place at the Kassam Stadium on Sunday mornings. This scheme only serves to inconvenience local residents, their visitors, local church goers and other visitors to the areas who all frequently get fined for parking on these days. They are not aware that parking restrictions are in place and are not looking for parking restriction signs - which are few and far between - on Sunday mornings.</p> <p>Local councillors have been told that to change the regulations would be too expensive but, despite requesting costs from officers, we have not been told what 'expensive' means. Could the cabinet member please tell me how much the changes would cost and let me know when we can expect the changes to the existing parking regulations to be introduced?</p>	<p>markings for parking restrictions are particularly bureaucratic and for the Kassam CPZs special authorisation was required from the DfT. Any changes to the scheme signing would also require their approval, otherwise none of the restrictions could be enforced. However there is currently a national moratorium on such changes whilst the rules are re-written– as a result our hands are tied. We believe these changes might not be introduced by DfT before spring 2015.</p>
<p><b>SUPPLEMENTARY QUESTION</b></p> <p>Can you assure me, that when these new regulations (that you say are due to come in before Spring 2015) come into effect that you will actually ask officers to look at the parking restrictions timing in the areas which I have listed in my question? It is actually causing quite a lot of distress for residents who have to have parking restrictions unnecessarily on a Sunday. Could you also tell me, why the</p>	<p><b>SUPPLEMENTARY ANSWER</b></p> <p>In respect of the second part of that, I will have to give you a written answer about that. In respect of the Kassam Stadium, I went there on Sunday just to see if there was an issue and if there was a situation. I did see that there are signs up there that from 8.30 – 1.30 on Sundays no parking in the streets around the Kassam, I will take that up with the officers and try and sort something out. I do recognise the situation there.</p>

<b>Questions</b>	<b>Answers</b>
amendments to proposed residents parking scheme in Cutteslowe area can go ahead prior to the introduction of these new regulations and the scheme in Littlemore and Blackbird Leys cannot be looked at before 2015.	

Division(s): N/A
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## COUNCIL – 18 FEBRUARY 2014

### REPORT OF THE REMUNERATION COMMITTEE TO OXFORDSHIRE COUNTY COUNCIL ON THE COUNCIL'S PAY POLICY STATEMENT

Report by the Head of Human Resources

#### Introduction

1. In 2012 a stand-alone Remuneration Committee was set up to report each year directly to full Council and to make recommendations regarding the Council's Pay Policy Statement. This is the updated report of the Remuneration Committee for 2014-15.

#### Context

2. The Localism Act 2011 required all councils to agree and publish a pay policy statement every financial year. The Act lays down requirements on the content of the statement. This requirement is supplemented by detailed guidance from the Department for Communities and Local Government entitled 'Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act'.
3. In addition, the Code of Recommended Practice for Local Authorities on Data Transparency requires that Councils publish prescribed information on senior pay, jobs and organisational structures. The definition of senior pay under the Code is wider than the top management team and includes senior managers earning more than £58,200 per annum. Some of this information is already published each year in the Council's Statement of Accounts.
4. Full details, as required by the Act and Code of Practice, will be published on the Council's web site and will be available on request.
5. The Council has for many years managed its pay by adopting balanced terms and conditions of employment and by exercising a range of effective managerial rules and processes which have allowed services to operate efficiently within the budgetary constraints which apply. Bench-marking information is available at Annex 1. The Council welcomes this opportunity to be open and accountable about the management of pay and seeks to publish a Pay Policy Statement which embraces the spirit and the letter of the legislation and guidance.
6. In summary the pay policy statement must as a minimum include details of the Council's policy on:
  - The remuneration of its Chief Officers
  - The remuneration of its lowest paid employees

## CC7

- The relationship between the remuneration of its Chief Officers and other officers

### Revised Pay Policy Statement

7. The Pay Policy Statement at Annex 2 fulfils the requirements set down by the relevant legislation, codes etc. This Pay Policy Statement will be reviewed by the Council annually. All general changes to pay will be subject to agreement by Remuneration Committee.
8. Local Government (Green Book) staff received a national cost of living pay rise of 1% in 2013. This was the first rise since 2009. A three year local agreement has been proposed with Unison to move to local negotiations for pay and terms and conditions for Green Book employees to be known as 'Oxfordshire Local Agreement'. It is proposed that this will be effective from 1 April 2014 and will award a 1% cost of living increase to this group with effect from that date. This local agreement will enable greater local control over these matters. For other employment groups the negotiations of the relevant national joint councils will normally apply.
9. In 2013 the Chief Executive and Director's and related pay was increased by 1% through a local settlement. This was the first increase for this group since 2008. Their pay was reviewed locally in 2009 but a decision was taken by Senior Officers not to accept any increase due to the budgetary situation. Pay was not reviewed in 2011 as the council had adopted a freeze for other staff. Any changes to Directors' pay will be subject to approval of the Remuneration Committee.
10. A new grade structure for the Chief Executive and Director posts was approved by Remuneration Committee in 2013 with the option of a review at performance appraisal. However, no officers have yet been placed on this scale. Other senior managers are paid on four point grades using appropriate job evaluation systems. Changes to grades of senior officers are approved by Remuneration Committee. It is planned to move to local negotiations for all senior officers in a similar vein to Green Book staff.
11. Although Oxfordshire is subject to the difficult national economic situation it remains a relatively prosperous employment market and the Council must remain competitive in the levels of pay and terms and conditions of employment it offers in order to recruit and retain good quality staff.
12. Benchmarking data on pay and severance is attached at Annex 1. This shows that Oxfordshire's current levels of pay are below the benchmark level for the south east region. Oxfordshire's severance arrangements are shown to be in line with other Councils and relatively modest in terms of redundancy payment calculator.



## **Future Pay Policies**

The Remuneration Committee has agreed as part of the proposed new local agreement with Unison to work towards implementing the Living Wage from April 2017.

13. The pay policy statement must be reviewed and re-published every year. Information published in accordance with the Data Transparency Code will be updated and improved regularly.
14. Relevant trade unions will be consulted fully on changes to the Pay Policy Statement.

### **RECOMMENDATIONS:**

15. **The Council is RECOMMENDED to:**
  - (a) **receive the report of the Remuneration Committee;**
  - (b) **approve the revised Pay Policy Statement at Annex 2 to this report.**

### **STEVE MUNN**

Head of Human Resources  
January 2014

Contact: Sue Corrigan 01865 810280

Background Papers: None

February 2014

## Benchmark Information 2014

## Senior Pay

Post	Oxfordshire County Council Salary £	Median for County Councils £
Chief Executive	184,255	207,372
Director for Children, Education & Families	138,875	142,000
Director for Environment & Economy	129,476	128,194
Director for Social & Community Services	129,476	143,520
Deputy Directors	88,917–98,152	98,152

Source: Published pay of nine county council's in the South East.

### Early Retirement and Redundancy Compensation 2013

#### How redundancy pay is calculated

Method of calculation	Oxfordshire County Council	% of authorities
Using actual salary	Yes	89%
Using statutory maximum figure	No	4%
Other	No	6%

CC7

**Lump sum compensation for redundancy**

<b>Method of calculation</b>	<b>Oxfordshire County Council</b>	<b>% of authorities</b>
X 1.5	1.5	28%
X 2		23%
X 2.5		4%
X 3		1%
Using other formula		44%

**Augmented membership under the Local Government Pension Scheme for redundancy**

<b>Method of calculation</b>	<b>Oxfordshire County Council</b>	<b>% of authorities</b>
No	No	91%
Yes in some cases		7%
Yes in all cases		2%

**Augmented membership under the Local Government Pension Scheme for efficiency of the service retirements**

<b>Method of calculation</b>	<b>Oxfordshire County Council</b>	<b>% of authorities</b>
No	No	90%
Yes in some cases		8%
Yes in all cases		2%

**Source: Local Government Group Report of the Early Retirement and Redundancy Compensation Survey 2012**

Footnote: Figures are for non-schools staff

## Oxfordshire County Council Pay Policy Statement.

### Preamble.

1. This Pay Policy Statement fulfils Oxfordshire County Council's legal obligations under The Localism Act 2011. It incorporates current guidance. The Council will also publish details of its senior pay, salary and organisational structure information as required by the Code of Recommended Practice for Local Authorities on Data Transparency.
2. This Statement will be published on the Council's public website and will be available in other formats upon request.
3. Procedural and approval requirements set down in the Council's Constitution will be applied as required.
4. This Policy Statement does not cover school employees.

### Reward Policy.

5. Oxfordshire County Council aims to develop and implement reward systems and structures which meet the following requirements:
  - Allow the Council to recruit and retain high calibre employees in order to provide high quality services.
  - Maintain levels of pay which are in line with the Council's financial policies and provide value for money.
  - Are open, transparent and accountable.
  - Are fair and consistent.
6. High levels of performance are expected from employees and where standards are not satisfactory prompt managerial action will be taken to improve performance. This may include with-holding incremental rises or disciplinary/capability action in accordance with agreed procedures.

### Pay Design.

7. Until 31 March 2014 the Chief Executive, Chief Officers<sup>1</sup>, Deputy Chief Officers and related staff will be employed under the relevant Joint National Council terms and conditions. It is proposed to introduce a local agreement to replace this arrangement from 1 April 2014. Where the Council varies terms and conditions this will be subject to approval by the Remuneration Committee.

<sup>1</sup> For the purposes of this Statement the Chief Fire Officers are treated as Chief Officers.

8. A grading structure is in place for the Chief Executive, Chief Officers, Deputy Chief Officers and related staff with the option of a review at performance appraisal. Bonuses and performance related pay will not be paid.
9. Grading of Deputy Chief Officers and related staff, other than in Fire and Rescue, will be subject to an appropriate job evaluation process.
10. Where the Chief Executive or other officer receives election fees these will be shown separately to salary. These fees are set annually by the Council's Audit and Governance Committee. In addition, a comprehensive review of election fees is undertaken by the Audit and Governance Committee every four years in readiness for the County quadrennial elections.
11. Grading structures and changes to salaries and remuneration for the Chief Executive, Chief Officers and Deputy Chief Officers will be considered by the Remuneration Committee. Salary packages for a new post in excess of £100,000 p.a. will be subject to formal approval by full Council.
12. In accordance with publication requirements, a table showing information on the current pay of the Chief Executive, Chief Officers, Deputy Chief Officers and other officers earning over £58,200 pa, will be published on the Council's web site. All allowances and other payments will be shown. Bonuses and performance related pay are not currently paid. Expenses are based on nationally agreed levels except car mileage which is based on the Inland Revenue All Car rate, currently 45 pence per mile, falling to 25 pence for miles travelled in excess of 10,000 per annum.
13. The schemes of terms and conditions of employment and grading structures which apply to all groups of employees other than the Chief Executive, Chief Officers and Deputy Chief Officers are identified in Appendix 1. From 1 April 2014 a new local agreement covering Green Book employees is proposed to come into effect, to be known as the Oxfordshire Local Agreement.
14. The highest paid officer in the Council currently receives £184,255 p.a. including all elements of pay other than election fees. The current lowest full time salary paid by the Council is £12,435 per annum<sup>2</sup>. The Council's median annual salary is £28,766 per annum. This multiplies 6.41 times into the annual salary of the highest paid.
15. Changes to the grades of all groups of employees other than Chief Executive Chief Officers, staff in Fire and Rescue, adult learning and teachers will be subject to Job Evaluation Schemes in accordance with the Constitution and national and local terms and conditions as applicable. Market supplements may be paid in circumstances where they are required to attract or retain appropriate staff where a case has been agreed by the Grading Moderation Panel which is responsible for the local determination of job grades.

<sup>2</sup> The lowest paid salary is based on the bottom point of the Oxfordshire Local Scales which is the lowest normal pay point – currently payable to some cleaning staff. It does not include apprentices due to their trainee status or staff who have transferred in to the Council under TUPE protected rates.

16. Grading structures for all groups of employees will be implemented in line with agreed published pay scales and agreed relevant national and local terms and conditions of employment listed in Appendix 1.

17. Annual pay awards will be implemented in line with local or national negotiations for all employee groups.

#### Pensions and Severance Payments

18. Severance payments for all employees will comply with the Council's Pensions and Retirement Policy. The Oxfordshire County Council Redundancy Scheme, which is currently one and a half times statutory entitlement based on actual pay, will apply where redundancy payments are due.

19. All employees who have received a redundancy payment in relation to the termination of their contracts of employment will be subject to the provisions of the Redundancy Modification Order and will be subject to Local Government Pension Scheme (LGPS) Regulations or other pension scheme regulations where applicable. Information on severance payments paid is available at Appendix 1.

20. Where other severance payments are appropriate such payments will be approved by the Head of Human Resources, Solicitor to the Council and the Chief Financial Officer, and will be the subject of a Settlement Agreement for the purpose of compromising any compensation for which the council may otherwise be legally liable.

21. The current employer's pension contribution rates are set down in Appendix 2.

22. The Council's Pensions and Retirement Policy Statement sets down its policy on payment of pensions. This policy Statement is reproduced as Appendix 3 of the Pay Policy Statement.

#### Review of the Policy.

23. This policy Statement will be reviewed by the Remuneration Committee who will make recommendations for the approval of full Council annually.

Steve Munn  
Head of Human Resources  
Reviewed February 2014

**Terms and Conditions of Employment and Grading Structures.**

**Joint Negotiating Committee for Chief Executives \***

*Effective from 1 April 2013*

Pay Scale/Salary: £184,255 pa

**Joint Negotiating Committee for Chief Officers \***

*Effective from 1 April 2013*

<b>Grade</b>	<b>Pay Scale</b>
Director Children, Education & Families	£138,875
Director	£129,476
Monitoring Officer	Grade A (see below)

**HAY Grades**

*Effective from 1 April 2013*

<b>Grade</b>	<b>Pay Scale</b>
Grade A	£88,917-£91,993-£95,072-£98,152
Grade B	£76,216-£79,679-£83,140-£86,608
Grade C	£63,510-£67,359-£71,205-£75,060
Grade D	£56,097-£57,003-£57,928-£58,869-£61,204

**Public Health - Whitley Council**

*Effective from 1 April 2013*

<b>Grade</b>	<b>Pay Scale</b>
Director Public Health	Basic salary £101,451 On Call allowance £5,072.52 pa Clinical Excellence Award £35,484.00 pa Director of Public Health allowance £10,578.96 pa Additional Programme Activity allowance £27,386.04 pa
	Total pay : £179,972.52

**National Joint Council for Local Government Services (Green book) \***

*Effective 1 April 2013*

<b>Grade</b>	<b>G1</b>	<b>G2</b>	<b>G3</b>	<b>G4</b>
SCP - £	05 - £12,435 06 - £12,876	07 - £12,915 08 - £13,321	09 - £13,725 10 - £14,013 11 - £14,880	11 - £14,880 12 - £15,189 13 - £15,598

Grade	G5	G6	G7	G8
SCP - £	14 - £15,882 15 - £16,215 16 - £16,604 17 - £16,998	18 - £17,333 19 - £17,980 20 - £18,638 21 - £19,317	22 - £19,817 23 - £20,400 24 - £21,067 25 - £21,734	26 - £22,443 27 - £23,188 28 - £23,945 29 - £24,892
Grade	G9	G10	G11	G12
SCP - £	29 - £24,892 30 - £25,727 31 - £26,539 32 - £27,323	33 - £28,127 34 - £28,922 35 - £29,528 36 - £30,311	37 - £31,160 38 - £32,072 39 - £33,128 40 - £33,998	41 - £34,894 42 - £35,784 43 - £36,676 44 - £37,578
Grade	G13	G14	G15	G16
SCP - £	45 - £38,422 46 - £39,351 47 - £40,254 48 - £41,148	49 - £42,032 50 - £42,930 51 - £43,830 52 - £44,739	53 - £45,657 54 - £46,572 55 - £47,483 56 - £48,395	57 - £49,324 58 - £50,235 59 - £51,153 60 - £52,072
Grade	G17	G18		
SCP - £	61 - £52,987 62 - £53,908 63 - £54,823 64 - £55,741	65 - £56,658 66 - £57,573 67 - £58,507 68 - £59,458		

\* Local agreement on pay and terms and conditions is planned from 1 April 2014. Changes to pay scales will be subject to further approval by Remuneration committee.

### Consolidated Pay Spine

Spinal point	Salary £	Grade
5	12,435	G1
6	12,876	G1
7	12,915	G2
8	13,321	G2
9	13,725	G3
10	14,013	G3
11	14,880	G3/G4
12	15,189	G4
13	15,598	G4
14	15,882	G5
15	16,215	G5
16	16,604	G5
17	16,998	G5



<b>Spinal Point</b>	<b>Salary £</b>	<b>Grade</b>
18	17,333	G6
19	17,980	G6
20	18,638	G6
21	19,317	G6
22	19,817	G7
23	20,400	G7
24	21,067	G7
25	21,734	G7
26	22,443	G8
27	23,188	G8
28	23,945	G8
29	24,892	G8/G9
30	25,727	G9
31	26,539	G9
32	27,323	G9
33	28,127	G10
34	28,922	G10
35	29,528	G10
36	30,311	G10
37	31,160	G11
38	32,072	G11
39	33,128	G11
40	33,998	G11
41	34,894	G12
42	35,784	G12
43	36,676	G12
44	37,578	G12
45	38,422	G13
46	39,351	G13
47	40,254	G13
48	41,148	G13
49	42,032	G14
50	42,930	G14
51	43,830	G14
52	44,739	G14
53	45,657	G15
54	46,572	G15
55	47,483	G15
56	48,395	G15
57	49,324	G16
58	50,235	G16
59	51,153	G16
60	52,072	G16
61	52,987	G17
62	53,908	G17
63	54,823	G17

<b>Spinal point</b>	<b>Salary £</b>	<b>Grade</b>
64	55,741	G17
65H	56,097	HAY D
65	56,658	G18
66H	57,003	HAY D
66	57,573	G18
67H	57,928	HAY D
67	58,507	G18
68H	58,869	HAY D
68	59,458	G18
69H	61,204	HAY D
70H	63,510	HAY C
71H	67,359	HAY C
72H	71,205	HAY C
73H	75,060	HAY C
74H	76,216	HAY B
75H	79,679	HAY B
76H	83,140	HAY B
77H	86,608	HAY B
78H	88,917	HAY A
79H	91,993	HAY A
80H	95,072	HAY A
81H	98,152	HAY A
82	129,476	Director
82A	133,648	Director
83	138,875	Director
83A	143,388	Director
83B	148,048	Director
84	184,255	CH Exec
84A	190,243	CH Exec
84B	196,426	CH Exec
	120,645	CFO
	97,722	DCFO
	88,071	ACFO

**National Joint Council for Chief and Assistant Chief Fire Officers (Gold Book)**  
*Effective 1 January 2009*

<b>Grade</b>	<b>Pay Scale</b>
Chief Fire Officer	£120,645
Deputy Chief Fire Officer	£97,722
Assistant Chief Fire Officer	£88,071

## National Joint Council for Fire Brigades (Grey Book)

Effective 1 July 2013

### Firefighting Roles

	Basic annual £	Basic hourly rate £	Overtime rate £
<b>Firefighter</b>			
Trainee	21,583	9.86	14.64
Development	22,481	10.27	15.24
Competent	28,766	13.14	19.50
<b>Crew Manager</b>			
Development	30,574	13.96	20.73
Competent	31,892	14.56	21.63
<b>Watch Manager</b>			
Development	32,582	14.88	22.10
Competent A	33,487	15.29	22.71
Competent B	35,664	16.29	24.18
<b>Station Manager</b>			
Development	37,096	16.94	25.16
Competent A	38,209	17.45	25.91
Competent B	40,915	18.68	28.02
<b>Group Manager</b>			
Development	42,723	19.51	Not applicable
Competent A	44,005	20.09	Not applicable
Competent B	47,361	21.63	Not applicable
<b>Area Manager</b>			
Development	50,156	22.90	Not applicable
Competent A	51,660	23.59	Not applicable
Competent B	55,018	25.12	Not applicable

### Retained Duty System

	Retainer £ per annum	Retainer Day Crewing £ per annum	Hourly Rate for work undertaken £	Disturbance per call out £ per occasion
<b>Firefighter</b>				
Trainee	2,158	1,079	9.86	3.78
Development	2,248	1,124	10.27	3.78
Competent	2,877	1,438	13.14	3.78
<b>Crew Manager</b>				
Development	3,057	1,529	13.96	3.78
Competent	3,189	1,595	14.56	3.78

	<b>Retainer £ per annum</b>	<b>Retainer Day Crewing £ per annum</b>	<b>Hourly Rate for work undertaken £</b>	<b>Disturbance per call out £ per occasion</b>
<b>Watch Manager</b>				
Development	3,258	1,629	14.88	3.78
Competent A	3,349	1,674	15.29	3.78
Competent B	3,566	1,783	16.29	3.78
<b>Station Manager</b>				
Development	3,710	1,855	16.94	3.78
Competent A	3,821	1,911	17.45	3.78
Competent B	4,092	2,046	18.68	3.78
<b>Group Manager</b>				
Development	4,272	2,136	19.51	3.78
Competent A	4,400	2,200	20.09	3.78
Competent B	4,736	2,368	21.63	3.78
<b>Area Manager</b>				
Development	5,016	2,508	22.90	3.78
Competent A	5,166	2,583	23.59	3.78
Competent B	5,502	2,751	25.12	3.78

### Control Specific Roles

	<b>Basic annual £</b>	<b>Basic hourly rate £</b>	<b>Overtime rate £</b>
<b>Firefighter</b>			
Trainee	20,504	9.36	14.04
Development	21,357	9.75	14.63
Competent	27,328	12.48	18.72
<b>Crew Manager</b>			
Development	29,045	13.26	19.89
Competent	30,297	13.83	20.75
<b>Watch Manager</b>			
Development	30,953	14.13	21.20
Competent A	31,813	14.53	21.80
Competent B	33,881	15.47	23.21
<b>Station Manager</b>			
Development	35,241	16.09	24.14
Competent A	36,299	16.57	24.86
Competent B	38,869	17.75	26.63
<b>Group Manager</b>			
Development	40,587	18.53	Not applicable
Competent A	41,805	19.09	Not applicable
Competent B	44,993	20.54	Not applicable

## Non-operational staff

	£ per annum
<b>Fire Control Operator equivalent</b>	
During first six months	18,381
After six months and during 2 <sup>nd</sup> year	19,195
During 3 <sup>rd</sup> year	20,108
During 4 <sup>th</sup> year	21,097
During 5 <sup>th</sup> year	22,977
<b>Leading Fire Control Operator equivalent</b>	24,606
<b>Senior Fire Control Operator equivalent</b>	
During 1 <sup>st</sup> year in rank	25,238
During 2 <sup>nd</sup> year in rank	26,194

## Junior Firefighters

	£ per annum
Aged 16	9,984
Aged 17	10,729
Aged 18	21,583

## Soulbury Committee (Blue Book)

*Effective 1 September 2013*

### Educational Psychologists – Scale A

Spine Point	Salary
1	£34,273
2	£36,013
3	£37,752
4	£39,491
5	£41,230
6	£42,969
7	£44,607
8	£46,244
9	£47,778*
10	£49,313*
11	£50,745*

Notes: Salary scales to consist of six consecutive points, based on the duties and responsibilities attaching to posts and the need to recruit, retain and motivate staff.

\* Extension to scale to accommodate structured professional assessment points.

### Senior & Principal Educational Psychologists – Scale B

Spine Point	Salary
1	£42,969
2	£44,607
3	£46,244*

Spine Point	Salary
4	£47,778
5	£49,313
6	£50,745
7	£51,333
8	£52,431
9	£53,519
10	£54,626
11	£55,711
12	£56,818
13	£57,944
14	£59,031**
15	£60,171**
16	£61,300**
17	£62,436**
18	£63,571**

Notes: Salary scales to consist of not more than four consecutive points, based on the duties and responsibilities attaching to posts and the need to recruit, retain and motivate staff. \* Normal minimum point for the Principle Educational Psychologist undertaking the full range of duties at this level. \*\* Extension to range to accommodate discretionary scale points and structured professional assessments.

#### Trainee Educational Psychologists

Spine point	Salary
1	£22,019
2	£23,631
3	£25,241
4	£26,853
5	£28,464
6	£30,075

#### Assistant Educational Psychologists

Spine point	Salary
1	£27,067
2	£28,172
3	£29,278
4	£30,377

#### Adult Education

*Effective 1 September 2013*

Grade	Spinal Point	Salary
ADGR1	20	20,648.44
ADGR2	21	21,451.05
ADGR2	22	22,269.15
ADGR3	23	23,100.72
ADGR3	25	24,422.81

Grade	Spinal Point	Salary
ADGR3	27	25,812.57
ADGR3	29	27,258.55
ADGR4	30	28,548.32
ADGR4	31	29,513.55
ADGR4	32	30,489.21
ADGR4	33	31,472.61

### Teachers (Burgundy Book)

Effective 1 September 2013

Main Pay Scale	TPA Code	Per Annum	Per Day
TMS1	WOO	£21,804	£111.82
TMS2	WOO	£23,528	£120.66
TMS3	WOO	£25,420	£130.36
TMS4	WOO	£27,376	£140.39
TMS5	WOO	£29,533	£151.45
TMS6	WOO	£31,868	£163.43
Upper Pay Scale	TPA Code	Per Annum	Per Day
UPS1	POO	£34,523	£177.04
UPS2	POO	£35,802	£183.60
UPS3	POO	£37,124	£190.38
Instructors Pay Scale	TPA Code	Per Annum	Per Day
UNQ1	UQ04	£15,976	£81.93
UNQ2	UQ04	£17,834	£91.46
UNQ3	UQ04	£19,692	£100.98
UNQ4	UQ04	£21,550	£110.51
UNQ5	UQ04	£23,409	£120.05
UNQ6	UQ04	£25,267	£129.57

### Teaching and Learning Responsibility allowances

TLR2 minimum £2,561	TLR2 maximum £6,259
TLR1 minimum £7,397	TLR1 maximum £12,517

The School / Service sets the actual pay points within these ranges but there must be gaps between pay points of over £1500. Most schools use the standard OCC rates for allowances which are as follows: TLR2 (1) 2561, TLR2 (2) 4267, TLR2 (3a) 5973 or TLR2 (3b) 6259, TLR1 (1) 7397, TLR1 (2) 9102, TLR1 (3) 10809, TLR1 (4) 12517.

SEN Allowance 1 £2,022		SEN Allowance 2 £3,994	
Leadership Pay Spine	Per Annum	Leadership Pay Spine	Per Annum
L1*	£37,836	L23	£65,011
L2*	£38,784	L24	£66,623
L3*	£39,752	L25	£68,279
L4*	£40,743	L26	£69,968
L5*	£41,757	L27	£71,701
L6*	£42,803	L28	£73,480
L7*	£43,957	L29	£75,300

Leadership Pay Spine	Per Annum	Leadership Pay Spine	Per Annum
L8*	£44,971	L30	£77,174
L9*	£46,094	L31	£79,081
L10*	£47,277	L32	£81,047
L11*	£48,505	L33	£83,061
L12*	£49,622	L34	£85,114
L13*	£50,863	L35	£87,229
L14*	£52,131	L36	£89,390
L15*	£53,429	L37	£91,612
L16*	£54,849	L38	£93,878
L17*	£56,109	L39	£96,166
L18*	£57,520	L40	£98,566
L19	£58,946	L41	£101,029
L20	£60,408	L42	£103,560
L21	£61,901	L43	£106,148
L22	£63,440		
* Means that this is also the pay point for an advanced skills teacher			

### National Joint Council for Workshops for the Blind

Effective 1 April 2013

Probationary Grade: £12,435 pa

Substantive Grade: £12,525 pa

### Apprentices

Effective 1 April 2013

Age	Intermediate (GCCSE Grades D-G)			Advance Apprentice (GCCSE Grades A*-C)		
	16-18	19+	21+	Grade 1	Grade 2	Grade 3
Up to 6 months	£7,158	£7,158	£7,158	£12,435	£12,915	£13,725
6-12 months	£7,676	£7,676	£7,676	Progression through grade		
After 12 months	£9,678	£9,678	£12,141	Determined via job evaluation		



## Pension Contribution Rates

### Local Government Pension Scheme

From 1st April 2014 contribution rates are calculated on the bands indicated below based on whole time equivalent salary and pensionable allowances in accordance with the following table:

<b>Band</b>	<b>Range (based on pensionable earnings)</b>	<b>Contribution Rate - Employee</b>	<b>Provisional Contribution Rate – Employer (to be confirmed)</b>
1	Up to £13,500	5.5%	20%
2	£13,501 - £21,000	5.8%	20%
3	£21,001 - £34,000	6.5%	20%
4	£34,001 - £43,000	6.8%	20%
5	£43,001 - £ 60,000	8.5%	20%
6	£60,001 - £85,000	9.9%	20%
7	£85,001 - £100,000	10.5%	20%
8	£100,001 - £150,000	11.4%	20%
9	£150,001 and above	12.5%	20%

### Fire Brigades Pension Scheme

<b>All Fire Brigade Pension Scheme members apart from retained in 1992 scheme</b>		
<b>Band</b>	<b>Contribution Rate - Employee</b>	<b>Contribution Rate - Employer</b>
Up to £15,000	11.0%	21.3%
£15,000 - £21,000	11.9%	21.3%
£21,000 - £30,000	12.9%	21.3%
£30,000 - £40,000	13.2%	21.3%
£40,000 - £50,000	13.5%	21.3%
£50,000 - £60,000	13.7%	21.3%
£60,000 - £100,000	14.1%	21.3%
£100,000 - £120,000	14.5%	21.3%
Over £120,000	15.0%	21.3%
<b>Retained and whole-time after April 2006</b>		
Up to £15,000	8.5%	11.0%
£15,000 - £21,000	9.1%	11.0%
£21,000 - £30,000	9.6%	11.0%
£30,000 - £40,000	9.9%	11.0%
£40,000 - £50,000	10.1%	11.0%
£50,000 - £60,000	10.2%	11.0%
£60,000 - £100,000	10.5%	11.0%
£100,000 - £120,000	10.8%	11.0%
Over £120,000	11.1%	11.0%

Teachers' Pension Scheme wef 1 April 2013

<b>Band</b>	<b>Contribution Rate - Employee</b>	<b>Contribution Rate - Employer</b>
Up to £14,999	6.4%	14.1%
£15,000 - £25,999	7.0%	14.1%
£26,000-£31,999	7.9%	14.1%
£32,000 - £39,999	8.8%	14.1%
£40,000 - £44,999	9.2%	14.1%
£45,000 - £74,999	10.1%	
£75,000 - £99,999	10.6%	14.1%
£100,000 and above	11.2%	14.1%

## **Pensions and Retirement Policy Statement**

### **Preamble**

This policy sets out Oxfordshire County Council's approach to the administration and management of pensions and retirement for employees who are members of the Local Government Pension Scheme (LGPS) or are eligible to join. It incorporates the requirements of the LGPS regulations 2014. Separate versions of this policy apply to teachers and uniformed fire-fighters.

The provision of a contributory pension scheme is an important employee benefit which is valued by both employees and the Council as an employer. Employees are encouraged to join a pension scheme in order to make adequate provision for themselves and their dependents in their retirement or the event of misfortune such as permanent injury or illness or death<sup>3</sup>.

Employees are no longer subject to a general retirement date. Employment will therefore continue until it is ended by either the employee giving notice or action by the employer for a specified reason such as redundancy or dismissal for conduct or capability reasons.

The Council acknowledges the importance for employees who are planning to retire to achieve a balance between work and other interests. Managers are encouraged to seriously consider requests for flexible working arrangements which are desired as a variation to the existing contract of employment. However, managers reserve the right to refuse requests where there are sound business reasons which require that the job under consideration can only be carried out effectively on its present basis.

### **Pensions**

1. This policy applies to all employees who are members of the LGPS or are eligible to join.
2. Employees with a contract for at least three months, and aged between 16 and 75 will be brought into the LGPS automatically from their first day of employment. Those with a contract of less than three months and casual employees have a right to join and will need to opt in.
3. From the first day of employment employees will be able to elect not to be a member of the LGPS. It is not permitted to complete and return an opt-out form until after commencing employment.
4. Oxfordshire County Council is legally required to auto-enrol certain employees into a pension scheme once every three years starting 1 February 2013 or when they meet certain criteria. Those affected will be informed in writing on enrolment.

<sup>3</sup> To assist with the costs of making pension provision, from April 2014 employees can choose to pay half rate contributions to build up half the standard benefits which may be a more affordable option for some.

5. The pension contribution rates applied are published at Appendix 2 of the Pay Policy Statement. From 1 April 2014 a continual assessment will be made each pay period using the actual annual salary plus any pensionable allowances made in the previous 12 months to determine the correct contribution rate.
6. If an employee feels that their contribution rate has not been assessed correctly and not in accordance with this policy statement, they must write to the Pay and Employment Information Team in Oxfordshire Customer Services to ask for a breakdown of the assessment no later than three months following any change. Where it is confirmed that the assessment has been made in accordance with this policy statement and appropriate LGPS Regulations but the employee is challenging the assessment, then the complaint will be referred to the Strategic HR Manager. If a complaint cannot be resolved satisfactorily then employees can use the Adjudicator as in paragraph 21 below.
7. Employees with more than one job with the Council will be assessed separately for each individual contract of employment.
8. An employee who has chosen not to contribute to the Local Government Pension Scheme will receive no pension benefits from the Fund under this scheme upon retirement. Redundancy compensation will be paid where appropriate as set out in Paragraph 18 below.
9. The Council will not at any time augment the pension or membership of employees nor award or fund additional pension to employees unless required to do so by the LGPS Regulations.

## **Retirement**

10. An employee who is aged 55 or older may choose to leave and draw their pension by giving the appropriate notice. Those employees who have a sufficient period of membership in the pension scheme may choose to receive immediate payment of pension, in accordance with Pension regulations.
11. From April 2014 members choosing to leave aged between 55 and under age 60 may request immediate payment of their pension. In these circumstances all pension payable (whether built up in the scheme before or after April 2014) will be subject to a full reduction. The county will not, in any circumstance use its option to waive any or part reduction that may apply in the early payment of a pension under this section. Employees are advised to contact Pension Services for information about any pension entitlement and the arrangements for payment options.
12. An employee who is aged between 55 and 75 may request "flexible retirement" under the LGPS Regulations. This involves continuing to work and either reducing his/her hours of work or accepting a lower paid job within the Council while receiving an immediate payment of pension benefits. These benefits may be reduced or unreduced depending on entitlement. The council will not, in any circumstance use its option to waive

any reduction that may apply in the early payment of a pension under this section. Requests for payment of part benefits will not be agreed. This flexible retirement arrangement will only be available where all of the following apply:

- Approval is obtained from Pensions Benefits Sub-Committee, see Paragraph 18 below. Each case will be considered on its merits, although an application is unlikely to succeed where there are costs to the Council and the benefits to the service are not explicit.
  - Where the costs of the flexible retirement are below £5,000, approval has been delegated to Head of Human Resources through the Strategic Human Resources Manager.
  - There is a mutual agreement between the employee and management that the change in hours or grade can be accommodated and the arrangement is expected to continue for a period of no less than one year.
  - The changes to employment result in a reduction in income of 25 per cent or more of the normal pay of the current contracted employment, either by a reduction in hours or a reduction in grade or a combination of both.
13. Retirement with an immediate payment of pension before normal pension age may also arise for the reasons set down in paragraphs 17 and 18 below and is subject to the conditions stated.
14. An ex-employee who has retired and is receiving a Local Government Pension will not normally be re-employed by the County Council unless he/she has been selected by a full recruitment process. However, retired employees may register for short-term casual work without further process. All re-employed pensioners and employees who commence employment are required to advise the Authority who pays his/her pension of any new employment as his/her pension may be reduced in accordance with Pension Scheme Regulations and Compensation Regulations.
15. Employees are advised to seek guidance about the financial implications of continuing to work and starting to draw a LGPS or personal pension.

### **Special Retirements**

16. In the case of the retirements referred to in paragraphs 17 and 18 below re-deployment to other appropriate employment will be considered and offered as an alternative to retirement where appropriate and available.

### **III Health Retirements**

17. Where an employee with at least two years membership of the LGPS has been certified by an independent Occupational Health Advisor as being permanently incapable of discharging his/her duties or other comparable duties due to ill health or infirmity of body or mind, the Council will consider awarding early retirement with immediate payment of a pension in

accordance with Pension regulations. Ill health retirement may occur at any age.

Where the ill-health pension is for a limited period and is subsequently suspended, the ex-employee may request early payment of benefits before age 60 in accordance with paragraph 18 (b) below.

#### Other Retirements requiring the Approval of the Pensions Benefits Sub-Committee

18. Early retirement may be granted for employees aged 55 years and over with at least two years membership in the LGPS in the circumstances set out in a) to (c) below, taking into consideration the full cost of the retirement and the best interest of the Council.
  - (a) Redundancy, after the Council's Redundancy Procedure has been followed.

In this case employees will receive immediate payment of their pension entitlement and redundancy compensation will be paid where appropriate in accordance with the Oxfordshire County Council Redundancy Payments Scheme (effective 1 April 2011) which is one and a half times the statutory calculation based on actual pay.
  - (b) Where an employee has continuing health problems and it is in the interests of the efficiency of the Council's operations.

In this case immediate payment of pension will be granted to an employee who does not satisfy the Local Government Pension Scheme criteria for retirement on the grounds of ill health, but who is suffering from a substantial medical or psychiatric condition and whose retirement is recommended by the Council's Occupational Health physician because he/she is likely to be significantly less efficient for the foreseeable future due to health reasons.
  - (c) Where an employee has requested flexible retirement and satisfies the criteria in Paragraph 12 above.
19. The Council will not normally agree to early payment of benefits or early retirement on other grounds, or deferred benefits from ex-employees where there is a cost to the Council. This does not prevent an employee aged 55 to 59 years who wishes to, from leaving the employment of the authority and accessing their pension early under the terms of paragraph 11 above or from making a written request to the Sub-Committee to consider the waiving of any or all the reduction on compassionate grounds of an early payment of pension. However, such applications will not normally be supported by management and are unlikely to succeed due to the associated costs. Furthermore, benefits will be reduced in any cases which might be agreed, unless compassionate grounds apply.
20. The Council reserves its power to agree early retirement in exceptional cases which are commensurate with the efficient and effective running of the service as part of a Settlement Agreement.

## **Redundancy with no Entitlement to Immediate Payment of Pension Benefits**

Where a redundant employee has contributed to the LGPS but has no entitlement to immediate payment of pension, which from April 2014 will include over age 55 with under two years membership, he/she will receive redundancy compensation, where appropriate, in accordance with the Oxfordshire County Council Redundancy Payments Scheme (effective from 1 April 2011) which is one and a half times the statutory calculation based on actual pay and is not subject to age restrictions.

### **Disputes Procedure**

21. Where a member of the LGPS has a dispute regarding his/her pension he/she may refer this as appropriate through the County's agreed Raising Concerns at Work Procedure or through the process laid down in the Pension Regulations to the Adjudicator

#### **a. Revision of this Policy**

22. This policy will be reviewed within three years of its implementation or earlier if deemed necessary.

Head of Human Resources

Revised February 2014 (incorporates LGPS regulations from 1 April 2014)

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Division(s): N/A

## **COUNCIL – 18 FEBRUARY 2014**

### **BUSINESS STRATEGY AND SERVICE & RESOURCE PLANNING 2014/15 – 2017/18**

#### **Report by the Chief Finance Officer**

#### **Introduction**

1. This report is the culmination of the service & resource planning process for 2014/15 to 2017/18. It sets out the Cabinet's proposed budget for 2014/15, medium term financial plan and capital programme, together with a number of statements/policies that the Council is required to approve for the 2014/15 financial year. The report also includes the new directorate business strategies, which set out how the medium term financial plan will be delivered.
2. The report is divided into four main sections which are outlined below:  
  
Section 1 – Leader of the Council's overview  
Section 2 – Budget Strategy and Capital Programme  
Section 3 – Directorate Business Strategies  
Section 4 – Chief Finance Officer's statutory report
3. The report provides an update on information received since the Cabinet meeting on 28 January 2014, including the final local government finance settlement and the council tax referendum limit (subject to House of Commons approval). The budget proposals set out in section 2 have been updated in the light of this information. Changes since the report to Cabinet in January are set out in section 2.3.1.

#### **Section 1 – Leader of the Council's overview**

4. The basis for the Cabinet's budget proposals within the context of the challenging financial position faced by the Council is set out in section 1. This section sets out the Cabinet's priorities, proposed council tax increases for 2014/15 and how consultation on the budget proposals has been taken into consideration.

#### **Section 2 – Budget Strategy and Capital Programme**

5. This section sets out the detailed 2014/15 budget and the 2014/15 – 2017/18 medium term financial plan and capital programme, together with the strategies which underpin these such as the financial strategy, treasury management strategy and asset management plans. It includes those matters that the Council must approve as part of the budget setting process, including the council tax requirement and council tax amount for a band D property.

### **Section 3 – Directorate Business Strategies**

6. The new directorate business strategies for the period 2014/15 – 2017/18 are set out in section 3. This also includes a link to the current service & community impact assessments (SCIAs) completed for each of the savings proposals. SCIAs are living documents, and directorates update them to ensure they always reflect the current state of the proposal. Any changes to a proposal will have to be assessed for their potential impacts and the SCIA updated accordingly.

### **Section 4 – Chief Finance Officer’s statutory report**

7. Under Section 25 of the Local Government Act 2003, the Chief Finance Officer is required to report on the robustness of the estimates made in determining the council tax requirement and on the adequacy of the proposed financial reserves. This assessment is set out in section 4 of the report.

### **Updated Financial Information**

#### Final Local Government Finance Settlement

8. The final local government finance settlement was announced on 5 February 2014 for approval by the House of Commons on 12 February 2014. The final settlement confirms the figures set out in the provisional settlement announced on 18 December 2013.
9. The report on council tax referendum limit principles for 2014/15 proposes a threshold of 2% or more. This is slightly lower than the limit put forward in the 2013 Spending Round, which set the threshold at more than 2%. Legislation has been amended so that referendum calculations are now based on the level of Band D council tax and do not exclude levies. The Cabinet’s proposed council tax increase of 1.99% is lower than the threshold and would not require a referendum.

#### Business Rates

10. Final estimates of the County Council’s local share of business rates were expected by 31 January 2014; however the government extended the notification deadline by a week due to technical issues. The forecast provided by district councils for 2014/15 is £28.8m of business rates income plus £1.2m grant to compensate for the various business rate reductions announced in the 2013 Autumn Statement. In total this is £1.6m more than the previous forecast position and includes £0.4m part-year effect for the Energy from Waste plant at Ardley. In addition, the Council is expected to meet a share of the estimated deficit on business rates collection for 2013/14 of £0.2m.
11. The business rate pool between Cherwell District Council, West Oxfordshire District Council and the County Council has been confirmed. The pooling arrangement is expected to bring benefits to the area as a whole through reduced levies on business rates growth. The financial benefit for the County Council is expected to be small (less than £0.1m), receiving a 7.5% share of any levies retained as a result of pooling.

Specific grants

12. On the 31 January 2014 the government announced local authority allocations for Special Educational Needs (SEN) reform grant and adoption reform grant for 2014/15. The allocations for the County Council are £0.8m and £0.6m respectively. The one-off grant for SEN reform is being allocated to recognise the programmes of change underway in the areas of SEN. This grant income has been included with other un-ringfenced grants within strategic measures, with corresponding expenditure budgets in the Children, Education & Families directorate.

General Balances

13. The financial monitoring report to Cabinet on 25 February 2014 shows forecast balances of £17.4m at the end of 2013/14. This is £1.8m more than the forecast position in January due to a reduction in the estimated overspend by directorates together with an underspend on the strategic measures budget. As a result of this, balances for 2014/15 are currently forecast to be £1.7m more than the risk assessed level. However, as the impact of the recent floods is still to be established and with further poor conditions forecast for the remainder of the month, there could be further calls on balance and it is considered reasonable at this stage for balances to be higher than the risk assessed level.

Budget proposals

14. In the service & resource planning report to Cabinet in January it was noted that savings proposals exceeded pressures by £3.2m. Following the receipt of the outstanding information set out above, the excess savings together with the additional business rates income/compensation grant provide £4.0m available to allocate. The Cabinet's proposals are set out in section 2.3.1 of the report.

**Financial and Legal Implications**

15. This report is mostly concerned with finance and the implications are set out in the main body of the report.

**Equality and Inclusion Implications**

16. The Equality Act 2010 imposes a duty on local authorities that when making decisions of a strategic nature, decision makers must exercise 'due regard to the need to eliminate unlawful discrimination... advance equality of opportunity... and foster good relations.'
17. The current service and community impact assessments (SCIAs) on the budget proposals are included at section 3.7 of the report.

## RECOMMENDATIONS

18. The Council is **RECOMMENDED** to:
- (a) approve the updated Financial Strategy as set out in section 2.1;
  - (b) (in respect of revenue) approve:
    - (1) a medium term plan for 2014/15 to 2017/18 as set out in section 2.2 (which incorporates changes to the existing medium term financial plan as set out in section 2.3);
    - (2) a budget for 2014/15 as set out in section 2.4;
    - (3) the planned level of balances and reserves as set out in section 2.7.2;
    - (4) the council tax and precept calculations for 2014/15 set out in section 2.5 and in particular:
      - (i) a precept of £277,733,607;
      - (ii) a council tax for band D equivalent properties of £1,208.41;
    - (5) the use of Dedicated Schools Grant (provisional allocation) for 2014/15 as set out in section 2.8;
    - (6) virement arrangements to operate within the approved budget for 2014/15 as set out in section 2.9;
  - (c) (in respect of treasury management) approve:
    - (1) the Treasury Management Strategy Statement for 2014/15 as set out in section 2.6;
    - (2) that any further changes required to the 2014/15 strategy be delegated to the Chief Finance Officer in consultation with the Leader of the Council and the Cabinet Member for Finance;
    - (3) the continued delegation of authority to withdraw or advance additional funds to/from external fund managers to the Treasury Management Strategy Team;
    - (4) the Treasury Management Policy Statement as set out at Appendix E of section 2.6;
  - (d) approve the Prudential Indicators as set out in Appendix A of section 2.6;
  - (e) approve the Minimum Revenue Provision Methodology Statement as set out in Appendix B of section 2.6;
  - (f) (in respect of capital) approve:
    - (1) the updated Asset Management Plan in section 2.10.1;
    - (2) the Transport Asset Management Plan in section 2.10.2;
    - (3) a Capital Programme for 2013/14 to 2017/18 as set out in section 2.11;

- (g) approve the directorate business strategies as set out in section 3.1 to 3.6.**

LORNA BAXTER  
Chief Finance Officer

Background papers: Nil

Contact Officers: Section 2 - Stephanie Skivington – Corporate Finance Manager  
Tel. 01865 323995

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February 2014

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# Section 1

# Leader of the Council's Overview

**SERVICE & RESOURCE PLANNING**

2014/15 to 2017/18

**Overview by the Leader of the Council****Introduction**

1. The Cabinet Member for Finance's report to Cabinet on 28 January 2014 set out the detailed budget proposals from the Cabinet which continue to deliver a financially sound budget, Medium Term Financial Plan (MTFP) and Capital Programme for the authority.
2. This is the first budget of the new administration following the elections in May 2013 and our budget is built on the premise of fairness and protecting the most vulnerable from the impact of any cuts. Where we can, we will raise income so that reductions in service budgets are less challenging.
3. Where we have proposed to reduce or eliminate services, or to increase charges, I want to be clear that we have done this to play our part in bringing down the deficit, not because we don't appreciate the hard work of staff, or the value placed on those services by their users.
4. Even after these savings, we will remain a large organisation, delivering 80% of local government services to over 600,000 people. Even if we were reduced to providing only the minimum level of service we are required to provide by law, we would still be spending hundreds of millions of pounds a year across a broad range of services for the people of Oxfordshire.
5. The previous administration set out ambitious financial plans, and met them. I am confident that we will do so over the period of this new administration. We believe that by proposing this realistic budget we will be better placed to sustain the services of the future.
6. There are no longer any easy savings. Every saving is hard and every saving is challenging but I believe the proposals are the right choices in difficult times.
7. **Service & Resource Planning Consultation**  
Throughout Talking Oxfordshire I made a commitment to listen carefully to the views of residents. Almost 1000 people took time out of their evenings to come and have their say. Consultation with residents and stakeholders is a key part of our budget setting process and we take into account the views expressed in our budget consultation programme, surveys as well as written representations and petitions.



8. In proposing its budget, the Cabinet has taken into account comments from Performance Scrutiny Committee and a range of stakeholders; views expressed in the public budget consultation telephone survey of 600 residents and responses to the consultation through the Council's website on business strategies and overall budget proposals. Although this consultation closed on 3 January feedback and comments are still being received. I would like to assure people that all representations are being recorded and are being placed on deposit for all councillors to review.
9. The telephone survey included questions on Council Tax increases. 80% of respondents to the survey agreed that Council Tax should be increased with only 19% saying there should be no increase. The survey found that residents are generally positive about the Council's actions in the current economic climate; over half saying they trust the Council to do what's right for Oxfordshire in the current economic climate and over 3 in 5 saying that the Council does a good job despite the difficult financial situation.

### **Council Tax**

10. With an ever reducing amount of central government grant, we rely even more on locally raised income through Council Tax to meet our funding requirements. Council Tax accounts for 47% of our total income compared to 31% of central government grant<sup>1</sup>.
11. In order to sustain our services and protect the most vulnerable from the impact of any cuts, we are recognising the need to make a small increase to the Council tax of 1.99%, just under the current level of inflation. We believe that freezing Council tax would put at risk the financial security of our future plans, as it would commit us to a further reduction in income in the long-term.

### **Our Priorities**

12. My administration's priority is to deliver a Thriving Oxfordshire - one where people are able to get on in life, children receive a high quality education, local people take up jobs created by new and growing businesses, as well as those which choose to move here due to our strong local offer - transport links, an educated workforce, and one of the leading centres of research and development in science in Europe.
13. We are also committed to ensuring that wherever possible we protect the most vulnerable people in our society, and the services on which local people place the strongest value. This has not been easy in a time of austerity, and that challenge is no less great in this budget round.

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<sup>1</sup> Excluding Dedicated Schools Grant

14. More detail about our priorities is set out in the County Council's corporate plan. The 2013 version of the plan set out our priorities as we went into the local elections. Following these, we are producing a revised and refreshed plan, which will make clear our priorities for the life of this administration. We expect to place this before council in April.

### **Updated Financial Information & Changes to Budget Proposals**

15. The report to Cabinet in January set out the majority of our proposals but we were awaiting confirmation of the final Local Government Settlement, the Council Tax referendum limit and local business rates forecasts before confirming all of our plans. The outstanding information has now been confirmed and the covering report sets out the detail.
16. The final financial position has confirmed an excess of savings over pressures of £2.7m and additional business rates income of £1.3m. This allows us to reduce some of our savings proposals by £1.3m having taken into account feedback and comments received through the various consultations and provide £2.7m additional investment in priority areas. The changes we are now recommending are set out in section 2.3.1 of the report.

### **Total Reserves**

17. Much has been made in the press of the level of reserves councils hold. We hold reserves for two purposes; earmarked reserves for specific and planned purposes such as funding our Thriving Families programme; and balances for unplanned events such as flooding. During the recent floods we never had to say 'stop' because we didn't have the funds. We just got out there and did the job. That's why we hold balances and reserves and I am confident that the level we hold provides the right balance between ensuring the maximum use of taxpayers' money and keeping sufficient aside to deal with major emergencies.

### **Capital Programme**

18. We have plans for additional investment of £32m in our Capital Programme up to 2017/18. However, the announcement about our basic needs funding in late December means we have to rethink our plans for capital investment in Education over the coming year to address the £19m shortfall we now have in funding school places. We could scale back the building programme and use spare capacity at schools more fully. However, this would create more school transport costs and make it harder for parents to get their children a place at a school of their choice. We could also return to the long term use of temporary classroom units.

19. Additional funding has been confirmed by the Department for Transport providing almost £11m of capital funding for Oxfordshire to part meet three significant schemes; the Northern Gateway Cuttesslowe junction; the Wantage Eastern Link Road and Bicester London Road schemes. These will provide a real boost to the transport network and promote growth in the county.
20. I am also delighted that the City Deal has now been announced which will bring £55m of central government investment to Oxfordshire. This will enable us to improve the skills of people in Oxfordshire, improve the housing and then we will be able to tackle the issues around homelessness. The City Deal will pay for major transport schemes as well as jobs in hi-tech industries and construction and speed up the building of 7,000 homes across the county and is a great boost to Oxfordshire. The implications of this major programme will need to be assessed and reported on later in the year.

**Conclusion**

21. I recognise the hard choices these budget proposals set out, and I accept the justifiable unhappiness we have heard during the budget consultation process. People have every right to protest, and make their voices heard - and those voices have played a part in shaping these proposals. However, as I have said throughout this process, our funding is fixed. If we shy away from some cuts, we have to find others to replace them, and I heard much less about that during the consultation.
22. There are no longer any easy savings. Every saving is hard and every saving is challenging but I believe the proposals are the right choices in difficult times.
23. This council remains committed to a thriving Oxfordshire - thriving families, thriving communities and a thriving economy. We will continue to provide a safety net for the most vulnerable people in the county. This revenue budget, Medium Term Financial Plan and Capital Programme for 2014/15 to 2017/18 deliver a sustainable programme of services within the finances available to Oxfordshire County Council.

**Ian Hudspeth**

Leader of the County Council

February 2014

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# Section 2

# Budget Strategy and Capital Programme

**Budget Strategy and Capital Programme**

1. Section 2 of the report sets out the financial plans, strategies and policies that the Council is required to approve as part of the budget setting process. The content of this section is as follows:

<b>Section</b>	<b>Title</b>
2.1	Financial Strategy 2014/15
2.2	Medium term financial plan (MTFP) 2014/15 – 2017/18
2.3	Variations to the MTFP
	2.3.1 Changes to the budget proposals since 28 January 2014
2.4	Revenue budget booklet 2014/15
2.5	Council tax and precepts 2014/15
2.6	Treasury management strategy statement and annual investment strategy for 2014/15 (including prudential indicators and minimum revenue provision policy statement)
2.7	Balances and reserves
	2.7.1 2014/15 risk assessment for level of balances
	2.7.2 Summary of balances and reserves
2.8	Dedicated Schools Grant provisional allocation 2014/15
2.9	Virement rules for 2014/15
2.10	Asset management plans
	2.10.1 Asset management plan (property)
	2.10.2 Transport asset management plan
2.11	Capital programme 2013/14 – 2017/18

**Financial Strategy 2014/15 – 2017/18****1. Introduction**

The Financial Strategy sets out how the Council intends to finance its services and priorities and the principles upon which the medium term financial plan and the capital programme are based.

This is the third major revision of the Financial Strategy first approved by the County Council in October 2002 and coincides with the start of the new administration. It incorporates the Capital Strategy, previously treated as a separate document.

**2. Corporate Plan**

The service & resource planning process ensures the medium term financial plan (MTFP), capital programme and directorate business strategies reflect the Council's objectives and priorities set out in the corporate plan.

The corporate plan is revised every year and the current version was agreed by Council in February 2013. It outlines our overall goal of achieving a 'Thriving Oxfordshire' and sets out how we are working towards that goal. The latest update of the Corporate Plan will be presented to Council for approval in April 2014.

**3. Financial Planning**

The four-year medium term financial plan aligns available revenue funding with the delivery of services through the service & resource planning process. Our financial planning reflects:

- The reducing level of financial support from Government and consequential revenue savings required over the medium term
- The allocation of resources to meet statutory service requirements and key strategic priorities
- The use of one-off income to meet one-off pressures or priorities, or to help address an adverse cash flow position in the MTFP (where planned pressures exceed planned savings in the short-term)
- Our commitment to council tax payers
- Our on-going commitment to achieve efficiencies to ensure improved value for money

**4. Use of grant funding**

- The use of general grant funding for both revenue and capital will be maximised.
- Where grant bids are required, these need to be linked to the Council's objectives.
- Exit strategies are required for grant bids and time-limited grants.

- Directorates will be required to meet any reductions in ring-fenced grant funding, through cessation of projects/services or additional savings.

## 5. Balance sheet management

The Council actively manages its debtors and creditors position to reduce the demand for working capital using the following targets:

- Debtors – we will clear 97% of non-care debtors and unsecured care debtors within 90 days. Days revenue outstanding for non-care debts will be kept to 33 days or below, with a target of 62 days for care debts.
- Creditors – we will pay 97.5% of all undisputed invoices within their normal payment terms. The Council's standard payment terms are 14 days for small and medium size enterprises (SMEs), otherwise 28 days.

## 6. Balances and Reserves

- Balances will be maintained at a level commensurate with identified risks, based on an annual risk assessment, subject to a minimum of 2.5% of gross expenditure (excluding schools). The risks reflect unforeseen overspendings, unexpected events and emergencies such as severe weather, potential liabilities and uncertainties over the future level of funding.
- Any income which is fortuitous to the Council will be used to address an adverse cash flow position in the MTFP or otherwise be added to balances.
- Revenue reserves will be held for specified purposes only and reviewed on an annual basis.
- New revenue reserves require approval by the Cabinet.

## 7. Capital Strategy

The capital strategy provides a framework for the development of the capital programme and ensures that the use of limited capital resources accords with the Council's objectives and priorities as set out in the Corporate Plan. The latter is achieved by having asset management plans for the two main areas of asset holding:

- The Asset Management Plan sets out the future direction for managing the Council's property assets and provides a strategic approach to securing operational and financial benefits of the property estate. It reflects the changing needs of the property portfolio as the Council moves from being a service provider to a commissioner of services.
- The Transport Asset Management Plan sets out the prioritisation for investment in highway infrastructure including roads, footways, bridges, street lighting and drainage, based on an assessment of need, and incorporates the Local Transport Plan.

The Council's limited capital resources are managed effectively by:



- Allocating capital resources in line with corporate objectives and priorities and considering what outcomes can be achieved by a particular project and how effectively it uses corporate capital resources.
- Using capital resources prudently and flexibly in line with the agreed capital funding strategies to ensure their affordability, longevity and sustainability.
- Providing contingencies across the capital programme to manage the resources pressure arising from housing growth and uncertainties related to on-going service transformations.

Our principles for prioritising capital investment are to:

- comply with our statutory duties;
- improve the efficient and effective delivery of our services; and
- Promote economic growth.

This gives the following **capital investment priorities**:

**Priority 1:** projects which enable compliance with our legal/ statutory duties including projects which address any infrastructure deficits related to statutory compliance.

**Priority 2:** projects which maximise leverage from external partnerships and bodies (e.g. Local Enterprise Partnership (LEP)) in order to deliver agreed infrastructure priorities (e.g. SPIP).

**Priority 3:** projects where a major proportion is funded from developer contributions, Community Infrastructure Levy, grant or revenue contributions.

**Priority 4:** projects that facilitate economic development and housing growth but require the majority of funding to be met from the Council.

**Priority 5:** projects that address cross-cutting issues facilitate joint-working with partners or generate new/ additional income.

**Priority 6:** other projects.

Invest to save schemes which generate sufficient revenue savings to cover the cost of capital within at least 10 years, or are self-financed through prudential borrowing will be considered on a case by case basis alongside other bids which are subject to prioritisation.

Schemes below a certain financial threshold value will be assessed as part of an overall programme rather than individually.

**Capital resource allocations** are considered corporately on the following basis:

- Central government capital allocations and grants issued as “not ring-fenced” will be allocated in line with the Council’s priorities based on this capital strategy and the underpinning asset management plans. Ring-fenced or earmarked funding received from central government will be used for the purposes for which it is issued in line with grant/allocation conditions.

- Capital receipts will be treated as a corporate resource and not ring-fenced to the originating service. The Council seeks to maximise capital receipts from the disposal of surplus land and buildings, unless another option gives greater overall benefit.
- Prudential borrowing will be used to fund invest-to-save schemes, where the cost of borrowing is met from future revenue savings by services; or capital investment where the Council has a significant unmet capital need, in which case the cost of borrowing is met corporately. The application of prudential borrowing must be in line with the requirements of the Prudential Code.
- The Council will try wherever possible to influence investment through the targeted use of its limited capital resources to lever in external funding and project specific grants where these meet the Council's priorities and objectives. Any external resources, once secured, will be used for the purposes for which they are issued as per the guidance and conditions determined by funding providers. The Council will evaluate long-term implications of accepting any external funding provision, in particular any impact on the revenue budget and such projects only proceed if they are affordable and demonstrate value for money. This includes working within the broader context (such as the LEP) to align available funding streams.
- The Council will be proactive in ensuring, as far as possible, that all additional capital investment needs arising from new developments are funded from developer contributions, however it is recognised that this is unlikely to meet the scale of infrastructure investment provision needed to respond to the identified level of growth.
- The Community Infrastructure Levy (CIL) comes into full operation in April 2014. This levy based mechanism is a contribution from all new development towards the cost of infrastructure. Developer contributions will still apply in site specific infrastructure required to mitigate the impact of a specific development. As the Charging Authorities will be the District Councils in Oxfordshire, the County Council will need to seek an agreement with each Charging Authority the contribution from CIL towards the cost of services and infrastructure which it provides.
- The Council will use the Rolling Fund to forward-fund major infrastructure schemes where infrastructure is needed to support the planned development. The cost of infrastructure will then be recovered from public and private sector funding streams as they come forward. The priorities under this fund will be agreed by the Cabinet.
- The Council will consider alternative funding models (such as Public Private Partnerships, Private Finance Initiative, Local Asset Backed Vehicles, Tax Increment Financing and Local Authority Bonds) to address potential future funding requirements, subject to full evaluation of requirements.

In financing the capital programme the first calls on capital resources will be external funding (including S106). This is followed by grants & contributions,

supported borrowing and capital receipts and reserves. The final calls, where necessary, will be on prudential borrowing.

In order to respond effectively to unforeseen capital pressures and to accommodate possible changes in the capital resources position, a 3% **contingency** is built into capital programme planning assumptions. This provision and other capital programme contingencies are managed corporately and reviewed on a regular basis based on the risks associated with the overall programme.

**8. Managing our Resources Effectively**

- Financial management roles and responsibilities are transparent and embedded across Directorates.
- Financial literacy is actively promoted throughout the organisation.
- Appropriate systems and processes are in place to ensure effective in-year financial monitoring of revenue and capital and delivery of business strategies.
- Effective financial controls are in place in all areas of financial management, risk management and asset control.
- Financial Procedure Rules, Contract Procedure Rules and Financial Regulations are regularly reviewed and updated, providing a sound basis for financial governance.

**9. Arrangements for carrying forward revenue budget under/overspends**

- Revenue overspends will be the first call against any underspends within a directorate. Where overspends cannot be offset by underspends, they will be carried forward into the following year and a clear plan for their recovery will be required.
- Revenue underspends not needed to offset overspends will be placed in reserves to support the MTFP.
- The Cabinet may agree to the carry forward of a revenue underspend for a specific purpose on an exceptional basis.

**10. Related Strategies**

The Financial Strategy is underpinned by more detailed strategies for particular areas, including the Treasury Management Strategy, the Annual Investment Strategy and the Procurement Strategy.

- The Treasury Management Strategy sets out the Council's strategy for borrowing to ensure its capital investment plans are affordable, prudent and sustainable.
- The Annual Investment Strategy sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

## **CC8**

- The Procurement Strategy sets out how we achieve value for money and efficiencies in our procurement of goods and services, supplier relationship management and contract management.

**Medium Term Financial Plan 2014/15 - 2017/18****Summary**

	INDICATIVE POSITION											
	2014/15			2015/16			2016/17			2017/18		
	Base Budget	Proposed Allocation	Proposed Budget	Proposed Base Budget	Proposed Allocation	Proposed Budget	Proposed Base Budget	Proposed Allocation	Proposed Budget	Proposed Base Budget	Proposed Allocation	Proposed Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Directorate Budgets</b>												
Children, Education & Families	105,201	-2,583	102,618	102,618	-994	101,624	101,624	-2,270	99,354	99,354	-3,182	96,172
Social & Community Services	206,916	7,807	214,724	214,724	-11,649	203,075	203,075	-685	202,390	202,390	-2,006	200,384
Environment & Economy	79,267	2,264	81,532	81,532	-9,695	71,837	71,837	-3,154	68,683	68,683	-7,242	61,441
Chief Executive's Office	20,562	186	20,748	20,748	-243	20,505	20,505	-394	20,111	20,111	-130	19,981
Public Health								-1,250	-1,250	-1,250	-1,250	-2,500
Inflation and Other Adjustments <sup>(1)</sup>					4,750	4,750	4,750	10,800	15,550	15,550	7,400	22,950
<b>Directorate Budgets</b>	<b>411,947</b>	<b>7,675</b>	<b>419,621</b>	<b>419,621</b>	<b>-17,831</b>	<b>401,790</b>	<b>401,790</b>	<b>3,047</b>	<b>404,837</b>	<b>404,837</b>	<b>-6,410</b>	<b>398,427</b>
<b>Strategic Measures</b>												
Capital Financing												
Principal	16,816	207	17,023	17,023	-24	16,999	16,999	-319	16,680	16,680		16,680
Interest	18,455	-225	18,231	18,231	-405	17,826	17,826	-250	17,576	17,576		17,576
Interest on Balances	-4,444	-104	-4,548	-4,548	-529	-5,077	-5,077	-354	-5,431	-5,431		-5,431
Contingency	2,308	1,168	3,476	3,476		3,476	3,476	-774	2,702	2,702	6	2,708
Pensions - Past Service Deficit Funding	1,500	-670	830	830		830	830		830	830		830
<b>Total Strategic Measures</b>	<b>34,635</b>	<b>377</b>	<b>35,012</b>	<b>35,012</b>	<b>-957</b>	<b>34,055</b>	<b>34,055</b>	<b>-1,697</b>	<b>32,357</b>	<b>32,357</b>	<b>6</b>	<b>32,363</b>
<b>Contributions to/from reserves</b>												
General Balances	3,000		3,000	3,000	-1,000	2,000	2,000		2,000	2,000		2,000
Prudential Borrowing Costs	950		950	950		950	950		950	950		950
Capital Rolling Fund Reserve	491		491	491		491	491		491	491	-491	
Budget Reserve	82	-14,042	-13,960	-13,960	4,410	-9,550	-9,550	625	-8,925	-8,925	8,925	-
Budget Reserve - 2009/10 Budget	-3,341	3,341										
<b>Total Contributions to/from reserves</b>	<b>1,182</b>	<b>-10,701</b>	<b>-9,519</b>	<b>-9,519</b>	<b>3,410</b>	<b>-6,109</b>	<b>-6,109</b>	<b>625</b>	<b>-5,484</b>	<b>-5,484</b>	<b>8,434</b>	<b>2,950</b>
<b>Indicative Balance</b>												
<b>Net Operating Budget</b>	<b>447,764</b>	<b>-2,649</b>	<b>445,115</b>	<b>445,115</b>	<b>-15,379</b>	<b>429,736</b>	<b>429,736</b>	<b>1,975</b>	<b>431,711</b>	<b>431,711</b>	<b>2,030</b>	<b>433,741</b>

<sup>(1)</sup> Adjustment for inflation and other items that have not yet been allocated by Directorate including NI changes in 2016/17.

**Medium Term Financial Plan 2014/15 - 2017/18****Financing**

	INDICATIVE POSITION											
	2014/15			2015/16			2016/17			2017/18		
	Base Budget	Proposed Allocation	Proposed Budget	Proposed Base Budget	Proposed Allocation	Proposed Budget	Proposed Base Budget	Proposed Allocation	Proposed Budget	Proposed Base Budget	Proposed Allocation	Proposed Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net Operating Budget	447,764	-2,649	445,115	445,115	-15,379	429,736	429,736	1,975	431,711	431,711	2,030	433,741
<b>Funding</b>												
<b>Un-Ringfenced Specific Grants</b>	-17,083	2,251	-14,832	-14,832	1,835	-12,997	-12,997	-600	-13,597	-13,597	491	-13,106
<b>Government Grant</b>												
Revenue Support Grant	-94,487	13,864	-80,623	-80,623	18,877	-61,747	-61,747	11,469	-50,278	-50,278	10,792	-39,486
Business Rates Top-up	-35,694	-695	-36,390	-36,390	-1,004	-37,394	-37,394	-1,159	-38,553	-38,553	-1,195	-39,748
<b>Total Government Grant</b>	-130,181	13,168	-117,013	-117,013	17,872	-99,141	-99,141	10,310	-88,831	-88,831	9,596	-79,235
Business Rates from District Councils	-27,287	-1,546	-28,833	-28,833	-1,379	-30,212	-30,212	-918	-31,130	-31,130	-946	-32,076
Business Rate Collection Fund Deficit	0	226	226	226	-226				0	0		0
Council Tax Surpluses	-4,763	-2,165	-6,929	-6,929	4,929	-2,000	-2,000	0	-2,000	-2,000	0	-2,000
<b>COUNCIL TAX REQUIREMENT</b>	<b>268,450</b>	<b>9,284</b>	<b>277,734</b>	<b>277,734</b>	<b>7,652</b>	<b>285,386</b>	<b>285,386</b>	<b>10,767</b>	<b>296,153</b>	<b>296,153</b>	<b>11,171</b>	<b>307,324</b>
<b>Council Tax Calculation</b>												
Council Tax Base			229,834			231,558			233,294			235,044
Council Tax (Band D equivalent)			£1,208.41			£1,232.46			£1,269.44			£1,307.52
<b>Increase in Council Tax (precept)</b>			3.5%			2.8%			3.8%			3.8%
<b>Increase in Band D Council Tax</b>			1.99%			1.99%			3.00%			3.00%

## Summary of Variations to the 2013/14 - 2016/17 MTFP

## New Pressures

Directorates	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
Children, Education & Families	350	0	420	238	1,008
Adult Social Care	10,400	-2,000	3,900	3,400	15,700
Fire & Rescue and Community Safety	732	50	700	50	1,532
Environment & Economy	4,205	523	1,211	-1,106	4,833
Chief Executive's Office	435	0	0	0	435
Public Health	0	0	0	0	0
Corporate	6,106	12,917	6,586	15,443	41,052
<b>Total new pressures</b>	<b>22,228</b>	<b>11,490</b>	<b>12,817</b>	<b>18,025</b>	<b>64,560</b>

## New Savings

Directorates	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
Children, Education & Families	196	-994	-2,690	-3,420	-6,908
Adult Social Care	-2,500	-10,740	-2,800	-5,000	-21,040
Fire & Rescue and Community Safety	-746	-409	-535	-456	-2,146
Environment & Economy	-1,412	-5,132	-2,390	-6,136	-15,070
Chief Executive's Office	-928	-143	-294	-130	-1,495
Public Health	0	0	-1,250	-1,250	-2,500
Corporate	-7,438	-1,417	-3,323	-3,223	-15,401
<b>Total new savings</b>	<b>-12,828</b>	<b>-18,835</b>	<b>-13,282</b>	<b>-19,615</b>	<b>-64,560</b>

Net shortfall(+)/surplus(-)	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
Net shortfall(+)/surplus(-)	9,400	-7,345	-465	-1,590	0
Cumulative shortfall(+)/surplus(-)	9,400	2,055	1,590	0	
Contribution to(+)/from(-) Budget Reserve	-9,400	-2,055	-1,590	0	
<b>Net position</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Corporate

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
	NP	Pressure arising from reducing Council Tax increase in MTFP to 1.99% in 2014/15 and 2015/16, 3% in 2016/17 and 2017/18 (£14.9m), offset by an increase in the Council Tax Base (-£2.5m)	-924	4,881	2,336	6,131	12,424
	NP	Estimated reduction in Revenue Support Grant	1,315	6,571	750	1,971	10,607
	NP	Top-up compensation grant for cap on business rates multiplier	-386				-386
	NP	Estimated specific grant reductions/top-slicing	4,500	1,465			5,965
	NP	Ending of National Insurance rebate leading to increased employer costs			3,500		3,500
	NP	Replace short-term funding in current MTFP				7,335	7,335
	NP	Increase budget to meet Flood Defence Levy 2013/14 shortfall	53				53
	NP	Council Tax Support Scheme changes - contribution to District Council Hardship Fund and increased collection costs	68				68
	NP	Increase in insurance premiums	209				209
	NP	Provide contingency for potential pressures	827			6	833
	NP	Inclusion of over-time in pensionable pay	44				44
	NP	One-off investment for flooding (scheme to be developed) and on-going winter contingency	400				400
	NS	Reduce pay inflation in 2015/16 to 1% in line with Spending Round announcement to cap public sector pay rises		-1,000			-1,000
	NS	Reduce allowance for non-pay inflation and contract inflation	-159	-4,000	-3,300	-3,200	-10,659
	NS	Council Tax Surpluses over and above £2m included in MTFP	-4,928	4,928			0
	NS	Estimated additional business rates from Energy from Waste plant (energy related element)	-400	-600			-1,000
	NS	Increase in estimated Business Rates from growth	-308	-19	-23	-23	-373
	NS	Deficit on Business Rates Collection Fund	226	-226			0
	NS	Compensation grant for cap on business rates multiplier and other reliefs	-1,165				-1,165
	NS	Income Generation Target		-500			-500
	NS	Technical adjustment – grant reduction in medium term plan	-617				-617
	NS	Additional New Homes Bonus	-87				-87
		<b>Total Corporate</b>	<b>-1,332</b>	<b>11,500</b>	<b>3,263</b>	<b>12,220</b>	<b>25,651</b>



## Children, Education & Families

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b><u>Education &amp; Early Intervention</u></b>					
		<b>Early Intervention</b>					
15CEF1	NS	Rephasing of savings CEF10c and 14CEF4 relating to Children's Centres in current MTFP	499	-499			0
15CEF2	NS	Development of an integrated adolescent service and early childhood service				-3,000	-3,000
		<b>Subtotal Early Intervention</b>	<b>499</b>	<b>-499</b>	<b>0</b>	<b>-3,000</b>	<b>-3,000</b>
		<b>Education</b>					
15CEF3	NS	Make Music Service self financing by increasing income and reducing free tuition.	-40	-70	-70	-182	-362
15CEF4	NS	Identify savings in Foundation Learning service which eliminate the need for non-DSG funding.	-163				-163
15CEF5	NS	Reduce Attendance service from Sept 2014	-100	-100			-200
15CEF6	NS	Further reduce staffing of School Improvement services		-75			-75
		<b>Subtotal Education</b>	<b>-303</b>	<b>-245</b>	<b>-70</b>	<b>-182</b>	<b>-800</b>
		<b>Total Education &amp; Early Intervention</b>	<b>196</b>	<b>-744</b>	<b>-70</b>	<b>-3,182</b>	<b>-3,800</b>
		<b><u>Children's Social Care</u></b>					
		<b>Social Care</b>					
15CEF7	NS	Savings anticipated by further increasing close co-operation with partner agencies such as the police, the health service, schools and others		-250			-250
15CEF8	NP	Children's Homes - borrowing costs to fund 4 new homes in Oxfordshire			420	238	658
15CEF9	NS	Children's Homes Savings - from building Children's Homes in the county which reduces the number of high cost out of county placements			-420	-238	-658
15CEF13	NP	Additional funding for staffing for the Multi Agency Safeguarding Hub	350				350
		<b>Subtotal Social Care</b>	<b>350</b>	<b>-250</b>	<b>0</b>	<b>0</b>	<b>100</b>
		<b>Total Children's Social Care</b>	<b>350</b>	<b>-250</b>	<b>0</b>	<b>0</b>	<b>100</b>

## Children, Education & Families

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b><u>Children, Education &amp; Families Cross Directorate</u></b>					
15CEF10	NS	Reduce administration support in line with reductions in directorate services, seek efficiency improvements.			-500		-500
15CEF11	NS	Develop more integrated management across SEN & Disability. Challenge costs of 16+ SEN responsibilities transferred into OCC from Education Funding Agency, obtaining savings within DSG funded SEN services that enable a larger DSG contribution to the educational cost of placements.			-1,200		-1,200
15CEF12	NS	Reduce support services from joint commissioning team in line with other service reductions. Reduce non-statutory public engagement activities.			-500		-500
		<b>Total Children, Education &amp; Families Cross Directorate</b>	<b>0</b>	<b>0</b>	<b>-2,200</b>	<b>0</b>	<b>-2,200</b>
		<b>Total Children, Education &amp; Families</b>	<b>546</b>	<b>-994</b>	<b>-2,270</b>	<b>-3,182</b>	<b>-5,900</b>

## Adult Social Care

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>Older People</b>					
15SCS1	NS	Resources from the Better Care Fund to protect adult social care services	-2,000	-8,000			-10,000
15SCS2	NS	Working closely with providers to generate efficiencies in contracted services		-400	-400	-400	-1,200
15SCS3	NS	Supporting our staff to work more efficiently, reducing bureaucracy and streamlining process – establishing efficiency savings in preparation for increased demand generated by funding reform, which we expect will be funded by central government			-1,500		-1,500
15SCS4	NS	Seeking alternatives to the current brokerage service		-600			-600
15SCS5	NS	Stop subsidising shopping and meals service. Continue to provide a subsidised laundry service for people who suffer from incontinence.		-140			-140
15SCS6	NS	Continuing to fund information and advice for people who may need or are eligible for social services, but reducing support for mainstream welfare rights advice and advocacy. A review of information and advice services will be undertaken.		-100			-100
15SCS7	NS	Continued work to identify this saving over the four-year period				-2,800	-2,800
15SCS8	NP	Investment to help meet increased demand for social care (also see additional demography under 'All Client Groups')	10,000	-2,400	-1,100	-1,600	4,900
15SCS44	NP	Create a more personalised approach to home support which will include removing short visits for personal care for older people	400	400			800
		<b>Subtotal Older People</b>	<b>8,400</b>	<b>-11,240</b>	<b>-3,000</b>	<b>-4,800</b>	<b>-10,640</b>
		<b>Learning Disabilities</b>					
15SCS9	NS	Close working with learning disability service users to find new ways of working whilst ensuring assessed needs continue to be met		-500	-400	-1,800	-2,700
		<b>Subtotal Learning Disabilities</b>	<b>0</b>	<b>-500</b>	<b>-400</b>	<b>-1,800</b>	<b>-2,700</b>
		<b>All Client Groups</b>					
15SCS10	NP	Demography			5,000	5,000	10,000
15SCS11	NS	Phased reduction in line with central government reductions in Supporting People funding for Housing Related Support		-1,000	-500		-1,500
		<b>Subtotal All Client Groups</b>	<b>0</b>	<b>-1,000</b>	<b>4,500</b>	<b>5,000</b>	<b>8,500</b>

## Adult Social Care

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>Joint Commissioning</b>					
15SCS12	NS	Reduce Social Fund budget. On-going provision for care leavers to be retained, despite withdrawal of central government funding from 2015/16.	-500				-500
		<b>Total Joint Commissioning</b>	<b>-500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-500</b>
		<b>Total Adult Social Care</b>	<b>7,900</b>	<b>-12,740</b>	<b>1,100</b>	<b>-1,600</b>	<b>-5,340</b>

## Fire & Rescue and Community Safety

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b><u>Community Safety</u></b>					
15SCS13	NP	Cessation of contract to provide petroleum and explosives licensing and enforcement function for another local authority	25				25
15SCS14	NP	Reduction in income from legal metrology services arising from local business developing an accredited 'in-house' service (Trading Standards)	40				40
15SCS15	NS	Cease funding provided to local Community Safety Partnerships (with £44k retained to continue to support the Domestic Abuse Coordinator post)	-190				-190
15SCS16	NS	Cessation of dedicated Community Safety coordination work through the Safer Communities Unit		-194			-194
15SCS17	NS	Increased income from business support services and new specialist training service (Trading Standards)		-20			-20
15SCS18	NS	Reduction in livestock welfare enforcement work and refocus of remaining animal health activity on animal health and disease control (Trading Standards)		-30			-30
		<b>Total Community Safety</b>	<b>-125</b>	<b>-244</b>	<b>0</b>	<b>0</b>	<b>-369</b>

## Fire & Rescue and Community Safety

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b><u>Fire and Rescue &amp; Emergency Planning</u></b>					
		<b>Fire &amp; Rescue</b>					
15SCS19	NP	Change of staffing to support county-wide Emergency Cover - Bicester Fire Station - potential staffing model change from fully on-call (2 appliances) to 1 appliance on-call and 1 appliance Day Crewed. (This will require an additional 10 firefighters plus 4 supervisory managers)			700		700
15SCS20	NP	Change of staffing to support county-wide Emergency Cover - Establish an initial additional emergency response resource for Southern County area - (requiring an additional 6 Firefighters)	216				216
15SCS21	NP	New provision of staff to meet changing emergency cover needs - Establish an initial additional emergency response resource for West Oxford District Council & Carterton area (additional 6 Firefighters) - long term move to an 'on-call' model	216				216
15SCS22	NP	Development of established staffing model to support emergency cover - Increase in on-call firefighters in the West Oxford District Council & Carterton area				50	50
15SCS23	NP	New Provision of Staff to meet changing emergency cover needs - Additional on-call crewing to strengthen second appliance response in Wantage / Science Vale area		50			50
15SCS24	NP	Workforce Development/Training Strategy - Increase on-call Firefighter & Supervisory Manager Core Operational Skills experiential training	210				210
15SCS25	NP	Vehicle Renewal/Replacement Programme - Increased costs (inflation and specialist equipment costs)	25				25
15SCS26	NS	Emergency Planning - Restructure and alignment with Oxfordshire Fire & Rescue in relation to business continuity management.			-20		-20
15SCS27	NS	Agile Working - Full review of administration and support function following the introduction of agile working arrangements				-60	-60
15SCS28	NS	Development of Commercial Training Unit (Income Generation)	-25	-25	-25	-25	-100

## Fire & Rescue and Community Safety

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>Fire and Rescue Continued</b>					
15SCS29	NS	Collaboration Efficiencies - Revenue reductions associated with implementation of Thames Valley Fire Control Service (TVFCS)	-150	-75	-25	-25	-275
15SCS30	NS	Collaboration Efficiencies - reconfiguration of Oxfordshire Fire & Rescue's Technical Communications Team following the implementation of TVFCS			-25		-25
15SCS31	NS	Collaboration Efficiencies - Benefits realisation of collaborative approach to training delivery, leading to the reduction in staffing costs.			-50		-50
15SCS32	NS	Collaboration Efficiencies - Benefits realisation of collaborative approach to training support, leading to reconfiguration of training administration resources				-50	-50
15SCS33	NS	Senior Management Restructure and Collaboration - amend operational rota			-30		-30
15SCS34	NS	Charging and Fees Efficiencies - Review of current charges including revisiting Fire and Rescue Services Act 2004 Section 13/16 arrangements	-25	-25			-50
15SCS35	NS	Middle Management Review - Road Safety function		-40			-40
15SCS36	NS	Large/Major Incident Command Review - review OFRS resources in conjunction with the other Thames Valley fire & rescue services.				-30	-30
15SCS37	NS	Targeted Smoke Detector Provision for the most vulnerable only	-10				-10
15SCS38	NS	Review of Road Safety Educational Delivery	-38				-38
15SCS39	NS	Change of Staffing to Support County-wide Emergency Cover - Reduction in staffing for one on-call appliance at Bicester - covered by Day Crewed personnel (see 15SCS19)				-50	-50
15SCS40	NS	Conditions of Service Review - locally agreed reduction in allowances & subsistence	-20				-20
15SCS41	NS	Change of Staffing to Support County-wide Emergency Cover - Alternative crewing arrangements for hydraulic platform and frontline appliances at Rewley Road (releasing 8 Firefighter posts)	-288				-288

## Fire & Rescue and Community Safety

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>Fire and Rescue Continued</b>					
15SCS42	NS	Change of Staffing to Support County-wide Emergency Cover - Banbury Fire Station - staffing model change from 1 appliance full time 24/7 and one on-call appliance to 1 appliance Day Crewed and one on-call (release 10 Firefighters plus 4 Supervisory Managers)			-360		-360
15SCS43	NS	Reduction in Full-time Firefighter Support - for new Carterton emergency cover arrangements (see 15SCS21)				-216	-216
		<b>Total Fire and Rescue &amp; Emergency Planning</b>	<b>111</b>	<b>-115</b>	<b>165</b>	<b>-406</b>	<b>-245</b>
		<b>Total Fire &amp; Rescue and Community Safety</b>	<b>-14</b>	<b>-359</b>	<b>165</b>	<b>-406</b>	<b>-614</b>



## Environment & Economy

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>Strategy &amp; Infrastructure</b>					
15EE1	NS	Carbon Reduction Tax - Council no longer part of government scheme (below threshold)	-120	-290			-410
15EE2	NS	Merger of Energy, Natural Environment and Waste Strategy Teams	-35	-120			-155
15EE3	NS	Recover costs for Local Enterprise Partnership administration and communication	-70				-70
15EE4	NS	Reduction to Economy & Skills Establishment	-45				-45
15EE5	NS	Unidentified Savings within Strategy - Delivery being planned			-150		-150
15EE6	NS	Move to a self funding position for travel planning			-75		-75
15EE7	NS	Move to a self funding position for Invest in Oxfordshire			-125		-125
15EE8	NS	Reduce Travel Behaviour and Energy non-staffing budgets		-240			-240
15EE9	NP	Rights of Way Income - Reduction in target	75				75
15EE10	NS	Asset Rationalisation - Agile working - Over and above the medium term plan target				-640	-640
15EE11	NP	Asset Reduction Implementation - Change in profile	522	-477	711	-756	0
		<b>Total Strategy &amp; Infrastructure</b>	<b>327</b>	<b>-1,127</b>	<b>361</b>	<b>-1,396</b>	<b>-1,835</b>
		<b>Commercial Services</b>					
		<b>Miscellaneous</b>					
15EE12	NS	Other staff/staffing facilities reduction	-45	-10	-50		-105
15EE13	NS	Unidentified Saving- within Commercial Services delivery being planned				-535	-535
		<b>Subtotal Miscellaneous</b>	<b>-45</b>	<b>-10</b>	<b>-50</b>	<b>-535</b>	<b>-640</b>
		<b>Transport Others</b>					
15EE14	NS	Supported Transport Project savings which includes review of: transport contract management, Dial a Ride, bus subsidies, home to school transports including SEN	-325	-425	-750	-1,700	-3,200
15EE15	NS	Highways Contract process efficiency		-20		-118	-138
15EE16	NS	Withdraw contributions to Bus Stop infrastructure information		-58		-57	-115
		<b>Subtotal Transport Other</b>	<b>-325</b>	<b>-503</b>	<b>-750</b>	<b>-1,875</b>	<b>-3,453</b>
		<b>Property Services</b>					
15EE17	NS	More rigorous corporate Landlord Implementation	-300				-300
15EE18	NS	Property and Facilities staffing including - reduce facilities management structure/Property & Facilities service stream/Property and Facilities staffing			-60	-400	-460
15EE19	NS	Reduce size of property portfolio therefore reducing the overall size of contract		-200	-100	-100	-400
15EE20	NS	Reduce planned Property Repairs and Maintenance				-400	-400
15EE21	NP	Property Energy Costs - Statutory Compliance	150				150
		<b>Subtotal Property Services</b>	<b>-150</b>	<b>-200</b>	<b>-160</b>	<b>-900</b>	<b>-1,410</b>

## Environment & Economy

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>Waste Management</b>					
		<u>Waste Disposal</u>					
15EE22	NP	Increased Waste Tonnage - linked to the economic up turn and increase in number of households		500	500		1,000
		<u>Waste Treatment Procurement</u>					
15EE23	NS	Commercial Waste & Electrical energy from waste - 3rd Party Income				-1,300	-1,300
		<u>Waste Recycling Centre Strategy</u>					
15EE24	NP	Household Waste Recycling Centres - additional pressure from increased Redbridge Rent and unachieved savings; new strategy for future savings to be developed	358			-350	8
		<u>Oxfordshire Waste Partnership</u>					
15EE25	NS	Withdraw contribution to Oxfordshire Waste Partnership		-138			-138
		<b>Subtotal Waste Management</b>	<b>358</b>	<b>362</b>	<b>500</b>	<b>-1,650</b>	<b>-430</b>
		<b>Network Maintenance</b>					
15EE26	NS	Reduce the support for street works and events management		-30			-30
15EE27	NS	Reduce Road Survey Budget/other network maintenance/Network management general restructure/joint workings/Further other network maintenance		-100	-102	-281	-483
15EE28	NS	Street Lighting -Energy Saving plus reduction in inspection frequencies and cleaning regimes	-220		-390	-30	-640
15EE29	NP	Pressure on parking related services	300				300
15EE30	NS	Income generated through sponsorship and providing other services		-230	-100	-400	-730
		<b>Subtotal Network Maintenance</b>	<b>80</b>	<b>-360</b>	<b>-592</b>	<b>-711</b>	<b>-1,583</b>
		<b>Roads Maintenance</b>					
15EE31	NS	Reorganisation of Area Stewardship and locality working staff	-52	-145			-197
15EE32	NS	Reduce Grass Cutting		-689			-689
15EE33	NS	Alternative defect repairs		-200			-200
15EE34	NS	Significant defect correction lines/signs				-175	-175
15EE35	NS	Reduction in non-essential tree maintenance		-90			-90
15EE36	NS	Other Highways Savings		-92	-88		-180
15EE37	NP	Additional investment in highways defects following increased volumes	1,800	700			2,500
15EE41	NP	Additional investment in highways (locality based)	1,000	-200			800
		<b>Subtotal Roads Maintenance</b>	<b>2,748</b>	<b>-716</b>	<b>-88</b>	<b>-175</b>	<b>1,769</b>
		<b>Total Commercial Services</b>	<b>2,666</b>	<b>-1,427</b>	<b>-1,140</b>	<b>-5,846</b>	<b>-5,747</b>

## Environment & Economy

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b><u>Oxfordshire Customer Services</u></b>					
		<b>OCS Management Team</b>					
15EE38	NS	Oxfordshire Customer Services externalisation	-100	-2,055			-2,155
		<b>Subtotal OCS Management Team</b>	<b>-100</b>	<b>-2,055</b>	<b>0</b>	<b>0</b>	<b>-2,155</b>
		<b>ICT</b>					
15EE39	NS	ICT Rationalisation - including implementation of new telephony technology			-400		-400
15EE40	NS	SAP Hosting efficiencies through joint authority partnering arrangements	-100				-100
		<b>Subtotal ICT</b>	<b>-100</b>	<b>0</b>	<b>-400</b>	<b>0</b>	<b>-500</b>
		<b>Total Oxfordshire Customer Services</b>	<b>-200</b>	<b>-2,055</b>	<b>-400</b>	<b>0</b>	<b>-2,655</b>
		<b>Total Environment &amp; Economy</b>	<b>2,793</b>	<b>-4,609</b>	<b>-1,179</b>	<b>-7,242</b>	<b>-10,237</b>

## Chief Executive's Office

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b><u>Chief Executive's Office &amp; Business Support</u></b>					
15CEO1	NS	Cut funding to Oxford Inspires (retaining contribution to Experience Oxfordshire)	-25				-25
15CEO2	NS	Public Health staff costs met in full from Public Health	-25				-25
15CEO15	NP	Community Budget	315				315
		<b>Total Chief Executive's Office &amp; Business Support</b>	<b>265</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>265</b>
		<b><u>Human Resources</u></b>					
15CEO3	NS	Reduce Human Resources Establishment by 2fte	-42		-42		-84
15CEO4	NS	Reduce spend on Learning & Development delivery	-170				-170
		<b>Total Human Resources</b>	<b>-212</b>	<b>0</b>	<b>-42</b>	<b>0</b>	<b>-254</b>
		<b><u>Corporate Finance and Internal Audit</u></b>					
15CEO5	NS	Reduce Corporate Finance establishment by 1.5fte	-74				-74
		<b>Total Corporate Finance &amp; Internal Audit</b>	<b>-74</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-74</b>
		<b><u>Law and Culture</u></b>					
15CEO6	NS	Increased Registration Charges and activity	-210				-210
15CEO7	NS	Coroners - review and renegotiate contracts and agreements	-90				-90
15CEO8	NS	Withdrawal of grant scheme for the improvement of village halls and other community buildings	-59				-59
15CEO9	NS	Removal of unallocated resource in 2014/15 (£16k) and withdrawal of grant to The Mill Arts Centre (£80k)	-16			-80	-96
15CEO10	NS	Increased efficiencies to be achieved by Library Service through further review of management support, book procurement, supplies and services		-63	-187		-250
15CEO12	NP	Increase in childcare court fees - volume and cost	120				120
		<b>Total Law and Culture</b>	<b>-255</b>	<b>-63</b>	<b>-187</b>	<b>-80</b>	<b>-585</b>
		<b><u>Strategy and Communications</u></b>					
15CEO13	NS	Remove 4fte (vacant posts) and reduce Communications spend	-87	-50	-50	-50	-237
15CEO14	NS	Take out military and local grants (Locality Grant to Choose Abingdon and Refugee Resource Grant)	-130	-30	-15		-175
		<b>Total Strategy and Communications</b>	<b>-217</b>	<b>-80</b>	<b>-65</b>	<b>-50</b>	<b>-412</b>
		<b>Total Chief Executive's Office</b>	<b>-493</b>	<b>-143</b>	<b>-294</b>	<b>-130</b>	<b>-1,060</b>

## Public Health

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
15PH1	NS	More efficient contract negotiations			-1,250	-1,250	-2,500
		<b>Total Public Health</b>	<b>0</b>	<b>0</b>	<b>-1,250</b>	<b>-1,250</b>	<b>-2,500</b>

## Changes to the 28 January 2014 Cabinet budget proposals

Summary position	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
Total new pressures	19,296	11,272	12,817	18,019	61,404
Total new savings	-11,430	-20,288	-13,308	-19,615	-64,641
Net position reported in January 2014	7,866	-9,016	-491	-1,596	-3,237
Additional contribution to contingency	439			6	445
<b>Surplus of savings over pressures available to allocate</b>	<b>8,305</b>	<b>-9,016</b>	<b>-491</b>	<b>-1,590</b>	<b>-2,792</b>
Total additional business rates income	-1,398	162	-15	-15	-1,266
<b>Total to allocate</b>	<b>6,907</b>	<b>-8,854</b>	<b>-506</b>	<b>-1,605</b>	<b>-4,058</b>

New Pressures	Reference	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
Total pressures reported in January 2014		19,296	11,272	12,817	18,019	61,404
Additional contribution to contingency	Corporate	439			6	445
Changes:						
Adjustment to the top-up compensation grant for the cap on the business rates multiplier	Corporate	42				42
Adjustment to government grants following final settlement	Corporate	-14	18			4
Additional funding for staffing for the Multi Agency Safeguarding Hub	15CEFF13 (new)	350				350
Create a more personalised approach to home support which will include removing short visits for personal care for older people	15SSCS44 (new)	400	400			800
Additional investment in highways (locally based)	15EE41 (new)	1,000	-200			800
Community Budget	15CEO15 (new)	315				315
One-off investment for flooding (scheme to be developed) and on-going winter contingency	Corporate	400				400
Total changes to pressures		2,493	218	0	0	2,711
<b>Total adjusted pressures</b>		<b>22,228</b>	<b>11,490</b>	<b>12,817</b>	<b>18,025</b>	<b>64,560</b>

Proposed Savings	Reference	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
Total savings reported in January 2014		-11,430	-20,288	-13,308	-19,615	-64,641
Changes:						
Additional business rates income						
Additional business rates growth	Corporate	-459	388	-15	-15	-101
Deficit on business rates collection fund	Corporate	226	-226			0
Compensation grant in relation to cap on business rates multiplier and other reliefs	Corporate	-1,165				-1,165
Total additional business rates income		-1,398	162	-15	-15	-1,266
<u>Reductions to savings proposals</u>						
Reinstate funding for respite breaks in SEN and Disability	15CEFF11			100		100
Reduce savings in Learning Disability	15SSCS9		300	400		700
Continue to provide a subsidised laundry service for people who suffer from incontinence	15SSCS5		60			60
Reduce saving for welfare rights and advocacy but undertake a review of information and advice services	15SSCS6		200			200
Phase reduction in funding for Housing Related Support	15SSCS11		500	-500		0
reduce saving for reorganisation of Area Stewardship and locality working staff	15EE31		200			200
Do not reduce grants to Pegasus Theatre, Oxfordshire Youth Arts Partnership and Oxfordshire Visual Arts Development Agency	15CEO9		31	31		62
Remove funding reduction for Victoria County History service	15CEO12			10	15	25
Total changes to savings		0	1,291	41	15	1,347
<b>Total adjusted savings</b>		<b>-12,828</b>	<b>-18,835</b>	<b>-13,282</b>	<b>-19,615</b>	<b>-64,560</b>

# Detailed Revenue Budget 2014/15

February 2014



**Draft Revenue Budget 2014/15  
Summary**

		<b>Budget 2013/14</b>	<b>Permanent Virements Agreed in 2013/14</b>	<b>Inflation</b>	<b>Function and Funding Changes</b>	<b>Previously Agreed Budget Changes</b>	<b>New Pressures &amp; Savings</b>	<b>Proposed Virements</b>	<b>Budget 2014/15</b>
		£000	£000	£000	£000	£000	£000	£000	£000
<b>Children, Education &amp; Families</b>	Expenditure	467,709	-13,009	561	463	-3,852	586	-7,476	444,982
	Recharge Income	-1,677	1	0	0	0	0	64	-1,612
	DSG income (*)	-312,927	13,525	0	0	0	0	6,900	-292,502
	Grant income	-20,431	-538	0	0	0	0	-88	-21,057
	Other Income	-27,473	612	-2	0	10	-40	-300	-27,193
		<b>105,201</b>	<b>591</b>	<b>559</b>	<b>463</b>	<b>-3,842</b>	<b>546</b>	<b>-900</b>	<b>102,618</b>
<b>Social &amp; Community Services</b>	Expenditure	258,573	-23,747	2,618	0	-3,337	9,871	1,314	245,292
	Recharge Income	-12,298	3,760	-52	0	0	0	-37	-8,627
	Grant income	0	0	0	0	0	0	0	0
	Other Income	-39,359	19,913	-82	0	-500	-1,985	72	-21,941
			<b>206,916</b>	<b>-74</b>	<b>2,484</b>	<b>0</b>	<b>-3,837</b>	<b>7,886</b>	<b>1,349</b>
<b>Environment &amp; Economy</b>	Expenditure	157,203	16,730	1,935	0	-2,153	2,588	1,383	177,686
	Recharge Income	-58,610	-17,410	0	0	-37	0	1,450	-74,607
	Grant income	-4,479	-435	0	0	0	0	-535	-5,449
	Other Income	-14,847	-1,062	-56	0	-540	205	202	-16,098
			<b>79,267</b>	<b>-2,177</b>	<b>1,879</b>	<b>0</b>	<b>-2,730</b>	<b>2,793</b>	<b>2,500</b>
<b>Chief Executive's Office (including Cultural Services)</b>	Expenditure	33,365	2,035	179	0	-881	-283	563	34,978
	Recharge Income	-9,953	-99	0	0	0	0	-831	-10,883
	Grant income	0	0	0	0	0	0	0	0
	Other Income	-2,850	-322	-43	0	56	-210	22	-3,347
			<b>20,562</b>	<b>1,614</b>	<b>136</b>	<b>0</b>	<b>-825</b>	<b>-493</b>	<b>-246</b>
<b>Public Health</b>	Expenditure	25,264	434	0	0	0	0	1,148	26,846
	Grant income	-25,264	0	0	0	0	0	-822	-26,086
	Other Income	0	-434	0	0	0	0	-326	-760
		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Strategic Measures and Contributions to/from Reserves</b>	Expenditure	43,580	0	0	0	1,056	400	-578	44,458
	Recharge Income	-2,737	0	0	0	-1,211	0	1,367	-2,581
	Other Income	-5,026	0	0	0	-1,267	0	-10,091	-16,384
		<b>35,817</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,422</b>	<b>400</b>	<b>-9,302</b>	<b>25,493</b>
	<b>Net Operating Budget</b>	<b>447,763</b>	<b>-46</b>	<b>5,058</b>	<b>463</b>	<b>-12,656</b>	<b>11,132</b>	<b>-6,599</b>	<b>445,115</b>



**Draft Revenue Budget 2014/15  
Summary**

		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
		£000	£000	£000	£000	£000	£000	£000	£000
<b>Unringfenced Specific Grants</b>	Grant income	-17,083	46	0	2,841	-637	0	0	-14,833
<b>General Government Grant</b>	Grant income	-130,181	0	0	0	0	0	13,168	-117,013
<b>Business Rates from District Councils</b>	Other Income	-27,287	0	0	0	0	0	-1,320	-28,607
<b>Collection Fund Surpluses/Deficits</b>	Other Income	-4,763	0	0	0	0	0	-2,165	-6,929
<b>COUNCIL TAX REQUIREMENT</b>		<b>268,449</b>	<b>0</b>	<b>5,058</b>	<b>3,304</b>	<b>-13,293</b>	<b>11,132</b>	<b>3,084</b>	<b>277,734</b>
	<b>Expenditure</b>	<b>985,694</b>	<b>-17,557</b>	<b>5,293</b>	<b>463</b>	<b>-9,167</b>	<b>13,162</b>	<b>-3,646</b>	<b>974,242</b>
	<b>Recharge Income</b>	<b>-85,275</b>	<b>-13,748</b>	<b>-52</b>	<b>0</b>	<b>-1,248</b>	<b>0</b>	<b>2,013</b>	<b>-98,310</b>
	<b>DSG income (*)</b>	<b>-312,927</b>	<b>13,525</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,900</b>	<b>-292,502</b>
	<b>Grant income</b>	<b>-197,438</b>	<b>-927</b>	<b>0</b>	<b>2,841</b>	<b>-637</b>	<b>0</b>	<b>11,723</b>	<b>-184,438</b>
	<b>Other Income</b>	<b>-121,605</b>	<b>18,707</b>	<b>-183</b>	<b>0</b>	<b>-2,241</b>	<b>-2,030</b>	<b>-13,906</b>	<b>-121,259</b>
<b>COUNCIL TAX REQUIREMENT</b>		<b>268,449</b>	<b>0</b>	<b>5,058</b>	<b>3,304</b>	<b>-13,293</b>	<b>11,132</b>	<b>3,084</b>	<b>277,734</b>

(\*) Notes

1. DSG = Dedicated Schools Grant.
2. The DSG and grant income budgets reflect the latest estimates for grant allocations in 2014/15. For CEF further changes will be required to reflect revised pupil numbers and academy conversions.

References to the "Service and Resource Planning: Service Analysis 2013/14" publication have been added throughout this document to show the movement from 2013/14 to 2014/15.

**Draft Revenue Budget 2014/15**  
**Children, Education & Families**

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
<b>CEF1</b>	<b>CEF1</b>	<b><u>EDUCATION &amp; EARLY INTERVENTION</u></b>									
CEF1-1	CEF1-1	Management & Central Costs (including admin and support service recharges)	Expenditure	12,964	98	26	0	0	0	-671	12,417
			Recharge Income	-72	0	0	0	0	0	72	0
			DSG income	-424	0	0	0	0	0	0	-424
			Grant income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				12,468	98	26	0	0	0	-599	11,993
CEF1-2	CEF1-2	Additional & Special Educational Needs	Expenditure	25,732	2,682	21	835	0	0	1,362	30,632
			Recharge Income	-111	0	0	0	0	0	0	-111
			DSG income	-23,684	-2,685	0	0	0	0	-1,349	-27,718
			Grant income	0	0	0	0	0	0	0	0
			Income	-543	1	0	0	10	0	0	-532
				1,394	-2	21	835	10	0	13	2,271
CEF1-3	CEF1-3	Early Intervention	Expenditure	19,958	1,919	95	-969	-1,799	499	47	19,750
			Recharge Income	-91	2	0	0	0	0	0	-89
			DSG income	-2,429	-1	0	0	0	0	0	-2,430
			Grant income	-309	0	0	0	0	0	309	0
			Income	-69	-5	0	0	0	0	-300	-374
				17,060	1,915	95	-969	-1,799	499	56	16,857
CEF1-4	CEF1-4	Education	Expenditure	15,647	7	39	0	-1,652	-263	350	14,128
			Recharge Income	-592	-283	0	0	0	0	0	-875
			DSG income	-6,759	1	0	0	0	0	112	-6,646
			Grant income	-855	-1	0	0	0	0	-451	-1,307
			Income	-3,369	307	-1	0	0	-40	0	-3,103
				4,072	31	38	0	-1,652	-303	11	2,197

**Draft Revenue Budget 2014/15**  
**Children, Education & Families**

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
CEF1-5	CEF1-5	School Organisation & Planning (Including Home to School Transport recharge)	Expenditure	21,128	-324	4	0	-71	0	607	21,344
			Recharge Income	-1	1	0	0	0	0	-8	-8
			DSG income	-5,843	616	0	0	0	0	-962	-6,189
			Grant income	0	0	0	0	0	0	0	0
			Income	-334	334	0	0	0	0	0	0
				14,950	627	4	0	-71	0	-363	15,147
<b>CEF1</b>		<b>SUBTOTAL EDUCATION &amp; EARLY INTERVENTION</b>		<b>49,944</b>	<b>2,669</b>	<b>184</b>	<b>-134</b>	<b>-3,512</b>	<b>196</b>	<b>-882</b>	<b>48,465</b>
<b>CEF2</b>	<b>CEF2</b>	<b><u>CHILDREN'S SOCIAL CARE</u></b>									
CEF2-1	CEF2-1	Management & Central Costs (including admin and support service recharges)	Expenditure	7,668	96	30	0	0	350	-225	7,919
			Recharge Income	-37	0	0	0	0	0	0	-37
			DSG income	0	0	0	0	0	0	0	0
			Grant income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				7,631	96	30	0	0	350	-225	7,882
CEF2-2	CEF2-2	Corporate Parenting	Expenditure	13,687	695	85	597	-180	0	69	14,953
			Recharge Income	-60	0	0	0	0	0	0	-60
			DSG income	0	0	0	0	0	0	0	0
			Grant income	-200	-417	0	0	0	0	437	-180
			Income	-82	34	0	0	0	0	0	-48
				13,345	312	85	597	-180	0	506	14,665
CEF2-3	CEF2-3	Social Care	Expenditure	23,026	-2,779	89	0	-150	0	-462	19,724
			Recharge Income	-619	250	0	0	0	0	0	-369
			DSG income	-1,770	0	0	0	0	0	0	-1,770
			Grant income	-796	-4	0	0	0	0	0	-800
			Income	-310	11	-1	0	0	0	0	-300
				19,531	-2,522	88	0	-150	0	-462	16,485
CEF2-4	CEF2-4	Safeguarding	Expenditure	1,114	31	9	0	0	0	5	1,159
			Recharge Income	-53	0	0	0	0	0	0	-53
			DSG income	-64	0	0	0	0	0	0	-64
			Grant income	0	0	0	0	0	0	0	0
			Income	-90	-4	0	0	0	0	0	-94
				907	27	9	0	0	0	5	948

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**Children, Education & Families**

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
CEF2-5	CEF2-5	Services for Disabled Children	Expenditure	6,931	-20	34	0	0	0	11	6,956
			Recharge Income	-41	31	0	0	0	0	0	-10
			DSG income	0	0	0	0	0	0	0	0
			Grant income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				6,890	11	34	0	0	0	11	6,946
CEF2-6	CEF2-6	Youth Offending Service	Expenditure	1,830	-246	14	0	0	0	-94	1,504
			Recharge Income	0	0	0	0	0	0	0	0
			DSG income	0	0	0	0	0	0	0	0
			Grant income	-1,047	311	0	0	0	0	100	-636
			Income	-282	-65	0	0	0	0	0	-347
				501	0	14	0	0	0	6	521
CEF2		<b>SUBTOTAL CHILDREN'S SOCIAL CARE</b>		<b>48,805</b>	<b>-2,076</b>	<b>260</b>	<b>597</b>	<b>-330</b>	<b>350</b>	<b>-159</b>	<b>47,447</b>
CEF3	CEF3	<b><u>CHILDREN, EDUCATION &amp; FAMILIES</u></b> <b><u>(CEF) CENTRAL COSTS</u></b>									
CEF3-1	CEF3-1	Management, Admin & Central Support Service Recharges	Expenditure	923	-35	7	0	0	0	-50	845
			Recharge Income	0	0	0	0	0	0	0	0
			DSG income	0	0	0	0	0	0	0	0
			Grant income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				923	-35	7	0	0	0	-50	845
CEF3-2	CEF3-2	Premature Retirement Compensation (PRC)	Expenditure	3,722	0	100	0	0	0	0	3,822
			Recharge Income	0	0	0	0	0	0	0	0
			DSG income	0	0	0	0	0	0	0	0
			Grant income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				3,722	0	100	0	0	0	0	3,822

**Draft Revenue Budget 2014/15**  
**Children, Education & Families**

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
CEF3-3	CEF3-3	Joint Commissioning Recharge	Expenditure	1,505	0	0	0	0	0	0	1,505
			Recharge Income	0	0	0	0	0	0	0	0
			DSG income	0	0	0	0	0	0	0	0
			Grant income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				1,505	0	0	0	0	0	0	1,505
<b>CEF3</b>		<b>SUBTOTAL CEF CENTRAL COSTS</b>		<b>6,150</b>	<b>-35</b>	<b>107</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-50</b>	<b>6,172</b>
<b>CEF4</b>	<b>CEF4</b>	<b><u>SCHOOLS</u></b>									
CEF4-1	CEF4-1	Delegated Budgets	Expenditure	277,987	-13,262	0	0	0	0	-8,568	256,157
			Recharge Income	0	0	0	0	0	0	0	0
			DSG income	-238,369	13,690	0	0	0	0	9,051	-215,628
			Grant income	-17,224	-427	0	0	0	0	-483	-18,134
			Income	-22,394	-1	0	0	0	0	0	-22,395
				0	0	0	0	0	0	0	0
CEF4-2	CEF4-2	Early Years Single Funding Formula (Nursery Education Funding)	Expenditure	23,395	-926	0	0	0	0	-48	22,421
			Recharge Income	0	0	0	0	0	0	0	0
			DSG income	-23,395	926	0	0	0	0	48	-22,421
			Grant income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				0	0	0	0	0	0	0	0
CEF4-3	CEF4-3	Non-Delegated Schools Costs	Expenditure	577	93	8	0	0	0	191	869
			Recharge Income	0	0	0	0	0	0	0	0
			DSG income	-275	-60	0	0	0	0	0	-335
			Grant income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				302	33	8	0	0	0	191	534
CEF4-4	CEF4-4	Schools Support Service Non-Negotiable Recharges	Expenditure	4,592	557	0	0	0	0	0	5,149
			Recharge Income	0	0	0	0	0	0	0	0
			DSG income	-4,592	-557	0	0	0	0	0	-5,149
			Grant income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				0	0	0	0	0	0	0	0

**Draft Revenue Budget 2014/15**  
**Children, Education & Families**

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
CEF4-5	CEF4-5	Capitalised Repairs & Maintenance	Expenditure	3,728	0	0	0	0	0	0	3,728
			Recharge Income	0	0	0	0	0	0	0	0
			DSG income	-3,728	0	0	0	0	0	0	-3,728
			Grant income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				0	0	0	0	0	0	0	0
n/a	CEF4-6	Higher Needs in Further Education Colleges	Expenditure	1,595	-1,595	0	0	0	0	0	0
			Recharge Income	0	0	0	0	0	0	0	0
			DSG income	-1,595	1,595	0	0	0	0	0	0
			Grant income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				0	0	0	0	0	0	0	0
CEF4		<b>SUBTOTAL SCHOOLS</b>		<b>302</b>	<b>33</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>191</b>	<b>534</b>
			Expenditure	<b>467,709</b>	<b>-13,009</b>	<b>561</b>	<b>463</b>	<b>-3,852</b>	<b>586</b>	<b>-7,476</b>	<b>444,982</b>
			Recharge Income	<b>-1,677</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>64</b>	<b>-1,612</b>
			DSG income	<b>-312,927</b>	<b>13,525</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,900</b>	<b>-292,502</b>
			Grant income	<b>-20,431</b>	<b>-538</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-88</b>	<b>-21,057</b>
			Income	<b>-27,473</b>	<b>612</b>	<b>-2</b>	<b>0</b>	<b>10</b>	<b>-40</b>	<b>-300</b>	<b>-27,193</b>
		<b>DIRECTORATE TOTAL</b>		<b>105,201</b>	<b>591</b>	<b>559</b>	<b>463</b>	<b>-3,842</b>	<b>546</b>	<b>-900</b>	<b>102,618</b>

**Draft Revenue Budget 2014/15**  
**Social & Community Services**

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
<b>SCS1</b>	<b>SCS1</b>	<b>ADULT SOCIAL CARE</b>									
<b>SCS1-1</b>	<b>SCS1-1</b>	<b>Older People</b>									
SCS1-1ABCD	SCS1-1ABCD	Older People Non Pool Services	Expenditure	25,592	-24,455	0	0	-13	900	-2,024	0
			Recharge Income	-454	454	0	0	0	0	0	0
			Other income	-29,155	19,470	0	0	-500	-2,000	12,185	0
				-4,017	-4,531	0	0	-513	-1,100	10,161	0
SCS1-1E	SCS1-1E	Older People and Equipment Pooled	Expenditure	77,034	2,742	1,901	0	-3,113	9,500	-88,064	0
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	0	0	0	0	0	0	0	0
				77,034	2,742	1,901	0	-3,113	9,500	-88,064	0
SCS1-1A	SCS1-1E, SCS1-1A	Pooled Budget Contributions	Expenditure	0	0	0	0	0	0	92,256	92,256
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	0	0	0	0	0	0	0	0
				0	0	0	0	0	0	92,256	92,256
SCS1-1C	SCS1-1ABCD	Income	Expenditure	0	0	0	0	0	0	0	0
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	0	0	0	0	0	0	-11,985	-11,985
				0	0	0	0	0	0	-11,985	-11,985
		<b>Subtotal Older People</b>		<b>73,017</b>	<b>-1,789</b>	<b>1,901</b>	<b>0</b>	<b>-3,626</b>	<b>8,400</b>	<b>2,368</b>	<b>80,271</b>
<b>SCS1-2</b>	<b>SCS1-2</b>	<b>Learning Disabilities</b>									
SCS1-2ABD	SCS1-2ABD	Learning Disabilities Non Pool Services	Expenditure	9,562	-3,586	52	0	0	0	37	6,065
			Recharge Income	-9,287	3,548	-52	0	0	0	-37	-5,828
			Other income	-5,396	38	-51	0	0	0	0	-5,409
				-5,121	0	-51	0	0	0	0	-5,172
SCS1-2C	SCS1-2C	Pooled Budget Contribution	Expenditure	66,976	-112	361	0	415	0	37	67,677
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	0	0	0	0	0	0	0	0
				66,976	-112	361	0	415	0	37	67,677
		<b>Subtotal Learning Disabilities</b>		<b>61,855</b>	<b>-112</b>	<b>310</b>	<b>0</b>	<b>415</b>	<b>0</b>	<b>37</b>	<b>62,505</b>

**Draft Revenue Budget 2014/15**  
**Social & Community Services**

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
<b>SCS1-3</b>	<b>SCS1-3</b>	<b>Mental Health</b>									
SCS1-3A	SCS1-3A	Non-Pool Services	Expenditure	855	1,709	0	0	0	0	4	2,568
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	0	0	0	0	0	0	0	0
				855	1,709	0	0	0	0	4	2,568
SCS1-3B	SCS1-3B	Pooled Budget Contributions	Expenditure	8,519	-1,715	0	0	-334	0	0	6,470
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	-261	0	-2	0	0	0	0	-263
				8,258	-1,715	-2	0	-334	0	0	6,207
		<b>Subtotal Mental Health</b>		<b>9,113</b>	<b>-6</b>	<b>-2</b>	<b>0</b>	<b>-334</b>	<b>0</b>	<b>4</b>	<b>8,775</b>
<b>SCS1-4</b>	<b>SCS1-4</b>	<b>Services For All Client Groups</b>									
SCS1-4A-J	SCS1-4A-J	Services For All Client Groups	Expenditure	4,643	1,554	30	0	0	0	-396	5,831
			Recharge Income	0	-264	0	0	0	0	0	-264
			Grant income	0	0	0	0	0	0	0	0
			Other income	-2,241	494	-10	0	0	0	414	-1,343
				2,402	1,784	20	0	0	0	18	4,224
SCS1-4I	<b>SCS1-4I</b>	Housing Related Support	Expenditure	4,436	-543	0	0	0	0	0	3,893
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	0	0	0	0	0	0	0	0
				4,436	-543	0	0	0	0	0	3,893
		<b>Subtotal Services for All Client Groups</b>		<b>6,838</b>	<b>1,241</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18</b>	<b>8,117</b>
<b>SCS1-5</b>	<b>SCS1-5</b>	<b>Physical Disabilities</b>									
SCS1-5A	SCS1-5A	Pooled Budget Contribution	Expenditure	11,310	585	0	0	8	0	0	11,903
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	0	0	0	0	0	0	0	0
				11,310	585	0	0	8	0	0	11,903
SCS1-5B	SCS1-5B	Income	Expenditure	0	0	0	0	0	0	0	0
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	-644	0	-13	0	0	0	0	-657
				-644	0	-13	0	0	0	0	-657
		<b>Subtotal Physical Disabilities</b>		<b>10,666</b>	<b>585</b>	<b>-13</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>11,246</b>



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**Social & Community Services**

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
<b>SCS1-6</b>	<b>SCS1-6</b>	<b>Adult Social Care Recharges</b>									
SCS1-6	SCS1-6	Adult Social Care Recharges	Expenditure	10,437	0	0	0	0	0	-1,002	9,435
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	0	0	0	0	0	0	0	0
				10,437	0	0	0	0	0	-1,002	9,435
		<b>Subtotal Adult Social Care Recharges</b>		<b>10,437</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,002</b>	<b>9,435</b>
<b>SCS1</b>		<b>SUBTOTAL ADULT SOCIAL CARE</b>		<b>171,926</b>	<b>-81</b>	<b>2,216</b>	<b>0</b>	<b>-3,537</b>	<b>8,400</b>	<b>1,425</b>	<b>180,349</b>
<b>SCS2</b>	<b>SCS2</b>	<b><u>COMMUNITY SAFETY</u></b>									
SCS2-1	SCS2-1	Safer Communities	Expenditure	557	-22	2	0	0	-190	351	698
			Recharge Income	-22	22	0	0	0	0	0	0
			Other income	-63	0	0	0	0	0	-350	-413
				472	0	2	0	0	-190	1	285
SCS2-2	SCS2-2	Gypsy & Traveller Services	Expenditure	1,004	45	4	0	0	0	-3	1,050
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	-1,001	-45	-1	0	0	0	-3	-1,050
				3	0	3	0	0	0	-6	0
SCS2-3	SCS2-3	Trading Standards	Expenditure	2,276	102	16	0	0	0	-7	2,387
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	-157	-102	-2	0	0	65	0	-196
				2,119	0	14	0	0	65	-7	2,191
<b>SCS2</b>		<b>SUBTOTAL COMMUNITY SAFETY</b>		<b>2,594</b>	<b>0</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>-125</b>	<b>-12</b>	<b>2,476</b>
<b>SCS3</b>	<b>SCS3</b>	<b><u>JOINT COMMISSIONING</u></b>									
SCS3-1 to SCS3-5	SCS3-1 to SCS3-5	Joint Commissioning	Expenditure	8,828	7	67	0	-500	0	-116	8,286
			Recharge Income	-2,531	0	0	0	0	0	0	-2,531
			Other income	-160	0	-2	0	0	0	0	-162
				6,137	7	65	0	-500	0	-116	5,593
SCS3-6	SCS3-6	Oxfordshire Support Fund	Expenditure	944	0	0	0	0	-500	0	444
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	0	0	0	0	0	0	0	0
				944	0	0	0	0	-500	0	444
<b>SCS3</b>		<b>TOTAL JOINT COMMISSIONING</b>		<b>7,081</b>	<b>7</b>	<b>65</b>	<b>0</b>	<b>-500</b>	<b>-500</b>	<b>-116</b>	<b>6,037</b>

**Draft Revenue Budget 2014/15**  
**Social & Community Services**

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
<b>SCS4</b>	<b>SCS4</b>	<b><u>FIRE AND RESCUE &amp; EMERGENCY PLANNING</u></b>									
SCS4-1	SCS4-1	Fire & Rescue Service	Expenditure	25,226	-58	182	0	200	161	243	25,954
			Recharge Income	-4	0	0	0	0	0	0	-4
			Other income	-281	58	-1	0		-50	-189	-463
				24,941	0	181	0	200	111	54	25,487
SCS4-2	SCS4-2	Emergency Planning	Expenditure	374	0	3	0	0	0	-2	375
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	0	0	0	0	0	0	0	0
				374	0	3	0	0	0	-2	375
<b>SCS4</b>		<b>SUBTOTAL FIRE AND RESCUE &amp; EMERGENCY PLANNING</b>		<b>25,315</b>	<b>0</b>	<b>184</b>	<b>0</b>	<b>200</b>	<b>111</b>	<b>52</b>	<b>25,862</b>
			Expenditure	<b>258,573</b>	<b>-23,747</b>	<b>2,618</b>	<b>0</b>	<b>-3,337</b>	<b>9,871</b>	<b>1,314</b>	<b>245,292</b>
			Recharge Income	<b>-12,298</b>	<b>3,760</b>	<b>-52</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-37</b>	<b>-8,627</b>
			Grant income	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
			Other Income	<b>-39,359</b>	<b>19,913</b>	<b>-82</b>	<b>0</b>	<b>-500</b>	<b>-1,985</b>	<b>72</b>	<b>-21,941</b>
		<b>DIRECTORATE TOTAL</b>		<b>206,916</b>	<b>-74</b>	<b>2,484</b>	<b>0</b>	<b>-3,837</b>	<b>7,886</b>	<b>1,349</b>	<b>214,724</b>

**Draft Revenue Budget 2014/15**  
**Social & Community Services - Older People's Pooled Budget**

Ref. 2014/15		Budget 2013/14 £000	Permanent Virements Agreed in 2013/14 £000	Inflation £000	Function and Funding Changes £000	Previously Agreed Budget Changes £000	New Pressures & Savings £000	Proposed Virements £000	Budget 2014/15 £000
	<b>Oxfordshire County Council</b>								
	Personal Budgets - Residential Care	29,965	-384	0	0	115	5,000	-3,055	31,641
	Personal Budgets - Support at Home	21,443	307	0	0	1,915	1,600	4,835	30,100
	Care Home Provider Contract	15,886	-1,284	152	0	-385	0	0	14,369
	Intermediate Care & Reablement	6,631	136	0	0	0	0	0	6,767
	Prevention and Early Support	2,008	7,205	2	0	0	400	80	9,695
	Staffing & Infrastructure Costs	641	11,386	111	0	-51	0	64	12,151
	Older People's Pool to meet own pressures	-5,205	0	1,977	0	-4,627	2,500	5,355	0
	Department of Health funds for Adult Social Care	5,665	0	0	0	0	0	-5,665	0
	Older People Income	0	-17,327	-349	0	0	0	-200	-17,876
	Day Services	0	2,704	8	0	-80	0	6	2,638
	<b>Oxfordshire Clinical Commissioning Group</b>								
	Continuing Care - Nursing Beds	6,192	1,942	0	0	0	0	0	8,134
	Continuing Care - Support at Home	2,356	291	0	0	0	0	0	2,647
	Funded Nursing Care	8,592	2,000	0	0	0	0	0	10,592
	Community Therapy Services	6,412	-1	0	0	0	0	0	6,411
	Prevention and Early Support	583	305	0	0	0	0	0	888
	Staffing & Infrastructure Costs	104	-2	0	0	0	0	0	102
	Community Budgets	0	40,188	0	0	0	0	0	40,188
	Mental Health	0	9,980	0	0	0	0	0	9,980
	Other Areas	0	8,295	0	0	0	0	0	8,295
	<b>Equipment</b>								
	Equipment Service - Oxfordshire County Council	832	305	0	0	-13	900	748	2,772
	Equipment Service - Oxfordshire Clinical Commissioning Group	308	453	0	0	0	0	0	761
	<b>Total Expenditure</b>	<b>102,413</b>	<b>66,499</b>	<b>1,901</b>	<b>0</b>	<b>-3,126</b>	<b>10,400</b>	<b>2,168</b>	<b>180,255</b>
SCSOP11	Oxfordshire County Council Contribution	-77,866	-3,047	-1,901	0	3,126	-10,400	-2,168	-92,256
SCSOP12	Oxfordshire Clinical Commissioning Group Contribution	-24,547	-63,452	0	0	0	0	0	-87,999
	<b>Total Contributions</b>	<b>-102,413</b>	<b>-66,499</b>	<b>-1,901</b>	<b>0</b>	<b>3,126</b>	<b>-10,400</b>	<b>-2,168</b>	<b>-180,255</b>
	<b>Older People's Pooled Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Draft Revenue Budget 2014/15**  
**Social & Community Services - Physical Disabilities Pooled Budget**

Ref. 2014/15		Budget 2013/14 £000	Permanent Virements Agreed in 2013/14 £000	Inflation £000	Function and Funding Changes £000	Previously Agreed Budget Changes £000	New Pressures & Savings £000	Proposed Virements £000	Budget 2014/15 £000
	<b>Oxfordshire County Council</b>								
SPB2-1	Personal Budgets - Residential Care	3,190	0	0	0	0	0	0	3,190
SPB2-2	Personal Budgets - Support At Home	7,322	0	0	0	-28	0	138	7,432
SPB2-3	Prevention and Early Support	798	0	0	0	0	0	-138	660
SPB2-4	Acquired Brain Injury	0	585	0	0	36	0	0	621
	<b>Oxfordshire Clinical Commissioning Group</b>								
SPB2-6	Continuing Care - Nursing Beds	2,330	148	0	0	0	0	0	2,478
SPB2-7	Continuing Care - Support At Home	1,129	54	0	0	0	0	0	1,183
SPB2-8	Funded Nursing Care	99	35	0	0	0	0	0	134
SPB2-9	Acquired Brain Injury	1,884	0	0	0	0	0	0	1,884
SPB2-10	Personal Budgets	1,018	5	0	0	0	0	0	1,023
SPB2-11	HIV & AIDS	100	0	0	0	0	0	0	100
	<b>Total Expenditure</b>	<b>17,870</b>	<b>827</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>18,705</b>
SCSPD11	Oxfordshire County Council Contribution	-11,310	-585	0	0	-8	0	0	-11,903
SCSPD12	Oxfordshire Clinical Commissioning Group Contribution	-6,560	-242	0	0	0	0	0	-6,802
	<b>Total Contributions</b>	<b>-17,870</b>	<b>-827</b>	<b>0</b>	<b>0</b>	<b>-8</b>	<b>0</b>	<b>0</b>	<b>-18,705</b>
	<b>Physical Disabilities Pooled Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Draft Revenue Budget 2014/15**  
**Social & Community Services - Learning Disabilities Pooled Budget**

Ref. 2014/15		Budget 2013/14 £000	Permanent Virements Agreed in 2013/14 £000	Inflation £000	Function and Funding Changes £000	Previously Agreed Budget Changes £000	New Pressures & Savings £000	Proposed Virements £000	Budget 2014/15 £000
	Personalisation / Ongoing Support	63,363	-715	0	0	0	0	-62,648	0
	Housing & Direct Access	615	10	0	0	0	0	-625	0
	Assistive Technology / Equipment	120	0	0	0	0	0	-120	0
	Partnership Boards	40	0	0	0	0	0	-40	0
	Carer's Grants	187	0	0	0	0	0	-187	0
	<b>Recharges from Oxfordshire County Council</b>								
	Specialist and Commissioning Teams	2,174	59	0	0	0	0	-2,233	0
	Internal Services	4,500	0	0	0	0	0	-4,500	0
	<b>Health Provision</b>								
	Health Learning Disabilities Teams	3,948	93	0	0	0	0	-4,041	0
	Oxfordshire Inpatient Services	2,504	21	0	0	0	0	-2,525	0
	Out of Area Treatments	950	0	0	0	0	0	-950	0
	Continuing Health Care	1,000	0	0	0	0	0	-1,000	0
SPB4-1	Personalisation / Ongoing Support	0	0	309	0	415	0	66,194	66,918
SPB4-2	Contracted Services - Recharged Blocks	0	0	0	0	0	0	710	710
SPB4-3	Contracted Services - Housing / Vacancies	0	0	0	0	0	0	397	397
SPB4-4	In-Patient Services	0	0	0	0	0	0	2,525	2,525
SPB4-5	Information and Consultation	0	0	0	0	0	0	52	52
SPB4-6	Carers	0	0	0	0	0	0	187	187
SPB4-7	Learning Disability Partnership and Autism Board	0	0	0	0	0	0	40	40
SPB4-8	Direct Access Services	0	0	0	0	0	0	146	146
SPB4-9	Assistive Technology	0	0	0	0	0	0	100	100
SPB4-10	Staffing Recharges	0	0	0	0	0	0	6,284	6,284
SPB4-11	Other Recharges	0	0	52	0	0	0	321	373
SPB4-12	Out of Area Treatments	0	0	0	0	0	0	950	950
SPB4-13	Continuing Care	0	0	0	0	0	0	1,000	1,000
	<b>Total Expenditure</b>	<b>79,401</b>	<b>-532</b>	<b>361</b>	<b>0</b>	<b>415</b>	<b>0</b>	<b>37</b>	<b>79,682</b>

**Draft Revenue Budget 2014/15**  
**Social & Community Services - Learning Disabilities Pooled Budget**

Ref. 2014/15		Budget 2013/14 £000	Permanent Virements Agreed in 2013/14 £000	Inflation £000	Function and Funding Changes £000	Previously Agreed Budget Changes £000	New Pressures & Savings £000	Proposed Virements £000	Budget 2014/15 £000
SPB4-19	Oxfordshire County Council Contribution	-66,976	112	-361	0	-415	0	-37	-67,677
SBP4-20	Oxfordshire Clinical Commissioning Group Contribution	-12,425	420	0	0	0	0	0	-12,005
	<b>Total Contributions</b>	<b>-79,401</b>	<b>532</b>	<b>-361</b>	<b>0</b>	<b>-415</b>	<b>0</b>	<b>-37</b>	<b>-79,682</b>
	<b>Learning Disabilities Pooled Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Draft Revenue Budget 2014/15**  
**Social & Community Services - Mental Health Pooled Budget**

Ref. 2014/15		Budget 2013/14 £000	Permanent Virements Agreed in 2013/14 £000	Inflation £000	Function and Funding Changes £000	Previously Agreed Budget Changes £000	New Pressures & Savings £000	Proposed Virements £000	Budget 2014/15 £000
	<b>Provider Pool</b>								
	Adults of working age	1,836	-3	0	0	-50	0	0	1,783
	<b>Commissioning Pool</b>								
	Supported Independent Living	1,932	100	0	0	-150	0	0	1,882
	Independent Mental Health Advocate Funding	89	0	0	0	0	0	0	89
	MH Spot Funding	1,306	0	-1	0	-134	0	0	1,171
	Residential Carers	62	0	0	0	0	0	0	62
	Supported Living (non registered care home)	1,006	0	0	0	0	0	0	1,006
	Support at home	215	0	-1	0	0	0	0	214
	Mental Health	1,812	-1,812	0	0	0	0	0	0
	Total Expenditure	8,258	-1,715	-2	0	-334	0	0	6,207
SCS1-3B	Oxfordshire County Council Contribution	-8,258	1,715	2	0	334	0	0	-6,207
	Total Contributions	-8,258	1,715	2	0	334	0	0	-6,207
	<b>Mental Health Pooled Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Draft Revenue Budget 2014/15**  
**Environment & Economy**

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14 £000	Permanent Virements Agreed in 2013/14 £000	Inflation £000	Function and Funding Changes £000	Previously Agreed Budget Changes £000	New Pressures & Savings £000	Proposed Virements £000	Budget 2014/15 £000
<b>EE1</b>	<b>EE1</b>	<b><u>STRATEGY &amp; INFRASTRUCTURE</u></b>									
EE1-1 to EE1-5	EE1-1 to EE1-5	Strategy & Infrastructure	Expenditure	10,113	-90	63	0	-353	322	573	10,628
			Recharge Income	-325	-444	0	0	0	0	0	-769
			Grant income	-125	125	0	0	0	0	-535	-535
			Income	-1,112	9	-8	0	-10	5	0	-1,116
				8,551	-400	55	0	-363	327	38	8,208
EE1-6	EE1-6	Flood Defence Levy	Expenditure	478	0	0	0	0	0	53	531
			Recharge Income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				478	0	0	0	0	0	53	531
EE1-7	EE1-7	Local Enterprise Partnership	Expenditure	0	500	0	0	0	0	0	500
			Recharge Income	0	0	0	0	0	0	0	0
			Grant income	0	-500	0	0	0	0	0	-500
			Income	0	0	0	0	0	0	0	0
				0	0	0	0	0	0	0	0
<b>EE1</b>		<b>SUBTOTAL STRATEGY &amp; INFRASTRUCTURE</b>		<b>9,029</b>	<b>-400</b>	<b>55</b>	<b>0</b>	<b>-363</b>	<b>327</b>	<b>91</b>	<b>8,739</b>
<b>EE2</b>	<b>EE2</b>	<b><u>COMMERCIAL</u></b>									
EE2-1	EE2-1	Commercial Management	Expenditure	-904	329	6	0	-573	0	174	-968
			Recharge Income	0	0	0	0	0	0	0	0
			Income	-95	0	0	0	0	0	0	-95
				-999	329	6	0	-573	0	174	-1,063
<b>EE2-1</b>	<b>EE2-1</b>	<b>Subtotal Commercial Management</b>		<b>-999</b>	<b>329</b>	<b>6</b>	<b>0</b>	<b>-573</b>	<b>0</b>	<b>174</b>	<b>-1,063</b>
<b>EE2-2</b>	<b>EE2-2</b>	<b>Operational Contract/Client Management</b>									
EE2-21	EE2-21a	Operational Contract/Client Management (previously called Highways & Transport Client Management)	Expenditure	1,426	-984	6	0	0	0	5	453
			Recharge Income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				1,426	-984	6	0	0	0	5	453
n/a	EE2-21b	Public Transport (moved to EE2-24B during 2013/14)	Expenditure	5,636	-5,636	0	0	0	0	0	0
			Recharge Income	0	0	0	0	0	0	0	0
			Income	-789	789	0	0	0	0	0	0
				4,847	-4,847	0	0	0	0	0	0



**Draft Revenue Budget 2014/15**  
**Environment & Economy**

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
n/a	EE2-21c	Concessionary Fares (moved to EE2-24B during 2013/14)	Expenditure	7,704	-7,704	0	0	0	0	0	0
			Recharge Income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				7,704	-7,704	0	0	0	0	0	0
EE2-22	EE2-22	Property & Facilities Management	Expenditure	22,425	-250	319	0	-485	-195	-207	21,607
			Recharge Income	-22,997	-113	0	0	0	0	-99	-23,209
			Income	-553	-35	-2	0	0	0	18	-572
				-1,125	-398	317	0	-485	-195	-288	-2,174
EE2-23	EE2-23	Programme Management	Expenditure	459	120	13	0	0	0	1	593
			Recharge Income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				459	120	13	0	0	0	1	593
EE2-24A	EE2-24A	Waste Management	Expenditure	23,054	-263	365	0	549	358	4	24,067
			Recharge Income	0	0	0	0	0	0	0	0
			Income	-378	0	-8	0	-20	0	0	-406
				22,676	-263	357	0	529	358	4	23,661
EE2-24B	EE2-24B	Supported Transport (moved from EE2-21b, EE2-21c and EE2-37 during 2013/14)	Expenditure	0	28,565	401	0	0	-325	2,672	31,313
			Recharge Income	0	-15,472	0	0	0	0	-1,705	-17,177
			Income	0	-1,154	-7	0	0	0	-253	-1,414
				0	11,939	394	0	0	-325	714	12,722
EE2-25	EE2-25	Highways & Transport Contract & Performance Management (new line during 2013/14)	Expenditure	0	1,504	3	0	0	0	4	1,511
			Recharge Income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				0	1,504	3	0	0	0	4	1,511
<b>EE2-2</b>	<b>EE2-2</b>	<b>Subtotal Operational Contract/Client Management</b>		<b>35,987</b>	<b>-633</b>	<b>1,090</b>	<b>0</b>	<b>44</b>	<b>-162</b>	<b>440</b>	<b>36,766</b>

**Draft Revenue Budget 2014/15**  
**Environment & Economy**

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
EE2-31 to EE2-35	EE2-31 to EE2-35	Network & Asset Management (Excluding On/Off Street Parking and Park & Rides)	Expenditure	17,600	-1,087	534	0	443	-220	23	17,293
			Recharge Income		0	0	0	0	0	0	0
			Income	-968	0	-18	0	0	0	1	-985
				16,632	-1,087	516	0	443	-220	24	16,308
EE2-36	EE2-36	On/Off Street Parking and Park & Rides	Expenditure	6,026	17	6	0	0	0	2	6,051
			Recharge Income		0	0	0	0	0	0	0
			Income	-6,802	0	0	0	-350	300	0	-6,852
				-776	17	6	0	-350	300	2	-801
n/a	EE2-37	Integrated Transport Unit (moving to EE2-24B Supported Transport)	Expenditure	2,648	10	0	0	0	0	-2,658	0
			Recharge Income	-2,061	0	0	0	0	0	2,061	0
			Income	-254	1	0	0	0	0	253	0
				333	11	0	0	0	0	-344	0
EE2-3	EE2-3	<b>Subtotal Network &amp; Asset Management</b>		<b>16,189</b>	<b>-1,059</b>	<b>522</b>	<b>0</b>	<b>93</b>	<b>80</b>	<b>-318</b>	<b>15,507</b>
EE2-4	EE2-4	Operations Delivery	expenditure	10,607	1,342	25	0	-1,103	2,748	21	13,640
			recharge Income	-642	2	0	0	0	0	0	-640
			grant income	-230	0	0	0	0	0	0	-230
			income	-217	-1	-3	0	0	0	0	-221
				9,518	1,343	22	0	-1,103	2,748	21	12,549
EE2		<b>SUBTOTAL COMMERCIAL</b>		<b>60,695</b>	<b>-20</b>	<b>1,640</b>	<b>0</b>	<b>-1,539</b>	<b>2,666</b>	<b>317</b>	<b>63,759</b>

**Draft Revenue Budget 2014/15**  
**Environment & Economy**

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
<b>EE3</b>	<b>EE3</b>	<b><u>OXFORDSHIRE CUSTOMER SERVICES</u></b>									
EE3-1	EE3-1	Management Team	Expenditure	923	209	5	0	19	0	121	1,277
			Recharge Income	-825	74	0	0	0	0	-408	-1,159
			Income	-98	1	0	0	-160	0	-162	-419
				0	284	5	0	-141	0	-449	-301
EE3-2	n/a	Education Support Services	Expenditure	0	0	0	0	0	0	3,575	3,575
			Recharge Income	0	0	0	0	-250	0	-2,928	-3,178
			Income	0	0	0	0	0	0	-397	-397
				0	0	0	0	-250	0	250	0
EE3-3	EE3-3	ICT	Expenditure	17,683	-412	77	0	-951	-100	-50	16,247
			Recharge Income	-16,350	325	0	0	213	0	700	-15,112
			Income	-1,333	206	0	0	0	0	0	-1,127
				0	119	77	0	-738	-100	650	8
EE3-4	EE3-7	Business Development (previously called Environment & Economy Business Support)	Expenditure	8,264	781	24	0	900	0	-850	9,119
			Recharge Income	0	-661	0	0	0	0	-862	-1,523
			Income	0	0	0	0	0	0	0	0
				8,264	120	24	0	900	0	-1,712	7,596
EE3-5	EE3-5	Customer Service Centre	Expenditure	3,089	453	22	0	-19	0	-49	3,496
			Recharge Income	-3,038	-243	0	0	0	0	46	-3,235
			Income	-51	-210	0	0	0	0	0	-261
				0	0	22	0	-19	0	-3	0
EE3-6	EE3-6	Human Resources (including Adult Learning)	Expenditure	12,424	-1,676	33	0	-451	0	498	10,828
			Recharge Income	-5,896	896	0	0	0	0	1,152	-3,848
			Grant income	-4,124	-60	0	0	0	0	0	-4,184
			Income	-1,125	-32	-5	0	0	0	172	-990
				1,279	-872	28	0	-451	0	1,822	1,806
EE3-7	n/a	Operational Finance	Expenditure	0	0	0	0	-69	0	3,270	3,201
			Recharge Income	0	0	0	0	0	0	-3,273	-3,273
			Income	0	0	0	0	0	0	-10	-10

**Draft Revenue Budget 2014/15**  
**Environment & Economy**

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14 £000	Permanent Virements Agreed in 2013/14 £000	Inflation £000	Function and Funding Changes £000	Previously Agreed Budget Changes £000	New Pressures & Savings £000	Proposed Virements £000	Budget 2014/15 £000
EE3-8	n/a	Pensions, Procure to Pay (P2P)	Expenditure	0	0	0	0	-69	0	-13	-82
			Recharge Income	0	0	0	0	-30	0	2,754	2,724
			Income	0	0	0	0	0	0	-1,484	-1,484
				0	0	0	0	0	0	-1,233	-1,233
				0	0	0	0	-30	0	37	7
n/s	EE3-2	Oxfordshire Customer Services Finance (moved to Pensions, Procure to Pay (EE3-8) and Operational Finance (EE3-7) within OCS and Corporate Finance within the Chief Executive's Office (CEO3))	Expenditure	7,079	1,471	33	0	-30	0	-8,553	0
			Recharge income	-6,020	-2,230	0	0	0	0	8,250	0
			Income	-1,059	-649	-5	0	0	-100	1,813	0
				0	-1,408	28	0	-30	-100	1,510	0
n/a	EE3-4	County Procurement (moved to Corporate Finance within the Chief Executive's Office (CEO3))	Expenditure	469	-469	0	0	0	0	0	0
			Recharge Income	-456	456	0	0	0	0	0	0
			Income	-13	13	0	0	0	0	0	0
				0	0	0	0	0	0	0	0
EE3		<b>SUBTOTAL OXFORDSHIRE CUSTOMER SERVICES</b>		<b>9,543</b>	<b>-1,757</b>	<b>184</b>	<b>0</b>	<b>-828</b>	<b>-200</b>	<b>2,092</b>	<b>9,034</b>
			Expenditure	157,203	16,730	1,935	0	-2,153	2,588	1,383	177,686
			Recharge Income	-58,610	-17,410	0	0	-37	0	1,450	-74,607
			Grant income	-4,479	-435	0	0	0	0	-535	-5,449
			Income	-14,847	-1,062	-56	0	-540	205	202	-16,098
		<b>DIRECTORATE TOTAL</b>		<b>79,267</b>	<b>-2,177</b>	<b>1,879</b>	<b>0</b>	<b>-2,730</b>	<b>2,793</b>	<b>2,500</b>	<b>81,532</b>

**Draft Revenue Budget 2014/15**  
**Chief Executive's Office (including Cultural Services)**

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
CEO1	CEO1	Chief Executive & Business Support	Expenditure	1,461	-25	5	0	-655	265	53	1,104
			Recharge Income	-688	0	0	0	0	0	121	-567
			Income	0	0	0	0	0	0	0	0
				773	-25	5	0	-655	265	174	537
CEO2	CEO2	Human Resources	Expenditure	1,375	1,053	10	0	-37	-212	763	2,952
			Recharge Income	-1,231	0	0	0	0	0	-1,575	-2,806
			Income	-3	0	0	0	0	0	0	-3
				141	1,053	10	0	-37	-212	-812	143
CEO3	CEO3	Corporate Finance & Internal Audit	Expenditure	2,534	1,343	34	0	-35	-74	149	3,951
			Recharge Income	-2,150	-307	0	0	0	0	-925	-3,382
			Income	-322	0	-1	0	0	0	0	-323
				62	1,036	33	0	-35	-74	-776	246
CEO4	CEO4	Law & Culture	Expenditure	21,510	356	115	0	-154	-45	20	21,802
			Recharge Income	-2,797	0	0	0	0	0	39	-2,758
			Grant income	0	0	0	0	0	0	0	0
			Income	-2,518	-329	-42	0	56	-210	22	-3,021
				16,195	27	73	0	-98	-255	81	16,023
CEO5	CEO5	Policy (previously called Strategy & Communications)	Expenditure	3,399	-692	15	0	0	-217	-997	1,508
			Recharge Income	-3,087	208	0	0	0	0	1,509	-1,370
			Income	-7	7	0	0	0	0	0	0
				305	-477	15	0	-217	512	138	
CEO6	CEO6	Corporate & Democratic Core	Expenditure	3,086	0	0	0	0	0	575	3,661
			Recharge Income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				3,086	0	0	0	0	0	0	575
			Expenditure	<b>33,365</b>	<b>2,035</b>	<b>179</b>	<b>0</b>	<b>-881</b>	<b>-283</b>	<b>563</b>	<b>34,978</b>
			Recharge Income	<b>-9,953</b>	<b>-99</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-831</b>	<b>-10,883</b>
			Grant income	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
			Income	<b>-2,850</b>	<b>-322</b>	<b>-43</b>	<b>0</b>	<b>56</b>	<b>-210</b>	<b>22</b>	<b>-3,347</b>
		<b>DIRECTORATE TOTAL</b>		<b>20,562</b>	<b>1,614</b>	<b>136</b>	<b>0</b>	<b>-825</b>	<b>-493</b>	<b>-246</b>	<b>20,748</b>

**Draft Revenue Budget 2014/15**  
**Public Health**

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
PH1	PH1-3	Public Health	Expenditure	25,264	434	0	0	0	0	1,148	26,846
			Grant income	-25,264	0	0	0	0	0	-822	-26,086
			Income	0	-434	0	0	0	0	-326	-760
				0	0	0	0	0	0	0	0
			Expenditure	<b>25,264</b>	<b>434</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,148</b>	<b>26,846</b>
			Grant income	<b>-25,264</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-822</b>	<b>-26,086</b>
			Income	<b>0</b>	<b>-434</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-326</b>	<b>-760</b>
		<b>DIRECTORATE TOTAL</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Draft Revenue Budget 2014/15**  
**Strategic Measures**

		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
		£000	£000	£000	£000	£000	£000	£000	£000
<b><u>CAPITAL FINANCING</u></b>									
Principal	Expenditure	16,816	0	0	0	901	0	-694	17,023
Interest	Expenditure	18,455	0	0	0	-224	0	0	18,231
Net Interest on Balances (split income and expenditure)	Expenditure	440	0	0	0	-1	0	18	457
	Recharge Income	-2,737	0	0	0	-1,211	0	1,367	-2,581
	Other income	-2,147	0	0	0	414	0	-691	-2,424
		-4,444	0	0	0	-798	0	694	-4,548
<b>SUBTOTAL CAPITAL FINANCING</b>		<b>30,827</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-121</b>	<b>0</b>	<b>0</b>	<b>30,706</b>
Contingency	Expenditure	2,308	0	0	0	0	400	768	3,476
Pensions Past Service Deficit Funding	Expenditure	1,500	0	0	0	0	0	-670	830
<b><u>CONTRIBUTIONS TO/FROM BALANCES</u></b>									
General Balances	Expenditure	3,000	0	0	0	0	0	0	3,000
<b>SUBTOTAL CONTRIBUTIONS TO/FROM BALANCES</b>		<b>6,808</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>400</b>	<b>98</b>	<b>7,306</b>
<b><u>CONTRIBUTIONS TO/FROM RESERVES</u></b>									
Reserves	Expenditure	111	0	0	0	380	0	0	491
	Other income	-2,879	0	0	0	-1,681	0	-9,400	-13,960
		-2,768	0	0	0	-1,301	0	-9,400	-13,469
Prudential Borrowing costs	Expenditure	950	0	0	0	0	0	0	950
<b>SUBTOTAL CONTRIBUTIONS TO/FROM RESERVES</b>		<b>-1,818</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,301</b>	<b>0</b>	<b>-9,400</b>	<b>-12,519</b>
Strategic Measures	Expenditure	43,580	0	0	0	1,056	400	-578	44,458
	Recharge Income	-2,737	0	0	0	-1,211	0	1,367	-2,581
	Other income	-5,026	0	0	0	-1,267	0	-10,091	-16,384
<b>STRATEGIC MEASURES TOTAL</b>		<b>35,817</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,422</b>	<b>400</b>	<b>-9,302</b>	<b>25,493</b>

**Draft Revenue Budget 2014/15  
Strategic Measures**

		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
		£000	£000	£000	£000	£000	£000	£000	£000
<b>UNRINGFENCED SPECIFIC GRANT INCOME</b>	Grant income	-17,083	46	0	2,841	-637	0	0	-14,833
<b>TOTAL UNRINGFENCED SPECIFIC GRANT INCOME</b>		<b>-17,083</b>	<b>46</b>	<b>0</b>	<b>2,841</b>	<b>-637</b>	<b>0</b>	<b>0</b>	<b>-14,833</b>
<b>COUNCIL TAX COLLECTION FUND SURPLUSES/DEFICITS</b>	Other income	-4,763	0	0	0	0	0	-2,165	-6,929
<b>TOTAL COLLECTION FUND SURPLUSES/DEFICITS</b>		<b>-4,763</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,165</b>	<b>-6,929</b>
<b>BUSINESS RATES FROM DISTRICT COUNCILS</b>	Other income	-27,287	0	0	0	0	0	-1,546	-28,833
<b>BUSINESS RATES COLLECTION FUND SURPLUSES/DEFICITS</b>	Other income	0	0	0	0	0	0	226	226
<b>TOTAL BUSINESS RATES FROM DISTRICT COUNCILS</b>		<b>-27,287</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,320</b>	<b>-28,607</b>
<b>GENERAL GOVERNMENT GRANT INCOME</b>									
Revenue Support Grant	Grant income	-94,487	0	0	0	0	0	13,864	-80,623
Business Rates Top-Up	Grant income	-35,694	0	0	0	0	0	-696	-36,390
<b>TOTAL GENERAL GOVERNMENT GRANT INCOME</b>		<b>-130,181</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,168</b>	<b>-117,013</b>



**Draft Revenue Budget 2014/15**  
**Government Grant Details - 2014/15**

Directorate	Estimate 2013/14	Revised 2013/14	Estimate 2014/15
	£m	£m	£m
<u>Children, Education &amp; Families</u>			
Additional Grant for Schools	0.000	0.079	0.000
Adoption Improvement Grant	0.000	0.417	0.000
Asylum (UASC & Post 18)	0.795	0.656	0.656
Dedicated Schools Grant	312.927	290.523	292.502
Education Funding Agency – Sixth Form and Bursary Funding	7.813	7.323	7.131
Intensive Interventions Programme (DfE)	0.200	0.200	0.180
Music	0.631	0.631	0.642
National Citizen Service	0.309	0.309	0.000
PE and Sport Grant	0.000	1.169	0.000
Pupil Premium	9.636	9.009	11.668
Remand	0.171	0.144	0.144
Youth Justice Board	0.876	0.736	0.636
<b>Total Children, Education &amp; Families</b>	<b>333.358</b>	<b>311.196</b>	<b>313.559</b>
<u>Environment &amp; Economy</u>			
Skills Funding Agency - Adult Education	3.854	3.914	3.899
Education Funding Agency (Formerly the YPLA)	0.270	0.270	0.285
DCLG (Local Enterprise Partnership Funding)	0.125	0.500	0.500
Local Sustainable Transport Fund Grant	0.000	1.539	0.535
Natural England	0.230	0.230	0.230
<b>Total Environment &amp; Economy</b>	<b>4.479</b>	<b>6.453</b>	<b>5.449</b>

**Draft Revenue Budget 2014/15**  
**Government Grant Details - 2014/15**

Directorate	Estimate 2013/14	Revised 2013/14	Estimate 2014/15
	£m	£m	£m
Public Health			
Public Health Grant	25.264	25.264	26.086
<b>Total Public Health</b>	<b>25.264</b>	<b>25.264</b>	<b>26.086</b>
Strategic Measures			
Fire Revenue Grant	0.275	0.261	0.285
Lead Local Flood Authority	0.167	0.167	0.167
Extended Rights to Free Travel	0.782	0.610	0.379
Troubled Families - Co-ordinator funding	0.100	0.100	0.100
Troubled Families - Attachment fee	1.015	0.969	0.000
Community Right to Challenge	0.009	0.009	0.009
New Homes Bonus	1.662	1.662	2.387
New Homes Bonus Adjustment Grant	0.533	0.533	0.214
Local Reform and Community Voice Grant	0.401	0.401	0.414
Local Welfare Provision (Social Fund)	0.944	0.944	0.930
Social Care Data	0.000	0.104	0.000
Education Services Grant	9.153	8.096	6.965
Phonics and Moderation Funding (Part of Education Services Grant)	0.000	0.040	0.000
Adoption Reform Grant	1.248	1.195	0.597
Special Educational Needs Reform Grant	0.000	0.075	0.835
Returned Safety Net Topslice	0.794	0.000	0.000
Council Tax Reduction Scheme Transition Grant	0.000	0.625	0.000
Section 31 Grant for Cap on Business Rates Top-up	0.000	0.000	0.386
Section 31 Grant for Cap on Business Rates and Other Reliefs	0.000	0.000	1.165
Revenue Support Grant	94.487	94.487	80.623
Business Rates Top-Up	35.694	35.694	36.390
<b>Total Strategic Measures</b>	<b>147.264</b>	<b>145.972</b>	<b>131.846</b>
<b>Total Grants</b>	<b>510.365</b>	<b>488.885</b>	<b>476.940</b>

**Council Tax and Precepts 2014/15****Council Tax Data**

1. In order to set its budget for 2014/15, the council needs to calculate its council tax requirement. This is the amount that the council needs to raise from council tax to meet its expenditure after taking account of the income it will accrue from the following
  - (a) the amount to be received from specific grants.
  - (b) the amount to be received from Revenue Support Grant and the Business Rates Top Up under the Business Rates Retention Scheme.
  - (c) the amount to be received for the County Council's share of Non-Domestic Rating Income.
  - (d) any surpluses/shortfalls on the council tax collection funds for earlier years and the estimated position for the current year.
  - (e) the amount expected to be received from fees, charges and contributions.
2. In order to set its council tax for the forthcoming year, the council needs to calculate its council tax requirement and have available the council tax base, expressed in terms of Band D equivalent properties.
3. Based on the final information on funding and assuming a council tax requirement of **£277,733,607** as shown in the proposed Medium Term Financial Plan (Section 2.2) the calculation of the Band D Council Tax for 2014/15 is as follows:

**Council Tax Calculation 2014/15**

	£m
County Council net expenditure after specific grants	430.283
Less: Revenue Support Grant	-80.623
Business Rates Top Up	-36.390
Non-Domestic Rating Income	-28.607
Collection Fund Adjustments	-6.929
<b>Council Tax Requirement (R)</b>	<b>277.734</b>

Council Tax Base (assuming losses on collection) (T)	229.834
<b>Band D Council Tax (R/T)</b>	<b>£1,208.41</b>

The calculation of the council tax for the other bands is shown below in Table 1. Table 2 analyses the tax base over each district council area and allocates the estimated County Council precept to each area relative to their tax base.

**Table 1****Council Tax by Property Band for Oxfordshire County Council**

Assuming a Band D council tax of £1,208.41, the council tax for other bands is as follows:

Property Band	Property Values	Band D Proportion	2014/15 £ p
A	Up to £40,000	6/9	805.61
B	Over £40,000 and up to £52,000	7/9	939.87
C	Over £52,000 and up to £68,000	8/9	1,074.14
D	Over £68,000 and up to £88,000	9/9	1,208.41
E	Over £88,000 and up to £120,000	11/9	1,476.95
F	Over £120,000 and up to £160,000	13/9	1,745.48
G	Over £160,000 and up to £320,000	15/9	2,014.02
H	Over £320,000	18/9	2,416.82

**Table 2****Allocation of Precept to Districts**

The County Council precept (£277,733,607) is the sum of the council tax income required to fund the Council's budget.

District Council	RSG Tax Base Number	Assumed Precept Due £
Cherwell	47,609.00	57,531,191.69
Oxford City	41,752.50	50,454,138.53
South Oxfordshire	53,217.10	64,308,075.81
Vale of White Horse	46,640.50	56,360,846.61
West Oxfordshire	40,614.82	49,079,354.64
<b>TOTAL</b>	<b>229,833.92</b>	<b>277,733,607.27</b>

Formal approval is required under the council tax legislation for:

- The County Council's precept, allocated to district councils pro rata to their share of the council tax base for the County Council;
- The council tax figures for the County Council for a Band D equivalent property and a calculation of the equivalent council tax figure for all other bands.

The information must be given to district councils by 1 March 2014.

## Treasury Management Strategy Statement & Annual Investment Strategy for 2014/15

### 1. Introduction

1.1. Treasury management is the management of the Council's cash flows, its banking, money market and capital transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

1.2. The treasury management strategy statement and the annual investment strategy for 2014/15 are set out below. This section complies with the requirements of legislation, codes and government guidance, including the technical requirement of the CIPFA treasury management code of practice. It sets out, amongst other things the investment strategy for the Council's temporary cashflow surpluses and the strategy for financing prudential borrowing.

### 2. Background

2.1 The Local Government Act 2003 and supporting regulations require the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

2.2 The Act requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance issued subsequent to the Act). The Annual Investment Strategy sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

2.3 Treasury management is defined as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2.4 The proposed strategy for 2014/15 in respect of the following aspects of the treasury management function is based upon the views of the Council's Treasury Management Strategy Team (TMST)<sup>1</sup>, informed by market forecasts provided by the Council's treasury advisor, Arlingclose Limited. The strategy covers:

- Treasury limits in force which limit the treasury risk and activities of the Council;
- Treasury Management Prudential Indicators for 2014/15, 2015/16 and 2016/17;
- the current treasury position;
- prospects for interest rates;
- the borrowing strategy;
- the borrowing requirement and
- the Annual Investment Strategy.

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<sup>1</sup>Comprising the Chief Finance Officer, Service Manager - Pensions, Insurance and Money Management, Principal Financial Manager – Treasury & Pension Fund Investments, and Financial Manager – Treasury Management.

- 2.5 It is a statutory requirement for the Council to produce a balanced budget and to calculate its council tax requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue caused by increased borrowing to finance additional capital expenditure, and any increases in running costs from new capital projects are limited to a level which is affordable within the projected income of the Council for the foreseeable future.
- 2.6 The Council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. The code was adopted by Council on 1 April 2003. All treasury activity will comply with relevant statute, guidance and accounting standards.
- 3. Treasury Limits for 2014/15 to 2016/17**
- 3.1 It is a statutory duty, under section 3 (1) of the Local Government Act 2003, for the Council to determine and keep under review the amount it can afford to borrow. This amount is termed the 'Affordable Borrowing Limit' and is equivalent to the 'Authorised Borrowing Limit' as specified in the Prudential Code.
- 3.2 The Authorised Borrowing Limit requires the Council to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon future council tax levels is 'acceptable'.
- 3.3 Whilst termed an "Affordable Borrowing Limit" within the Act, the capital plans to be considered for inclusion incorporates financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years.
- 4. Prudential Indicators for 2014/15 to 2016/17**
- 4.1 The Prudential Code for Capital Finance in Local Authorities (2011) requires the Council to set and monitor against Prudential Indicators in the following categories:
- Affordability
  - Prudence
  - Capital Expenditure
  - External Debt
  - Treasury Management
- Further Treasury Management indicators are specified in the Code of Practice on Treasury Management (2011).

- 4.2 Prudential Indicators are set out in full at Appendix A to this strategy:
- i. Gross debt and the Capital Financing Requirement
  - ii. Estimates of Capital Expenditure
  - iii. Ratio of Financing Costs to Net Revenue Stream
  - iv. Capital Financing Requirement
  - v. Incremental Impact of Capital Investment decisions
  - vi. Authorised Limit and Operational Boundary for External Debt
  - vii. Actual External Debt
  - viii. Adoption of the CIPFA Treasury Management in the Public Services Code of Practice
  - ix. Gross and net debt
  - x. Upper and lower limits to maturity structure of fixed rate borrowing
  - xi. Upper limits on fixed and variable rate interest exposures
  - xii. Upper limit to total of principal sums invested longer than 364 days
- 4.3 Prudential Indicators are reported to and monitored by the TMST on a monthly basis and will be reported to the Audit & Governance Committee and Cabinet in the Treasury Management Outturn Report 2013/14 and the Treasury Management Mid-Term Review 2014/15, which will be considered in July and November 2014 respectively.

- 4.4 Council is recommended to approve the Prudential Indicators for 2014/15, 2015/16 and 2016/17 as set out in Appendix A.

## 5. Forecast Treasury Portfolio Position

- 5.1 The Council's treasury forecast portfolio position for the 2014/15 financial year comprises:

	<b>Principal £m</b>	<b>Average Rate %</b>
<b>Opening External Debt Balance</b>		
PWLB	351.383	4.62%
Money Market Loans	50.000	3.94%
<b>TOTAL EXTERNAL DEBT</b>	<b>401.383</b>	
<u>2014/15 Average Cash Balance</u>		
Average Monthly Cash Balance	250.000	
Average Monthly Externally Managed	50.000	
<b>TOTAL INVESTMENTS</b>	<b>300.000</b>	

## 6. Prospects for Interest Rates

### *Economic Background*

- 6.1 The Bank of England's Monetary Policy Committee through its recent forward guidance is committed to keeping policy rates low for an extended period using the Labour Force Survey unemployment rate of 7% as a threshold for when it would consider whether or not to raise interest rates, subject to certain knock-outs. Unemployment fell to 7.4% in November 2013, faster than originally forecast by the Bank of England.
- 6.2 Stronger growth data in 2013 (0.5% in Q1, 0.8% in Q2 and 0.8% in Q3) alongside a pick-up in property prices mainly stoked by government initiatives to boost mortgage lending have led markets to price in an earlier rise in rates than forecast under Forward Guidance. However, with jobs growth picking up slowly, many employees working shorter hours than they would like and benefit cuts set to gather pace, growth is likely to only be gradual.
- 6.3 The credit risk of banking failures has diminished, but not disappeared altogether. Regulatory changes are underway in the UK, US and Europe to move away from bank bail-outs to bank resolution regimes in which shareholders, bond holders and unsecured creditors are 'bailed in' to participate in any recovery process. A recent example of this is the situation for holders of subordinated debt issued by the Co-op Bank which will suffer a haircut on its conversion bail-in to alternative securities and/or equity. There are also proposals for EU regulatory reforms to Money Market Funds which will, in all probability, result in these funds moving to a VNAV (variable net asset value) basis and losing their 'triple-A' credit rating wrapper. Diversification of investments between creditworthy counterparties to mitigate bail in risk will become even more important in the light of these developments.

### *Current Medium Term Financial Plan*

- 6.4 The strategy for 2013/14 approved by Council in February 2013 set out forecast interest rates over the medium term. The forecast was for an average base rate of
- |           |       |
|-----------|-------|
| • 2013/14 | 0.50% |
| • 2014/15 | 0.50% |
| • 2015/16 | 0.50% |
| • 2016/17 | 0.50% |

These interest rates were used as a basis for constructing the strategic measures budget for 2013/14 to 2016/17.



### *Arlingclose's View*

- 6.5 The Council uses the services of Arlingclose Limited to provide investment advice to the Council, as part of this service they help the Council to formulate a view on interest rates.
- 6.6 Arlingclose's current view on interest rates is that the Bank Rate will remain at 0.5% for the duration of their medium term forecast to March 2017.
- 6.7 Arlingclose also provide upside and downside risks to their forecast and the upside risk given for base rate ranges from 0.25% in June 2014 to 1.00% in March 2017. No downside risks are presented as a further cut in base rate is seen as highly unlikely. This shows that the risks to a base rate change are highly skewed to the upside.
- 6.8 Arlingclose expect the 1 year LIBID<sup>2</sup> rate to rise from 0.90% to 1.40% over the same period, indicating that short-term borrowing will become marginally more expensive.<sup>2</sup>

### *Treasury Management Strategy Team's View*

- 6.9 The Council's TMST, taking into account the advice from Arlingclose, and the current economic outlook, have determined the rates to be included in the Strategic Measures budget for 2014/15 and over the medium term. The Bank Rate forecasts set out below represent the average rate for the financial year:
- |           |       |
|-----------|-------|
| • 2014/15 | 0.50% |
| • 2015/16 | 0.50% |
| • 2016/17 | 0.75% |
| • 2017/18 | 1.00% |

- 6.10 It is the view of the TMST that as rates achieved on deposits in the past have been over and above that of the Bank Rate that a return rate should also be budgeted for. The team has agreed that based on the current portfolio of deposits and market rates, the target return rate should be 0.30% higher than the average Bank Rate in 2014/15 and 2015/16, reducing to 0.05% above base rate in 2016/17, and at base rate in 2017/18. The reason for the reducing margin above base rate is that the portfolio includes some longer-term deposits which were arranged in previous financial years, when market rates for longer-term loans were higher than those currently available with similar counterparties. As existing long-term deposits arranged with higher margins mature, the average portfolio rate will reduce. These rates have been incorporated into the strategic measures budget estimates:

• 2014/15	0.80%
• 2015/16	0.80%
• 2016/17	0.80%
• 2017/18	1.00%

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<sup>2</sup> LIBID is the London Interbank Bid Rate which represents the rate at which a bank is willing to borrow from other banks.

## 7. Borrowing Strategy

### *Arlingclose's View*

- 7.1 The Public Works Loan Board (PWLB) sets new borrowing rates at the gilt yield plus 1.00%. Arlingclose have forecast gilt yields as follows:
- The 50 year gilt yield is expected to start the financial year at 3.45%, increasing gradually to 4.15% by March 2017.
  - The 20 year gilt yield is expected to start the financial year at 3.25% rising to 4.15% by the end of the forecast in March 2017.
  - The 10 year gilt yield is expected to start the financial year at 2.55%, rising to 3.50% by March 2017.
  - The 5 year gilt yield is expected to start the financial year at 1.45% and to reach 2.50% by March 2017.
- 7.2 Arlingclose's forecasts have an upside variation range of between 50 and 100 basis points, and a downside variation range of between 50 and 80 basis points depending on the economic and political climate.

### *Treasury Management Strategy Team's View*

- 7.3 It is expected that the Bank Rate will remain low during 2014/15 and that there will continue to be a high "cost of carry"<sup>3</sup> associated with the long term borrowing compared to temporary investment returns. The TMST will continue to monitor the Council's debt portfolio and will consider debt repayment if it is in the Council's interest.
- 7.4 In April 2011 the Government replaced the 'credit approval' system for capital financing with direct provision of capital resources in the form of capital grant. This means that the Council only needs to borrow to finance prudential borrowing schemes. The Council's Capital Financing Strategy applies capital grants, developer contributions, capital receipts and revenue contributions to fund capital expenditure before using prudential borrowing. This means that the majority of the current capital programme is fully funded without the need to take up any new borrowing.
- 7.5 Financing the Council's borrowing requirement internally would reduce the cost of carry in the short term but there is a risk that the internal borrowing would need to be refinanced with external borrowing at a time when PWLB and market rates exceed those currently available. This could result in higher financing costs over the long term.

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<sup>3</sup> The difference between the interest payable on borrowing on debt and the interest receivable from investing surplus cash.

7.6 Internal borrowing is a short term financing solution as cash surpluses are temporary balances made up of creditors over debtors, earmarked reserves and capital reserves. As reserves are drawn down for their earmarked purpose internal borrowing will need to be replaced with external borrowing.

7.7 The Council's TMST have agreed that they should continue to have the option to fund new or replacement borrowing up to the value of 25% of the portfolio (currently approximately £75m) through internal borrowing. This will have the effect of reducing some of the "cost of carry" of funding. There are no plans for new external borrowing. Internal borrowing will also be used to finance prudential schemes.

7.8 If market conditions change during the 2014/15 financial year such that the policy to borrow internally is no longer in the short term or long term interests of the Council, the TMST will review the borrowing strategy and report any changes to Cabinet.

7.9 The Council's chief objective when borrowing money is to strike an appropriate balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board
- UK local authorities
- any institution approved for investments (see below)
- any other bank or building society authorised by the Prudential Regulation Authority to operate in the UK
- UK public and private sector pension funds
- capital market bond investors
- special purpose companies created to enable joint local authority bond issues.

#### *Capital Financing Requirement*

7.10 The Council's Capital Financing Requirement (CFR) represents the Council's underlying need to finance capital expenditure by borrowing. The CFR is the value of the Council's assets that have not been permanently financed, in other words, borrowing has been used to finance the spend. When capital expenditure is financed by grants, capital receipts or direct contributions from revenue this is not included the CFR.

7.11 The Council is required to make an annual contribution from revenue towards the repayment of debt termed the Minimum Revenue Provision (MRP). This contribution reduces the CFR and effectively provides the resource to permanently finance the capital expenditure and reduce the Council's borrowing requirement by that amount. The Council's MRP Policy Statement sets out the methodology that the Council applies in its MRP calculation. The statement is agreed by Council each year in February alongside the budget and capital programme and is included at Appendix B. Council is recommended to approve the policy.

- 7.12 Under the Prudential Code, the Council must ensure that gross external borrowing does not, except in the short term, exceed the sum of the CFR in the previous year plus estimates of any increases to the CFR for the current and next two financial years. Where the gross debt is greater than the CFR the reasons for this should be clearly stated in the annual treasury management strategy. The Council's current position is set out below.
- 7.13 The Council's CFR is currently forecast to reduce over the medium term financial plan. This is because the MRP over the medium term is forecast to be higher than the level of prudential borrowing included in the Capital Programme.
- 7.14 The Council's external debt is also forecast to reduce over the medium term financial plan as existing long term debt is repaid upon maturity. However, the maturity profile of the existing debt portfolio is such that the CFR will fall at a greater speed than the level of external debt and will result in gross external borrowing exceeding the CFR.
- 7.15 This position is a direct result of the change in capital funding in April 2011 from credit approval to grant funding. Under the credit approval scheme the Council's CFR would have continued to increase as a result of the Capital Programme. The existing debt portfolio was constructed based on this assumption.

### *Borrowing Instruments*

- 7.16 The TMST's forecast for 50 year PWLB rates over the medium term are 4.0% p.a. for 2014/15 – 2017/18. This rate does not impact on the strategic measures budget because it is anticipated that no additional external borrowing will be arranged over the medium-term.
- 7.17 In November 2012 the PWLB introduced the Certainty Rate which allows eligible Councils to borrow at a discounted rate of 0.20% below the advertised borrowing rate. Eligibility is established by the submission of an annual application form to the Department of Communities and Local Government. The Council has successfully applied and qualified for the rate for the period from 1 November 2013 to 31 October 2014.
- 7.18 Although the short to medium-term capital financing strategy is to borrow from internal balances, an annual application will be made to renew eligibility for the Certainty Rate, in order to maintain the option should it be required.
- 7.19 The Council has historically set a maximum limit of 20% of the debt portfolio to be borrowed in the form of Lender's Option Borrower's Option (LOBOs). It is recommended that this remain as the limit for 2014/15. As at 30 November 2013, LOBOs represent 12.30% of the total external debt.
- 7.20 The Council has three £5m LOBO's with call options in 2014/15. Two have call options in April 2014 and October 2014, and the other has call options in July 2014 and January 2015. At each call date the lender may choose to exercise their option to change the interest rate payable on the loan. If the lender chooses

to do so, the Council will evaluate alternative financing options before deciding whether or not to exercise the borrower's option to repay the loan or to accept the new rate offered. It is likely that if the rate is changed the debt will be repaid.

## **8. Annual Investment Strategy**

8.1 The Council has regard to the Office of the Deputy Prime Minister's Guidance on Local Government Investments ("the Guidance") issued in March 2004 and CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). It also has regard to the subsequent Communities and Local Government update to the Investment Guidance, Capital Finance Regulations and Minimum Revenue Provision Guidance issued in April 2010. The Council's investment priorities are:-

- The security of capital and
- The liquidity of its investments

8.2 The Council also aims to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The borrowing of monies purely to invest or on-lend and make a return is unlawful and the Council will not engage in such activity.

8.3 The Treasury Management Code of Practice requires the Council to approve a Treasury Management Policy Statement. Good practice requires that this statement is regularly reviewed and revised as appropriate. The Treasury Management Policy Statement is included at Appendix E. Council is recommended to approve the Treasury Management Policy Statement.

### *Investment Instruments*

8.4 Investment instruments identified for use in the 2014/15 financial year are set out at Appendices C and D under the 'Specified' and 'Non-Specified' Investment categories.

8.5 Guidance states that specified investments are those requiring "minimal procedural formalities". The placing of cash on deposit with banks and building societies 'awarded high credit ratings by a credit rating agency', the use of AAA rated Money Market Funds (MMFs) and investments with the UK Government and local authorities qualify as falling under this phrase as they form a normal part of day to day treasury management.

8.6 Money market funds (MMFs) will be utilised, but good treasury management practice prevails and whilst MMFs provide good diversification the council will also seek to diversify any exposure by using more than one MMF where practical. It should be noted that while exposure will be limited, the use of MMFs does give the council exposure to institutions that may not be included on the approved lending list for direct deposits. This is deemed to be an acceptable risk due to the benefits of diversification. The Treasury team intend to use an online portal to provide details of underlying holdings in MMFs. This will enable more effective and regular monitoring of full counterparty risk.

- 8.7 All specified investments will be sterling denominated, with maturities up to a maximum of 1 year, meeting the 'high' credit rating criteria where applicable.
- 8.8 Non specified investment products are those which take on greater risk. They are subject to greater scrutiny and should therefore be subject to more rigorous justification and agreement of their use in the Annual Investment Strategy; this applies regardless of whether they are under one year investments and have high credit ratings.
- 8.9 A maximum of 50% of the portfolio will be held in non-specified investments.

#### *Credit Quality*

- 8.10 The updated CIPFA Code of Practice on Treasury Management (2011) recommends that Councils have regard to the ratings issued by the three major credit rating agencies (Fitch, Moody's and Standard & Poor's) and to make decisions based on all ratings.
- 8.11 Whilst the Council will have regard to the ratings provided by all three ratings agencies, the Council uses Fitch ratings as the basis by which to set its minimum credit criteria for deposits and to derive its maximum counterparty limits. Counterparty limits and maturity limits are derived from the credit rating matrix as set out in the tables at paragraphs 8.22 and 8.23 respectively.
- 8.12 The TMST may further reduce the derived limits due to the ratings provided by Moody's and Standard & Poor's or as a result of monitoring additional indicators such as Credit Default Swap rates, share prices, Ratings Watch & Outlook notices from credit rating agencies and quality Financial Media sources.
- 8.13 Notification of any rating changes (or ratings watch and outlook notifications) by all three ratings agencies are monitored daily by a member of the Treasury Management Team. Updates are also provided by the Council's Treasury Management advisors Arlingclose and reported to TMST.
- 8.14 Where a change in the Fitch credit rating places a counterparty on the approved lending list outside the credit matrix (as set out in tables at paragraphs 8.22 and 8.23), that counterparty will be immediately removed from the lending list.
- 8.15 Where a counterparty has been placed on Negative Watch or Outlook by any of three major credit rating agencies the counterparty's status on the approved lending list will be reviewed by the TMST and appropriate action taken.
- 8.16 The Authority defines "high credit quality" organisations as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher with the Fitch ratings agency.

### *Liquidity Management*

8.17 The Council has developed a cash flow forecast which is used to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast. The Council uses instant access bank deposit accounts and pooled funds for balances forecast to be required at short notice to meet commitments due. Interest rates on some instant access accounts have fallen in 2013/14. The TMST will continue to monitor options available to maintain the required liquidity, and will open new accounts with approved counterparties as appropriate.

### *Lending Limits*

8.18 In addition to the limits determined by the credit quality of institutions, the TMST apply further limits to mitigate risk by diversification. These include:

- Limiting the amount lent to banks in any one country (excluding the UK) to a maximum of 20% of the investment portfolio.
- Limiting the amount lent to any bank, or banks within the same group structure to 10% of the investment portfolio.

8.19 Where the Council has deposits on instant access, this balance may temporarily exceed the 10% bank or group limit. However the limits as set out in paragraphs 8.22 and 8.23 will still apply.

8.20 Counterparty limits as set out in paragraphs 8.22 and 8.23, may be temporarily exceeded by the accrual and application of interest amounts onto accounts such as call accounts and money market funds. Where the application of interest causes the balance with a counterparty to exceed the agreed limits, the balance will be reduced when appropriate, dependent upon the terms and conditions of the account and cashflow forecast.

8.21 Any changes to the approved lending list will be reported to Cabinet as part of the Financial Monitoring and Business Strategy Delivery Report.

8.22 The Council also manages its credit risk by setting counterparty limits. The matrix below sets out the maximum proposed limits for 2014/15. The TMST may further restrict lending limits dependent upon prevailing market conditions.

	Short Term Rating	
Long Term Rating	<b>F1+</b>	<b>F1</b>
<b>AAA</b>	£30m	£20m
<b>AA+</b>	£30m	£20m

AA	£25m	£15m
AA-	£25m	£15m
A+	£20m	£15m
A	£20m	£15m
A-	£15m	£10m

8.23 The Council also manages its counterparty risk by setting maturity limits on deposits, restricting longer term lending to the very highest rated counterparties. The table below sets out the maximum approved limits. The TWST may further restrict lending criteria in response to changing market conditions.

	Short Term Rating	
Long Term Rating	F1+	F1
AAA	3 years	364 days
AA+	2 years	364 days
AA	2 years	9 months
AA-	2 years	9 months
A+	364 days	9 months
A	9 months	6 months
A-	6 months	3 months

**Other institutions included on the councils lending list**

8.24 In addition to highly credit rated banks and building societies the authority may also place deposits with:-

- AAA rated Money Market funds,
- Collective Investment Schemes
- Local authorities.

**Structured Products**

8.25 As at 30 November 2013, the Council had £15m of structured products within its investment portfolio. Structured products involve varying degrees of additional risk over fixed rate deposits, with the potential for higher returns. It is recommended that the authority continue to use structured products up to a maximum of 10% of the investment portfolio. The Council will continue to monitor structured products and consider restructuring opportunities as appropriate.

**9. External Funds**

9.1 As at 30 November 2013, the Council had £38.6m invested in external funds (excluding MMFs). These funds have a variable net asset value which means that the value of the funds can decrease as well as increase depending on the performance of the instruments in the fund.



- 9.2 The Council uses external fund managers and pooled funds to diversify the investment portfolio through the use of different investment instruments, investment in different markets, and exposure to a range of counterparties. It is expected that these funds should outperform the Council's in-house investment performance over a rolling three year period. The Council will have no more than 20% of the total portfolio (currently around £60m) invested with external fund managers and pooled funds (excluding MMFs). This allows the Council to achieve diversification while limiting the exposure to funds with a variable net asset value.
- 9.3 The performance of the pooled funds is monitored by the TMST throughout the year against the funds' benchmarks and the in-house investment returns.
- 9.4 The TMST will keep the external fund investments under review and consider alternative instruments and fund structures, to manage overall portfolio risk. It is recommended that authority to withdraw, or advance additional funds to/from external fund managers, continue to be delegated to the TMST.

## **10. Investment Approach**

- 10.1 The weighted average maturity (WAM) of in-house deposits as at 30 November 2013 was 283 days. This is made up of £23.2m of instant access balances with a maturity of 1 day, and £309.4m of deposits with a WAM of 304 days.
- 10.2 During 2013/14 the Treasury Management team has maintained a relatively high WAM through long-term lending to Local Authorities. This gives a greater degree of certainty for investment returns in an environment of falling or stagnating interest rates. The portfolio was diversified using instant access MMFs and short term deposits with high credit quality financial institutions.
- 10.3 With the prospect of interest rates remaining low for an extended period, the TMST will aim to maintain the balance between longer-term deposits with high credit quality local authorities and short-term and instant access deposits with MMFs and high credit quality banks. This will continue to provide certainty about the investment returns for a proportion of the portfolio and protect against the downside risk of changes in the interest rates while also enabling the Treasury Management team to respond to upside interest rate risk.
- 10.4 The Council is finalising the opening of a custodian account to enable the Treasury team to invest directly in UK Government Gilts, T-bills, Certificates of Deposits and other Sovereign Bonds. If availability of acceptable credit worthy institutions is reduced, the Council may use the Debt Management Office Deposit Facility and will continue to prioritise security and liquidity of assets over investment returns.
- 10.5 Given the on-going turmoil in the banking sector, it is proposed that any further changes required to the Annual Treasury Management Strategy & Annual Investment Strategy, continue to be delegated to the Chief Finance Officer in consultation with the Leader of the Council and Cabinet Member for Finance.

## 11. Policy on Use of Financial Derivatives

- 11.1 Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The CIPFA Code (2011) requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.
- 11.2 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 11.3 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
- 11.4 It is the view of the TMST that the use of standalone financial derivatives will not be required for Treasury Management purposes during 2014/15. The Council will only use derivatives after seeking expertise, a legal opinion and ensuring officers have the appropriate training for their use.

## 12. Performance Monitoring

- 12.1 The Council will monitor its Treasury Management performance against other authorities through its membership of the CIPFA Treasury Management benchmarking club.
- 12.2 Arlingclose benchmark the performance of their clients against each other on a quarterly looking at a variety of indicators including investment risk and returns.
- 12.3 The Council will benchmark its internal return against 3 month LIBID.
- 12.4 Latest performance figures will be reported to the Audit & Governance Committee and Cabinet in the Treasury Management Outturn Report 2013/14, and the Treasury Management Mid-Term Review 2014/15, which will be considered in July and November 2014 respectively.

### **13. Investment Training**

13.1 All members of the Treasury Management Strategy team are members of a professional accounting body. In addition, key Treasury Management officers receive in-house and externally provided training as deemed appropriate and training needs are regularly reviewed, including as part of the staff appraisal process.

### **14. Treasury Management Advisors**

14.1 Following a competitive procurement process earlier this year Arlingclose was awarded the Council's Treasury Management Advisory Service contract. The new contract runs for a period of three years. Under the contract the Council will receive specific advice on investment, debt and capital finance issues.

### **15. Recommendations**

14.1 The recommendations that Council are required to approve are set out in the covering report.

## Appendix A

**Prudential Indicators 2014/15, 2015/16 and 2016/17****i. Gross Debt and the Capital Financing Requirement**

i.i. This is a key indicator of prudence. In order to ensure that the medium term debt will only be for a capital purpose, the local authority should ensure that the gross debt does not, except in the short term, exceed the total of the capital financing requirement (CFR) in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two financial years.

i.ii. The Chief Finance Officer reports that the Council's level of gross debt exceeded the CFR in 2012/13 and is expected to do so over the medium term. The reasons for this are set out in paragraphs 7.12 to 7.15 of the Treasury Management Strategy. This view takes into account current commitments, existing plans and the proposals in the approved budget.

	31.03.14 Revised £m	31.03.15 Estimate £m	31.03.16 Estimate £m	31.03.17 Estimate £m
<b>Debt</b>				
<b>External Borrowing</b>	401.383	399.383	393.383	385.383
<b>Long Term Liabilities</b>	26.464	25.656	24.791	23.870
<b>Total Debt</b>	427.847	425.039	418.174	409.253

**ii. Estimates of Capital Expenditure**

ii.i. The Council is required to make reasonable estimates of the total of capital expenditure that it plans to incur during 2014/15 and the following two financial years. The Council must also approve the actual expenditure for 2012/13 and revised expenditure for 2013/14.

	2012/13 Actual £m	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
<b>Capital Expenditure</b>	51.497	67.589	107.029	84.426	81.718

	Actual 2012/13 £m	Estimates			
		2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
SCE(R) Supported	0.000	0.000	0.000	0.000	0.000
Borrowing					
Prudential Borrowing	0.757	1.872	12.477	12.203	21.785
Grants and Contributions	44.468	64.440	93.422	54.179	53.655
Capital Receipts	0.000	0.000	0.000	17.059	5.998
Revenue	6.272	1.277	1.130	0.985	0.280
Reserves	0.000	0.000	0.000	0.000	0.000
	<b>51.497</b>	<b>67.589</b>	<b>107.029</b>	<b>84.426</b>	<b>81.718</b>

ii.ii. The indicators have been based on the February 2014 capital programme which will be considered for approval by Council on 18 February 2014 with the Service & Resource Planning Report.

ii.iii. The capital expenditure figures for beyond 2014/15 will be able to be revised in twelve months' time.

### iii. The Ratio of Financing Costs to the Net Revenue Stream

iii.i. This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

Year	Actual/ Estimate	Financing Cost £m	Net Revenue Stream £m	Ratio %
2012/13	Actual	37.059	460.630	8.05
2013/14	Estimate	34.482	447.763	7.70
2014/15	Estimate	33.455	445.567	7.51
2015/16	Estimate	33.288	429.736	7.75
2016/17	Estimate	33.247	431.711	7.70

iii.ii. Financing costs include interest payable on borrowing, interest and investment income and the amount required for the minimum revenue provision.

#### iv. The Capital Financing Requirement

- iv.i Estimates of the end of year Capital Financing Requirement for the Authority for the current and future years and the actual Capital Financing Requirement at 31 March 2013 that are recommended for approval are:

Year	Actual/Estimate	£m
2012/13	Actual	438.761
2013/14	Estimate	423.931
2014/15	Estimate	420.249
2015/16	Estimate	416.386
2016/17	Estimate	422.183

- iv.ii The Capital Financing Requirement measures the authority's underlying need to borrow for a capital purpose. In accordance with best professional practice the County Council does not associate borrowing with particular items or types of expenditure. The authority has an integrated Treasury Management Strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. The Council has, at any point in time, a number of cashflows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day-to-day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the authority's underlying need to borrow for a capital purpose.

#### v. The Incremental Impact of Capital Investment Decisions

- v.i. This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.
- v.ii. The estimate of the incremental impact of capital investment decisions proposed in the Capital Programme, over and above capital investment decisions that have previously been taken by the Council are, for the Band D Council Tax:

Year	Actual/Estimate	£
2014/15	Estimate	-6.91
2015/16	Estimate	-5.83
2016/17	Estimate	-3.69

### vi. **Authorised Limit and Operational Boundary for External Debt**

- vi.i. The Authority has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Authority and not just those arising from capital spending reflected in the CFR.
- vi.ii. The Authorised Limit sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Authority. It is measured on a daily basis against all external debt items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Authority's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.
- vi.iii. The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).
- vi.iv. The Operational Boundary has been set on the estimate of the most likely, i.e. prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.
- vi.v. The Operational Boundary links directly to the Authority's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

	2013/14 probable outturn	2014/15 estimate	2015/16 estimate	2016/17 estimate
	£m	£m	£m	£m
<b>Operational Boundary for external debt -</b>				
Borrowing	435.0	434.0	444.0	451.0
other long term liabilities	40.0	40.0	40.0	40.0
<b>TOTAL</b>	<b>475.0</b>	<b>474.0</b>	<b>484.0</b>	<b>491.0</b>
<b>Authorised Limit for external debt -</b>				
Borrowing	445.0	444.0	454.0	461.0
other long term liabilities	40.0	40.0	40.0	40.0
<b>TOTAL</b>	<b>485.0</b>	<b>484.0</b>	<b>504.0</b>	<b>514.0</b>

**vii. Actual External Debt**

vii.i This indicator enables the comparison of Actual External Debt at year end to the Operational Boundary and Authorised Limit.

<b>Total External Debt as at 31.03.13</b>	<b>£m</b>
External Borrowing	412.383
Financing Liability	27.282
<b>Total</b>	<b>439.665</b>

**viii. Adoption of the CIPFA Treasury Management in the Public Services Code of Practice**

viii.i This indicator demonstrates that the Council has adopted the principles of best practice.

viii.ii The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

<b>Adoption of the CIPFA Code of Practice in Treasury Management</b>
The Council approved the adoption of the CIPFA Treasury Management Code at its meeting of Full Council on 1 April 2003.

**ix. Gross and net debt**

ix.i This indicator is intended to identify where an authority may be borrowing in advance of need.

<b>Upper Limit of net debt:</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Net Debt / Gross Debt	70%	70%	70%	70%

**x. Upper and lower limits to maturity structure of fixed rate borrowing**

x.i. This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

x.ii. It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.



x.iii. LOBOs are classified as maturing on the next call date, this being the earliest date that the lender can require repayment.

<b>Maturity structure of fixed rate borrowing during 2014/15</b>	<b>Lower Limit %</b>	<b>Upper Limit %</b>
Under 12 months	0	20
12 months and within 24 months	0	25
24 months and within 5 years	0	35
5 years and within 10 years	5	40
10 years and above	50	95

**xi. Upper limits on fixed and variable rate interest exposures**

xi.i These indicators allow the Authority to manage the extent to which it is exposed to changes in interest rates. This Authority calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments).

**Upper limit for fixed interest rate exposure:**

	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Net principal re fixed rate borrowing / investments	150%	150%	150%	150%

xi.ii The upper limit for variable rate exposure has been set to ensure that the Authority is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments.

**Upper limit for variable rate exposure:**

	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Net principal re variable rate borrowing / investments	25%	25%	25%	25%

**xii. Upper limit to total of principal sums invested longer than 364 days**

xii.i The purpose of this limit is to contain exposure to the risk of loss that may arise as a result of the Authority having to seek early repayment of the sums invested.

xii.ii It is proposed that the limit is increased by £50m in 2014/15 to reflect the increase in the size of the cash portfolio over recent years and to enable greater flexibility in the investment strategy given the low interest rate environment. The average in-house cash balance increased from just over £200m in 2009/10 to just over £300m in 2012/13.

	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>
Upper limit on principal sums invested longer than 364 days	100	150	150	150

**Appendix B****Minimum Revenue Provision Policy Statement for 2014/15****Introduction**

1. The Council is required by statute to charge a Minimum Revenue Provision (MRP) to the General Fund Revenue account each year for the repayment of debt. The MRP charge is the means by which capital expenditure which has been funded by borrowing is paid for by council tax payers.
2. Until 2007/08, the basis of the calculation for the MRP was specified in legislation. Legislation (Statutory Instrument 2008 no. 414 s4) which came into force on 31 March 2008, gives local authorities more freedom to determine what a prudent level of MRP is.
3. The new legislation requires local authorities to draw up a statement of their policy on the annual MRP, for full approval by Council before the start of the financial year to which the provision will relate.
4. The implementation of the International Financial Reporting Standards (IFRS) requirements brought some service concession arrangements on balance sheet and resulted in some leases being reclassified as finance leases instead of operating leases. Part of the service charge or rent payable is taken to reduce the balance sheet liability rather than being charged to revenue accounts. To ensure that this does not result in a one-off increase in the capital financing requirement and in revenue account balances, an amount equal to the amount that has been taken to the balance sheet is included in the annual MRP charge.

**Options for Prudent Provision**

5. Guidance on the legislation sets out a number of options for making 'prudent provision'. Options 1 and 2 relate to Government supported borrowing. Options 3 and 4 relate to new borrowing under the Prudential system for which no Government support is being given and is therefore self-financed. Authorities are able to use any of the four options for MRP. The options are explained below.

***Option 1 - Regulatory Method***

6. This is the current method, and for debt supported by Revenue Support Grant (RSG), authorities can choose to continue to use the formula. This is calculated as 4% of the council's general fund capital financing requirement, adjusted for smoothing factors from the transition to the prudential capital financing regime in 2003.

### *Option 2 – Capital Financing Requirement (CFR) Method*

7. Option 2 differs from Option 1 only in that the smoothing factors are removed. This is a simpler calculation; however for most authorities including Oxfordshire, it would result in a higher level of provision than Option 1.

### *Option 3 – Asset Life Method*

8. For new borrowing under the Prudential system, Option 3 is to make provision in equal instalments over the estimated life of the asset for which the borrowing is undertaken or the alternative is the annuity method which has the advantage of linking MRP the flow of benefits from an asset where the benefits are expected to increase in later years. As with the existing scheme of MRP, provision for the debt will normally commence in the financial year following the one in which the expenditure is incurred. There is however one exception to this rule under Option 3. In the case of the construction of a new building or infrastructure, MRP would not have to be charged until the new asset came into service. The MRP 'holiday' would perhaps be two or three years in the case of major projects and could make them more affordable.

### *Option 4 – Depreciation Method*

9. For new borrowing under the Prudential system, Option 4 is to make MRP in accordance with the standard rules for depreciation accounting.

### **MRP Methodology Statement**

10. The policy already in place in the Council is reflected in Options 1 and 3; consequently the statement requiring approval by Council is a confirmation of existing practice and continuation of the policy approved by Council in June 2008. The Council is recommended therefore to approve the following statement:
11. For capital expenditure incurred before 1 April 2008 or which in the future will relate to Supported Capital Expenditure, the MRP policy will be based on existing regulations (Option 1 – Regulatory Method).
12. From 1 April 2008, for all unsupported borrowing, the MRP policy will be based on the estimated life of the assets for which the borrowing is undertaken (Option 3 – Asset Life Method or Annuity Method).
13. In the case of finance leases and on-balance sheet Private Finance Initiative (PFI) type contracts, the MRP requirement will be regarded as being met by a charge equal to the element of the rent/charge that goes to write-down the balance sheet liability, including the retrospective element in the first year (Option 3 in modified form).

14. The major proportion of the MRP for 2012/13 will relate to the more historic debt liability that will continue to be charged at the rate of 4%, in accordance with Option 1 of the guidance. Certain expenditure reflected within the debt liability at 31 March 2013 will be subject to MRP under Option 3, which will be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the equal annual instalment method. For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.

## Appendix C

## Specified Investments

Investment Instrument	Minimum Credit Criteria	Use
Debt Management Agency Deposit Facility	N/A	In-house and Fund Managers
Term Deposits – UK Government	N/A	In-house
Term Deposits – Banks and Building Societies	Fitch short-term F1, Long-term A-, Minimum Sovereign Rating AA	In-house and Fund Managers
Term Deposits with Nationalised Banks with Government Guarantee for wholesale deposits	N/A	In-house
Term Deposits with Part Nationalised banks by the UK Government	N/A	In-house
Certificates of Deposit issued by Banks and Building Societies	A1 or P1	In-house on a buy and hold basis and Fund Managers
Money Market Funds with a Constant Net Asset Value	AAA	In-house and Fund Managers
Other Money Market Funds and Collective Investment Schemes <sup>4</sup>	Minimum equivalent credit rating of A+. These funds do not have short-term or support ratings.	In-house and Fund Managers
UK Government Gilts	AAA	In-house on a buy and hold basis and Fund Managers
Treasury Bills	N/A	In-house and Fund Managers

<sup>4</sup> I.e., credit rated funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573.

## Appendix D

## Non-Specified Investments

Investment Instrument	Minimum Credit Criteria	Use	Max % of total Investments	Max Maturity Period
Debt Management Agency Deposit Facility (maturities in excess of 1 year) <sup>5</sup>	N/A	In-house and Fund Managers	50%	3 years
Term Deposits – UK Government (maturities in excess of 1 year)	N/A	In-house	50%	3 years
Term Deposits – other Local Authorities (maturities in excess of 1 year)	N/A	In-house	50%	3 years
Term Deposits – Banks and Building Societies (maturities in excess of 1 year)	Fitch short-term F1+, Long-term AA-	In-house and Fund Managers	50% in-house; 100% External Funds	3 years
Structured Products (eg. Callable deposits, range accruals, snowballs, escalators etc)	Fitch short-term F1+, Long-term AA-	In-house and Fund Managers	50% in-house; 100% External Funds	3 years
UK Government Gilts with maturities in excess of 1 year	AAA	In-house on a buy and hold basis. Fund Managers	50% in-house; 100% External Funds	5 years in-house, 10 years fund managers

<sup>5</sup> Debt Management Agency Deposit Facility currently limit deposits to 6 months. The ability to deposit in excess of 1 year is retained if such deposits become available.

<b>Investment Instrument</b>	<b>Minimum Credit Criteria</b>	<b>Use</b>	<b>Max % of total Investments</b>	<b>Max Maturity Period</b>
Bonds issued by Multilateral development banks	AAA	In-house on a buy and hold basis and Fund Managers	50% in-house; 100% External Fund	5 years in-house, 10 years fund managers
Bonds issued by a financial institution which is guaranteed by the UK Government	AAA	In-house on a buy and hold basis. Fund Managers	50% in-house; 100% External Fund	5 years in-house, 10 years fund managers
Supranationals	N/A	In-house. Fund Managers	50% in-house; 100% of External Fund	5 years in-house, 30 years fund managers
Money Market Funds and Collective Investment Schemes <sup>6</sup> but which are not credit rated	N/A	In-house and Fund Managers	50% In-house; 100% External Funds	Pooled Funds do not have a defined maturity date
Sovereign Bond Issues	AAA	In-house on a buy and hold basis. Fund Managers	50% in-house; 100% External Funds	5 year in-house, 30 years fund managers

The maximum limits for in-house investments apply at the time of arrangement.

<sup>6</sup> Pooled funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573.

## Appendix E



**OXFORDSHIRE  
COUNTY COUNCIL**

## **TREASURY MANAGEMENT POLICY STATEMENT**

1. Oxfordshire County Council defines its treasury management activities as:  
“The management of the organisation’s cash flows; its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
2. Oxfordshire County Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
3. Oxfordshire County Council acknowledges that effective treasury management will provide support towards achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management and to employing suitable performance measurement techniques, within the context of effective risk management.
4. The Council’s borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.
5. The Council’s primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority’s investments followed by the yield earned on investments remain important but are secondary considerations.
6. The manner in which Oxfordshire County Council will seek to achieve these objectives and the arrangements for managing and controlling treasury management activities is prescribed in the treasury management practices which support this policy statement.
7. Responsibility for the implementation and monitoring of the Council’s treasury management policies and practices are vested in the Council. The officer responsible for the execution and administration of treasury management decisions is the Chief Finance Officer, who will act in accordance with this Policy Statement, Treasury Management Practices and CIPFA’s Standard of Professional Practice on Treasury Management.
8. The Council nominates the Audit & Governance Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.
9. Council will receive reports on treasury management policies, practices and activities including as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close.



**Balances and Reserves****Section 2.7**

1. The financial strategy states that balances will be maintained at a level commensurate with identified risks, based on an annual risk assessment, subject to a minimum of 2.5% of gross expenditure (excluding schools). The risk assessment for 2014/15 is set out at section 2.7.1.
2. The latest financial monitoring report shows the 2013/14 forecast position on balances at the end of December 2013 as £17.4m. In 2014/15 there is a budgeted contribution of £1.0m to balances, taking the estimated year-end balance to £18.4m for 2014/15 and over the medium term as set out in section 2.7.2.
3. The Council's reserves have been reviewed as part of the service and resource planning process. The summary of the planned use of reserves over the medium term set out in section 2.7.2 shows the forecast falling from £103.0m at the start of 2014/15 to £12.6m by the end of 2017/18, of which £5.7m relates to schools.

**2014/15 risk assessment for determining appropriate level of balances**

<b>Area of risk</b>	<b>Explanation of risk/justification of balances</b>	<b>£m</b>
Emergencies Inflation	Expenditure below Bellwin Scheme threshold Contract inflation is 0.5% above what has been provided for within the budget (maximum 3%)	1.5 0.7
Directorate overspends and non- achievement of planned savings	Risk that directorates will overspend due to unforeseen pressures, demography, demand or non-achievement of planned savings (based on a 1% adverse variance)	4.1
Education Services Grant	Impact on grant if pupil numbers in maintained schools are 5% lower than estimated due to higher rate of academy conversions than expected	0.3
Business rates	5% adverse variation to District Councils' estimates, due to inaccuracy or under estimation of successful appeals	1.4
Contingent liabilities	Possible liabilities for which no provision has been made or funding set aside in an earmarked reserve (1% of gross expenditure or minimum to meet quantified contingent liabilities)	5.9
Major contracts	Risk of contractors failing, mis-specification or non-delivery (1% of annual value of contracts)	2.8
<b>Total</b>		<b>16.7</b>

**Estimated Balances and Reserves 2014/15 to 2017/18**

The table below provides an analysis of estimated general balances and earmarked reserves for 2014/15 to 2017/18

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
<b>General Balances</b>				
<b>Estimated Balances at start of year</b>	<b>17,409</b>	<b>18,409</b>	<b>18,409</b>	<b>18,409</b>
Planned Contributions to Balances to meet required level of balances in MTFP	3,000	2,000	2,000	2,000
<b>Budgeted Change in Balances</b>	<b>3,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>
<b>Total Balances at Start of Year</b>	<b>20,409</b>	<b>20,409</b>	<b>20,409</b>	<b>20,409</b>
Estimated Use of Balances in Year	-2,000	-2,000	-2,000	-2,000
Estimated Repayment of Previous Use of Balances	0	0	0	0
<b>Net Use of Balances</b>	<b>-2,000</b>	<b>-2,000</b>	<b>-2,000</b>	<b>-2,000</b>
<b>Estimated Balances at end of year</b>	<b>18,409</b>	<b>18,409</b>	<b>18,409</b>	<b>18,409</b>
<b>Earmarked Reserves</b>				
Estimated School Reserves at start of year	20,664	16,073	5,746	5,746
Estimated Reserves at start of year	82,297	47,557	35,902	23,329
<b>Estimated Total Reserves at start of year</b>	<b>102,961</b>	<b>63,630</b>	<b>41,648</b>	<b>29,075</b>
Estimated Use of (-) / Additions to (+) School Reserves in Year	-4,591	-10,327	0	0
Estimated Use of (-) / Additions to (+) Reserves in Year	-34,740	-11,655	-12,573	-16,464
Estimated School Reserves at end of year	16,073	5,746	5,746	5,746
Estimated Reserves at end of year	47,557	35,902	23,329	6,865
<b>Estimated Total Reserves at end of year</b>	<b>63,630</b>	<b>41,648</b>	<b>29,075</b>	<b>12,611</b>

## Provisional 2014/15 Dedicated Schools Grant allocation

	Early Years Block	Schools Block	High Needs Block	Total DSG
	£000	£000	£000	£000
2014-15 Initial Baseline	27,624	333,098	44,008	404,730
2014-15 Post 16 High Needs in Schools			636	636
2014-15 post 16 Post schools (top up)			3,388	3,388
Non Maintained Special Schools Grant share			36	36
<b>Additional Allocations 2014-15:</b>				
Funding for disadvantaged 2 year olds	5,653			5,653
Newly Qualified Teacher (NQT) Induction / Quality Assurance		117	1	118
Less: Carbon Reduction scheme deduction		-558	-30	-588
<b>Total Initial DSG 2014-15 per DfE</b>	<b>33,277</b>	<b>332,657</b>	<b>48,039</b>	<b>413,973</b>
Transfer from Schools to Early Years block re premises (agreed by Schools Forum)	432	-432		0
<b>Provisional Funding Block Totals 2014-15</b>	<b>33,709</b>	<b>332,225</b>	<b>48,039</b>	<b>413,973</b>

**Virement Rules 2014/15****Introduction**

1. Under the Constitution the Council is required to specify the extent of virement within the approved budget which may be undertaken by the Cabinet. Any other changes to the budget are reserved to the Council, other than any changes necessary to ensure compliance with the law, ministerial direction or government guidance.
2. Virement for these purposes is taken to include:
  - the transfer of net budget provision between budget heads as set out in the budget approved by Council;
  - changes to gross income and gross expenditure<sup>1</sup>;
  - the transfer of funds from balances by way of a supplementary estimate.
3. Temporary virements only affect the current financial year. Permanent virements affect the current financial year and all future financial years.

**Virements requiring Council approval**

4. Council agree the budget for the forthcoming financial year in February each year. The approval of Council is required for any subsequent virement which:
  - a) Is a permanent virement and involves a major change in policy<sup>2</sup>; or
  - b) Involves the one-off transfer of funds of £500,000 or more between revenue and capital budgets; or
  - c) Is a temporary virement, involves a major change in policy and is for £500,000 or more; or
  - d) Where in the opinion of the Chief Finance Officer a Council decision is required.The Chief Finance Officer must consider if virements involve a major change in policy.
5. These provisions are reviewed annually as part of the budget setting process.

**Virements for which the Cabinet is responsible**

6. Virements that are not the responsibility of the Council become the Cabinet's responsibility. Cabinet must consider:

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<sup>1</sup> The net effect of these changes is nil but the effect on expenditure and income is subject to approval as set out in these rules.

<sup>2</sup> Each plan and/or strategy is agreed by Council and comprised in the policy framework. As set out in the Constitution Article 4, paragraph 2 and Part 3.2 of the Constitution.

- a) The remaining one-off virements that transfer funds between revenue and capital budgets and have a value of less than £500,000.
- b) Any permanent virement worth £250,000 or more that does not involve a major change in policy;
- c) Any temporary virement that involves:
  - i. A major change of policy and is worth £250,000 or more but less than £500,000; or
  - ii. No major change of policy and is worth £250,000 or more.
- d) Any delegated virements that the relevant Cabinet member have concerns about that have been referred to the Cabinet for approval or where in the opinion of the Chief Finance Officer a Cabinet decision is required.

### **Virements delegated by the Cabinet**

7. Cabinet delegates responsibility for the remaining permanent and temporary virements as follows:

#### **Permanent virements**

- a) Responsibility for agreeing permanent virements that do not involve a major change in policy and are worth less than £250,000 is delegated to the relevant Director and Chief Finance Officer (or their nominated officer) subject to the approval of the relevant Cabinet member as part of the monthly financial monitoring process.

#### **Temporary virements**

- b) Responsibility for agreeing temporary virements worth less than £250,000 but greater than or equal to £100,000 is delegated to the relevant Director and Chief Finance Officer (or their nominated officer) subject to the approval of the relevant Cabinet member as part of the monthly financial monitoring process.
- c) Responsibility for agreeing temporary virements worth less than £100,000 but greater than or equal to £50,000 is delegated to the relevant Deputy Director or Head(s) of Service. These virements should be reported as part of the monthly financial monitoring process.
- d) Responsibility for agreeing temporary virements worth less than £50,000 is delegated to budget holders and managers affected.

8. Where a decision by Council or Cabinet has already specified that temporary or permanent virements will result the virements should be first agreed and then actioned by the relevant budget holders and managers affected. If there are disagreements, an arbitration process will be led by the Chief Finance Officer.

9. Ringfenced grant funding has to be used for the specified purpose. Virements to update income and expenditure budgets to match the grant notification provided by the relevant body can be actioned without further approval. The change and the overall updated grant allocation will be noted in the Ringfenced Government Grants annex of the Financial Monitoring Report to Cabinet.
10. Any delegated virements that the relevant Cabinet member or Chief Financial Officer have concerns about must be referred to the Cabinet for approval.

### **Financial monitoring**

11. As part of financial monitoring procedures directorates should be forecasting the full year outturn position. Where action plans to address potential overspends do not reduce the forecast overspend, temporary virements should be made from underspendings elsewhere to reflect the forecast overspend that is not covered by measures in the action plan. Action plans that address overspends of £500,000 or more within a budget head as set out in the budget agreed by Council, or where the section 151 Officer has raised a concern, should be approved by the Chief Finance Officer and the Cabinet Member responsible for Finance and noted in the Financial Monitoring Report to Cabinet.
12. When virements are reported they will be assumed to be temporary virements unless it is specifically stated that they are permanent virements.

### **Cumulative virements**

13. Successive virements to or from the same budget will produce a cumulative effect. If the cumulative effect to or from a budget head approved by Council (see paragraph 2) would require approval at a higher level – for example by Council instead of the Cabinet, the cumulative virement should reported and approval obtained for the virement that triggers the requirement for cumulative approval in accordance with the requirements set out in paragraphs 4 - 9. The overall effect on the relevant budget head must be noted as part of the request.
  14. Once the higher level of approval has been obtained for a cumulative virement the cumulative total is reset to zero. This means that any subsequent virement is a separate request that should be treated as set out above. Cumulative virements are reset to zero at the end of each financial year.
- ### **Chief Finance Officer Powers**
15. If directorates do not make virements in accordance with these Virement Rules the Chief Finance Officer has the power to make other virements to remedy the position.

## Who approves a virement?

	Permanent virements		Temporary virements	
Description of the virement	Major policy change	Not a major policy change	Major policy change	Not a major policy change
<b>Council must always decide in the following cases</b>				
Where there is one – off transfer between revenue and capital budgets of £500,000 or more	Not applicable	Not applicable	Council (4b)	Council (4b)
Where in the opinion of the Chief Finance Officer a Council decision is required	Council (4a) and (4d)	Council (4d)	Council (4d)	Council (4d)
<b>In other cases, the value and type of the virement determines who decides<sup>3</sup></b>				
Where there is a one-off transfer between revenue and capital budgets of less than £500,000	Not applicable	Not applicable	Cabinet (6a)	Cabinet (6a)
£500,000 or more	Council (4a)	Cabinet (6b)	Council (4c)	Cabinet (6c) ii
Less than £500,000 but more than or equal to £250,000	Council (4a)	Cabinet (6b)	Cabinet (6c) i	Cabinet (6c) ii
Less than £250,000 but more than or equal to £100,000	Council (4a)	Director and Chief Finance Officer subject to approval by the relevant Cabinet member (7a)	Director and Chief Finance Officer subject to the approval of the relevant Cabinet member as part of the monthly financial monitoring process (7b)	
Less than £100,000 but more than or equal to £50,000	Council (4a)		Deputy Director or Head(s) of Service and reported as part of the monthly financial monitoring process (7c)	
Less than £50,000	Council (4a)	Budget holders and managers affected (7d)		
Previous decision by Council or Cabinet specifies that virements will result.	Budget holders and managers affected subject to an arbitration process by the Chief Finance Officer (paragraph 8)			
Any of the virements in shaded boxes must be referred to Cabinet for decision if the Chief Finance Officer or relevant Cabinet member has concerns about them (6d) and paragraph 9.				

<sup>3</sup> Changes to expenditure and income arising from changes to ringfenced grant funding can be actioned without further approval and noted in the Ringfenced Grant Annex of the Financial Monitoring Report to Cabinet.



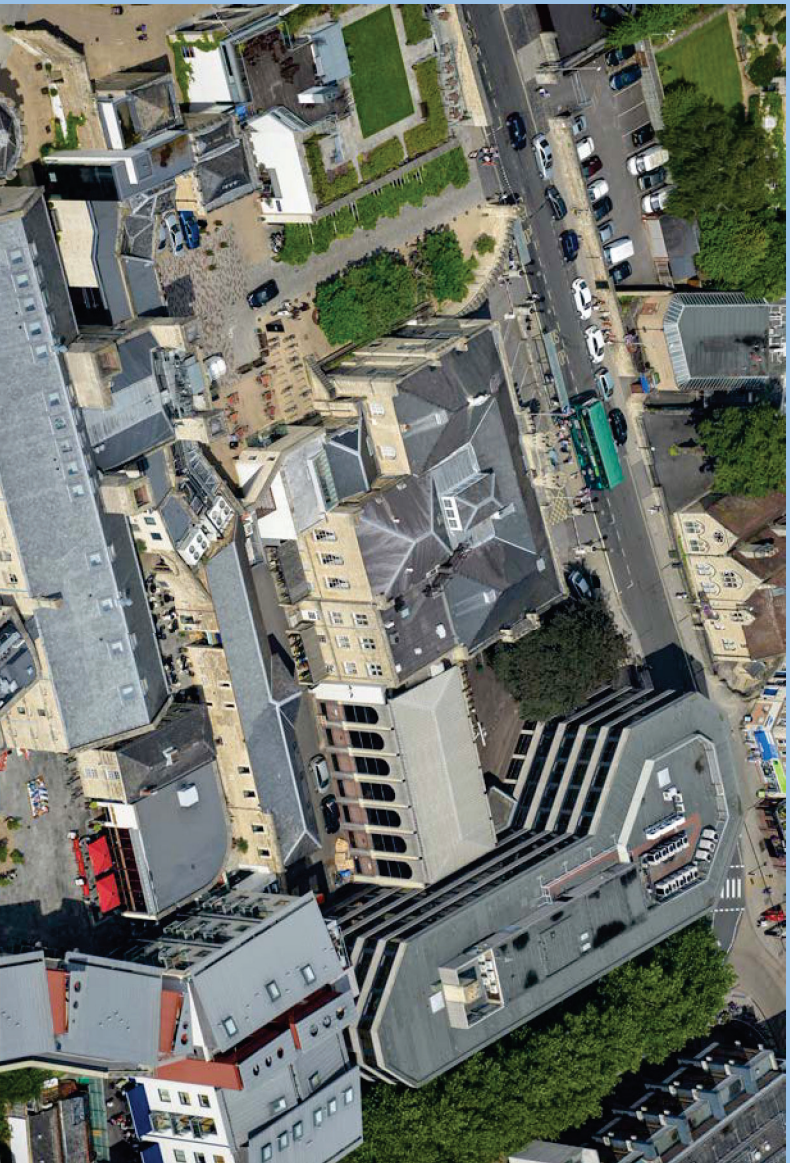
**Section 2.10****Asset Management Plans**

1. The asset management plans underpin the capital element of the financial strategy. Both the asset management plan (AMP) and the transport asset management plan (TAMP) have been updated as part of this planning round.
2. The asset management plan at section 2.10.1 provides a framework within which the Council adopts a strategic approach to securing operational and financial benefits of a property estate that supports the provision of services using industry best practice whilst at the same time securing the maximum benefit for the local economy. It builds upon last year's plan and continues with the shift in priorities from holding property to delivering services and ensuring the approach to property delivers the broader objectives of the Council.
3. The Transport Asset Management Plan (TAMP) sets out the prioritisation for investment in highway infrastructure and provides the 2-year rolling programme for all highways maintenance activities. The revised plan at section 2.10.2 has been updated to reflect current needs and to ensure that prioritisation of schemes enables the Council to derive the greatest value from its investment.



**Section 2.10.1**

**Asset Management Plan  
for Oxfordshire County Council**





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# 1 Purpose

## 1.1 Overall Aim

The County Council holds property to sustain and support its corporate objectives as reflected in the Corporate Plan and associated Business Strategy.

The Asset Management Plan (Operational Property Strategy, excluding Schools) is a document designed to set out the future direction for managing the County Council's property assets. By the very nature of the challenges facing the County Council in the medium term, the Plan needs to provide clarity in terms of objectives but have flexibility to respond to changes in circumstances.

An organisation of the stature and standing of the County Council needs to have an operational and asset portfolio that is both fit for purpose and capable of being adapted to future requirements.

The Council's property is changing significantly in terms of its size composition use and cost in response to changes in the size of the organisation and the way services are delivered. The principles set out in this Plan form the basis on which implementation plans will be developed and taken forward into delivery.

The Plan builds upon last year's document and continues with the shift in priorities from holding property to delivering our services and ensuring our approach to property delivers broader objectives of the Council.

The Plan will continue to be reviewed and updated on a regular basis.

## 1.2 Asset Management Plan – Objectives

This 5-year Plan will provide a framework within which Oxfordshire County Council adopts a strategic approach to securing the operational and financial benefits of a property estate that supports the provision of services using industry best practice whilst at the same time securing the maximum benefit for the local economy.

This approach provides for;

- Developing a vision for County Council property assets over the next five years that supports the County Council's Corporate Plan and Commissioning Agenda
- Setting out a strategic approach for the County Council's property assets
- Shaping the Council's operational property estate to optimise service provision and meet the needs of residents



- Ensuring that operational properties are appropriately located, provide flexible accommodation at low cost, in good condition and accessible to all.
- Achieving a reduction in the overall use of operational space to achieve savings
- Reducing the running costs of buildings and benchmark costs in use against peer group Authorities
- Ensuring the procurement of works for buildings meets sustainable design criteria and that buildings are maintained and managed for maximum energy efficiency.
- Challenging the business case for retaining properties, and exercise Head Lease break clauses, sell/lease surplus properties to achieve best consideration, capital receipts and revenue savings
- Developing an approach that ensures letting income from the County Council's property estate is maximised.
- Developing stronger working across the broader range of property assets held by public sector partners with a view to improving service delivery overall and reducing operational costs

### **1.3 Carillion/Capita Partnership**

The Council has appointed Carillion as its preferred partner in providing a range of property and facilities management services over a 10-year period. The partnership is the key delivery mechanism for this Asset Management Plan.

In addition the contract provides additional services including property management, facilities management, energy management and capital works services.

The relationship between the Partnership and Oxfordshire County Council is the cornerstone to the successful provision of the asset strategy plan. Working in association the parties should deliver a new estate designed to be fit for purpose and which achieves the maximum achievable reductions in operational and property costs whilst delivering the optimum level of services to the community.

## **2 The Asset Management Plan**

Asset Management is the generic process that ensures that land and buildings, or the asset base of an organisation, are structured in the best corporate interests of the organisation concerned. It aligns the property asset base with the organisation's corporate goals and objectives and responds to all functional and service delivery requirements of the organisation.



The Asset Management Plan is a key corporate strategic tool which sets out Oxfordshire County Council's property objectives focussing on how the Council intends to utilise its asset base to deliver its Corporate Objectives.

## **2.1 Why formulate an Asset Management Plan?**

An Asset Management Plan is of importance and relevance to all employees, partners and stakeholders of an organisation including the Elected Members and the general public, together with all other relevant public sector and partner organisations.

The Oxfordshire County Council 5-year Asset Management Plan will be used by elected Members, officers and partner organisations to support/inform any decision related to property assets and should be treated as the key reference point to which all future decisions in relation to the property portfolio are referenced.

## **2.2 What will this Plan achieve?**

The Asset Management Plan provides the template and framework for how the County Council will seek to utilise its land and property assets as a corporate resource. The Asset Management Plan sets out the Council's vision, aspirations and objectives for its land and property assets portfolio, and this will be used to develop and deliver an implementation plan that achieves these outcomes.

Oxfordshire County Council has statutory and other obligations to deliver various functions and services within the county. These include social care, education and library services, maintaining the roads network and waste management and community safety services through to the Fire & Rescue Service. How the property portfolio will play a vital role in the provision of these services is the key output of the Asset Strategy Plan.

# **3 Oxfordshire County Council - Corporate Plan**

## **3.1 About Oxfordshire**

Oxfordshire has a population in the region of 650,000 people. The population is increasing but the county retains a predominantly rural aspect and is the least densely populated county in the South East of England.

The county includes three areas of outstanding natural beauty: the Cotswolds, the Chilterns and the North Wessex Downs and is bisected by the River Thames.

Oxfordshire is at the north-western edge of the South East region and, with its central location in England, has strong links to London and the Midlands, as well as west to the Cotswolds and along the M4 corridor.

- 87% of residents regard the county as a good place to live (Place Survey 2008/09).



- The population is healthier and more prosperous than most other areas.
- The local economy contributes £15.4 billion to the national economy.
- Unemployment is amongst the lowest in the country, with fewer than 2% of residents claiming job seekers allowance (December 2011).
- Residents and businesses benefit from the county's position at the heart of the UK rail and road transport network.

Oxfordshire however faces a number of significant challenges:

- More than 30% of the county's workforce is currently employed in the public sector, making it particularly vulnerable to the impact of budget cuts.
- Housing availability and affordability remains a problem.
- There are pockets of significant deprivation, with 18 local areas in the county within the 20% most deprived in England.
- Educational attainment at GCSE level is below the regional and national averages and 6% of 16-18 year olds are not in employment, education or training. These factors contribute to the skills gap experienced by around one in five employers in Oxfordshire.
- Positive improvements in life expectancy mean the County has a growing older population; the number of residents aged over 85 is predicted to more than double by 2033, presenting challenges to service delivery.

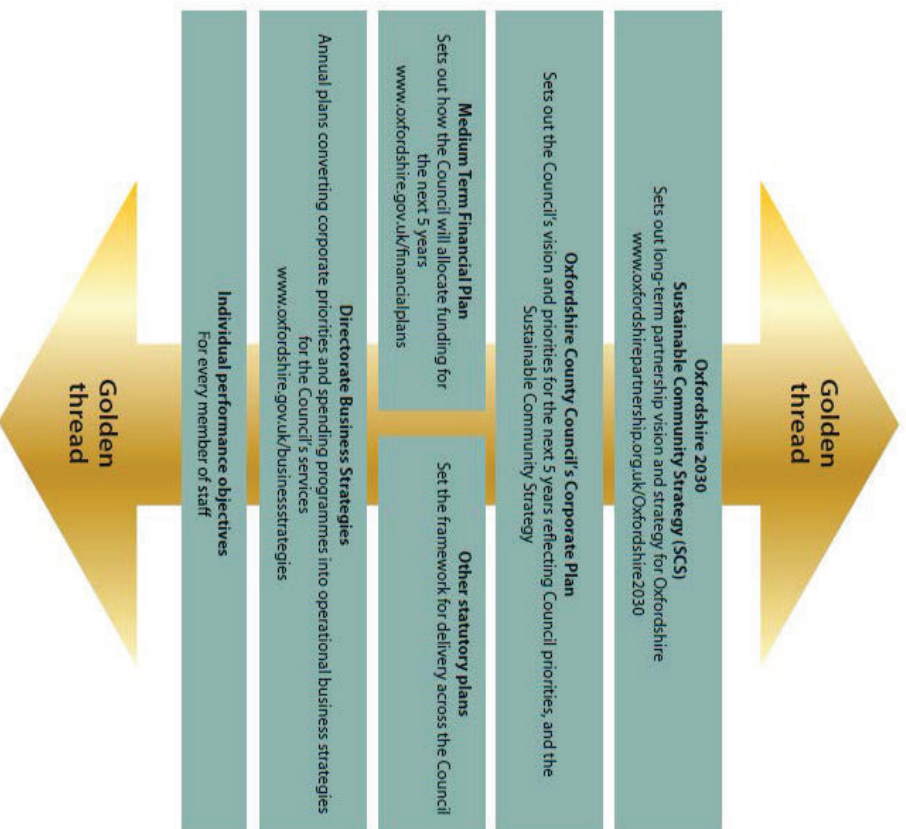
More key facts about Oxfordshire available on the Oxfordshire Data Observatory website: [www.oxfordshireobservatory.info/aboutoxfordshiredata](http://www.oxfordshireobservatory.info/aboutoxfordshiredata)

### 3.2 Thriving Oxfordshire

Oxfordshire County Council has an overall goal of a Thriving Oxfordshire. This is predicated against vibrant and active communities, and a sense of place; maximising economic growth whilst ensuring that the fruits of growth are enjoyed by all parts of the community and minimising any negative impact on the environment.

These corporate objectives fit into the 'golden thread' which links all of the Council's work from top level objectives through to service delivery and ensures that the Council has a co-ordinated approach to future challenges.

The Council's strategic objectives continue to be consistent with Oxfordshire 2030, the county's long term plan. Despite significant changes to the financial and policy environment that the Council and its local partners face, they remain committed to working together to deliver the longer term ambitions for Oxfordshire.



### 3.3 Key Issues under the Corporate Plan

The Corporate Plan sets out the key issues to be addressed.

**Localism Act 2011** – *a range of measures to support decentralisation including new community rights, reforms to planning processes and empowerment of local government and local communities.*

**Open Public Services** – *to increase choice, decentralise power, and diversify public service provision and increase accountability and transparency*

**Schools** – *increasing emphasis upon school autonomy, through Free Schools and Academies, and a more specific role for local authorities in supporting those most in need, thereby changing the relationship between the Council and local schools*

**Strategic National Planning framework** – *a local leadership role to align funding streams and deliver priority outcomes for Oxfordshire*

**Police and Social Responsibility Act 2011** – *established the role of a Police and Crime Commissioner for each Police Authority area responsible for allocating local community safety funding which had previously been provided direct to the Council*





To deliver a Thriving Oxfordshire the Council will work towards the following strategic objectives:



### 3.4 How do our Assets need to change?

The Council's strategic objectives, set out in part above, will mean that the property asset will need to change. The broad implications for the property asset are:

#### **Efficient Public Services**

- *The cost and size of the asset base will need reduce;*
- *Property assets must be treated as a corporate and community resource and their future planned with our partners;*
- *Investment will need to be focussed on priority services and joint asset planning with partners.*

#### **World Class Economy**

- *Infrastructure will need to be provided for growth areas;*
- *Sufficient school pupil places will need to be provided.*

#### **Healthy and Thriving Communities**

- *Changes to the provision of adult and children's social care will mean changes to the property estate;*
- *Encouraging community self help through joint and community use of assets;*
- *The need to improve the intensity of asset utilisation will require more effective working and co-location with our partners.*

#### **Environment and Climate Change**

- *The environmental impact of property will need to be reduced and the estate be made more resilient to climate change to minimise impacts on services and reduce costs;*



- *Appropriate facilities for recycling and waste disposal will be required.*

### 3.5 Property Policy Objectives

The property policy objectives for 2013/14 onwards reflect the outputs required from and by the asset management strategy:

1. Reduce the cost of the property portfolio by 25% in line with Medium Term Financial Plan savings targets for future years.  
**Actions:**
  - A Deliver the Asset Rationalisation Programme to the end of 2014/15
  - B Deliver savings on property costs in line with the MTFP
  - C Identify opportunities for additional savings through Locality Reviews and working with partners
  - D Introduce a Corporate Agile Workplace policy.
2. Put in place property that is fit for purpose and is aligned and supports corporate priorities and service business strategies.  
**Actions:**
  - A Identify and programme priority repair and maintenance requirements
  - B Allocate capital resources to bring forward schemes to address priority needs
  - C Maximise utilisation of all retained property assets.
3. Increase co-location of services and sharing with partner and community organisations within localities to improve service delivery, reduce costs and achieve broader corporate objectives.  
**Actions:**
  - A Lead on the Oxfordshire Collaborative Asset Management Group.
  - B Undertaking on-going programme of Locality Reviews.
4. Use surplus property assets to contribute towards corporate objectives for regeneration in the County.  
**Actions:**
  - A Identify all potential surplus property assets through rationalisation and the asset disposals programme.
  - B Explore all potential regeneration or redevelopment opportunities in priority locations
5. In working with others to realise opportunities for regeneration, if it is required, explore capital investment opportunities, including potential acquisitions, where a robust business case demonstrates an enhanced revenue income or capital receipt or improved asset value.  
**Actions:**
  - A Consider any site assembly opportunities to generate a subsequent enhanced disposal.



B Work with partners to explore potential alternative and more beneficial uses for existing property assets including potential Local Asset Backed Vehicle arrangements.

6. Maintain energy costs at 2010/11 levels as far as is cost-effective, whilst meeting Government carbon budgets through investment in energy efficiency and renewable energy measures.

**Actions:**

- A Develop and implement a ‘whole building’ programme of energy investments across the estate
- B Embed a set of low energy behaviours across the organisation
- C Provide targeted feed-back to building users to help manage energy use effectively day-to-day

## 4 The County Council’s Property Portfolio

### 4.1 Overview

The property portfolio comprises approximately 830 operational properties. The main property types are as follows:

- secondary schools
- primary schools
- special schools
- offices
- fire stations
- libraries
- museums
- day centres
- highway depots
- staff houses
- children’s centres
- early intervention hubs
- waste recycling centres
- Homes for older people

Property Category	Value (£'000)
<b>Operational (Other land and Buildings)</b>	<b>989,471</b>
<b>Non-operational - Investment</b>	<b>4,521</b>
<b>Non-operational – Surplus/Vacant</b>	<b>3,997</b>
<b>Total Asset Value</b>	<b>997,989</b>

The Council makes significant investment in the portfolio each year, through the capital programme and the repairs and maintenance programme. The Council had identified that only 45% of the portfolio was fully fit for purpose and there was required maintenance of £65.8 million.

#### 4.2 A Future Approach to Property Assets

Effective Asset Management requires a strategic policy allied to resources which can respond to change within legal, financial, construction, organisational and development constraints. Planning for change in advance is essential given that acquiring or disposing of properties can be protracted.

The successful implementation of the broader objectives of Oxfordshire County Council will rely upon the Council's ability to clearly determine the following:

- What land and property assets does the Council hold;
- Under what legal basis are these assets held;
- What is the purpose or reason for holding each asset;
- Who uses the asset and what is it used for;
- What is the level of asset utilisation;
- What is the value of the asset; (value can be for different purposes)
- What is the condition and life of the asset;
- What does it cost to hold the asset;
- What does it cost to retain and maintain the asset;
- How Energy Efficient is the asset
- What is the cost per square metre of holding the asset;

The process of accumulating, updating and reviewing this data is in hand through the data warehouse facility. The Integrated Property Asset Management System with a single view of the asset will enable comprehensive property asset performance information to be analysed and reported as required. This information will enable better strategic decision making and inform the ongoing development of the Asset Management Plan. This will also enable the Council to strategically and corporately assess how it needs to act and respond to the challenges of delivering service transformation and also meet cost saving targets whilst still providing effective and efficient public service within Oxfordshire.

#### 4.3 Condition Survey Information

As part of the above process, one of the key elements will be the ongoing assessment of the condition of the Council's property assets and the ability to effectively programme and fund the necessary repair and maintenance requirements. The recent condition survey results have identified total required maintenance of £65.8m (inclusive of schools delegated items), £23.9m of which is within the top two priority categories of urgent or essential works necessary within 2 years.

#### 4.4 Corporate Landlord

All land and property assets are managed under a 'Corporate Landlord' function.



The Corporate Landlord Function allows an integrated and strategic asset management service that responds to all property and accommodation requirements across the Council and delivers outcomes that include:

- Informed strategic asset management decision making where all issues, opportunities and potential improvements are identified, understood and managed under the Asset Management Plan.
- Improved financial decision making relating to property assets and programmed capital and revenue expenditure where life cycle costs are minimised where possible and appropriate.

The identification and delivery of potential Capital Receipts and investment opportunities via a strategic disposal / development review process.

- The identification of potential collaboration and efficiency opportunities across the Council and other public sector partners to maximise and extract as much value from the Councils retained Corporate Land and Property Assets Portfolio as possible.

The recent completion of the ATRIUM database will facilitate the ability to accurately forecast/identify internal costs.

Under the Corporate Landlord approach the directorates and services become notional tenants and make use of the property in delivering a service. There are specific responsibilities that fall both to Corporate Landlord and Notional Tenant, depending on the nature of the asset and the service.

#### **4.5 Atrium Database**

The ATRIUM database forms part of the PIMS (Property Management Information System) central database that, combined with the Corporate Landlord Function, will enable;

- A single view of all the Council's corporate property assets
- Corporate and central management for the entire assets portfolio that enables service delivery providers to focus solely on service delivery requirements.
- A strategic planning capability to meet changing operational and service delivery needs including asset rationalisation and Agile Working.



- Informed strategic and corporate decision making on all land and property matters.
- Real and complete cost information on use and effectiveness of property holdings.
- A real and actual cost in operation and a cost in the holding of property assets together with the ability to re-charge on a real cost basis.
- An integrated approach to meeting community and service needs.
- Rationalisation and investment strategy forward planning and management.

The information from the ATRIUM database will be used as the bedrock for all future decisions in relation to the property asset base.

#### **4.6 Adapting the Property Estate**

The County Council's property portfolio comprises both operational and non-operational property. The portfolio should be held purely in order to support the functionality of Oxfordshire County Council as a provider of services. The operational portfolio will be kept under review in order to ensure it remains fit for purpose. As part of this on-going work, opportunities to rationalise the property estate will be explored, including where appropriate by disposal through questioning existing policies against the following criteria:

- *Is there a clear rationale for owning or holding properties and if a particular asset does not assist service delivery or generate income, is there any beneficial purpose in its retention?*
- *Is there a regular process of review and reporting in place to confirm whether or not individual properties are fit for their intended purpose? Are decisions to retain sites and properties regularly tested?*
- *Is the Council able to quantify the performance and return from any given property asset and particularly its income generating investment property assets?*
- *Has the Council set objectives for its property assets and is performance of the assets monitored to ensure that these objectives are being met and are still relevant?*
- *Is there a clear link between the Council's property assets and its wider corporate objectives?*

#### 4.7 The Current Asset Rationalisation Programme

Medium Term Financial Plan savings on property running costs to the end of 2014/15 are being delivered through the Asset Rationalisation Programme. The critical lease surrenders within the MTFP period are Clarendon House, Oxford, and Windrush Court, Abingdon, both in June 2014. These properties will be vacated in line with those lease timescales, with staff accommodated within the retained estate through more efficient and effective use of office space and the implementation of agile working. This will include the relocation of the Customer Service Centre to County Hall in 2014.

Additional savings beyond the MTFP period are likely to arise from the implementation of a corporate agile working policy ensuring office space is minimised and that other significant lease surrenders can be realised beyond 2014/15. Locality reviews are also likely to lead to other opportunities for rationalisation of the estate.

In the mid-term the opportunity to surrender the leases on space within Unipart House amongst others in May 2017 provides a need for holding a medium-long term office strategy.

The Council's office strategy is currently based on the following principles:

- *Minimising the size of the office portfolio* – ensuring that space requirements take account of a smaller organisation, whose staff work in a more agile way supported by technological improvements
- *Co-location of staff and services* – proactively realising opportunities to co-locate with the districts, the health sector and other public sector bodies
- *Using investment in the office portfolio to support the local economy* – where there is an identifiable need for investment ensuring that it supports wider economic growth priorities

The office model for Oxfordshire will comprise the following office hubs:

- *A northern office hub* – based at Samuelson House in Banbury, but working with partners to explore opportunities for co-location of services as part of wider proposals for the regeneration of Banbury
- *A southern office hub* – based around Abbey House in Abingdon but potentially working with partners to explore opportunities that support shared ambitions for economic growth



- *A central office hub* – based around presence in Oxford, with a balance between presence in the city centre and other locations across the City, including the eastern side as well as potentially the west end.

It is currently anticipated that there will continue to be a need for a satellite office to serve the west of the county in Witney.

It is currently anticipated that Graham Hill House in Oxford (trading standards) and Signal Court in Eynsham (Countryside Services) are retained as specialist offices dues to service requirements for adjoining warehouse/workshop accommodation and recent capital investment.

#### **4.8 Agile Working**

The development and implementation of a corporate agile working policy will provide clarity on the likely size of the organisation in future years and the extent to which changes in work styles and co-location will impact on office requirements. This work will inform the medium-long term vision for the office estate and those offices that are retained or disposed of. The relocation of services based in Abingdon to Abbey House is being used as a pilot to develop the County Council's approach to agile working.

In October 2013 Oxfordshire County Council instigated an agile working review across the entire office estate in order to identify a space standard and to inform the Asset Strategy Review with regard to future accommodation needs.

The successful implementation of 'Agile Working' requires a change in the way people work which in turn relies on three elements being put in place;

**Sponsorship** – the initiative needs strong and dynamic leadership from the top of the organisation: agile working is a business transformation initiative

**Communication** – the workforce needs to understand what is happening, why and when: it requires a dedicated approach to communications.

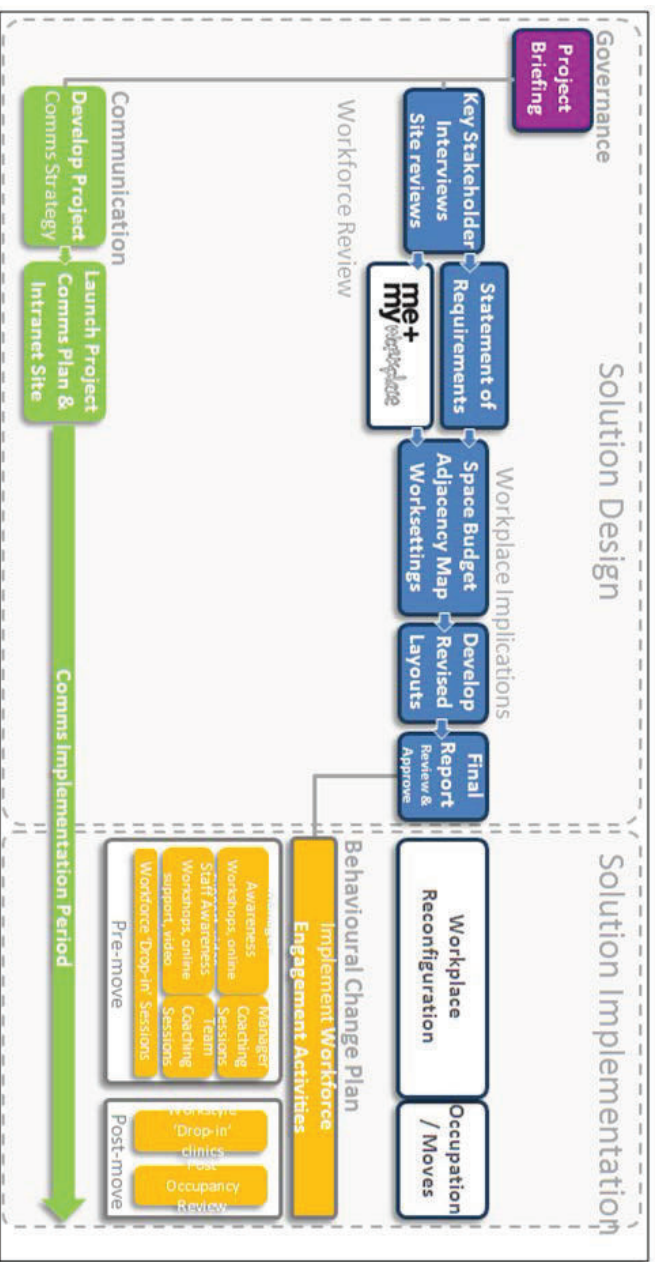
**Engagement** – the workforce needs to be, and feel to be engaged in the process of changing how they work; staff members are much more likely to accept new technology, desk sharing and flexible working, if they have been involved in the process of creating the agile working solution.





The review, which will report to the County Council in early 2014 will identify the opportunities and benefits of adopting 'Agile Working' and provide a solution which reflects the needs of Oxfordshire County Council over the next five years.

To secure a benefit over the full term the report will provide a methodology for supporting the OCC in the development and delivery of agile working solutions which reflect the true workforce and organisational needs from solution to implementation as follows.



#### 4.9 Disposals

Land and property assets held by the Council should be considered for disposal as surplus to requirements if any of the following statements apply:

- The asset no longer makes a positive contribution to the current delivery of Council services.
- The asset has no potential for future strategic regeneration and/or redevelopment purposes.
- An alternative site can provide a more cost effective and/or efficient point of service delivery.
- There is no adopted and resourced Council plan/policy/strategy, which will bring the asset into beneficial use in the foreseeable future.



- There is no potential for advantageous shared use with partners.

In general the Council is required to achieve the ‘best consideration reasonably obtainable’ when it is disposing of land or buildings under s.123 Local Government Act 1972. If it seeks to dispose of land or buildings below the market value, it must obtain the consent of the Secretary of State for Communities and Local Government.

However, the Council (having regard to the Crichel Down rules whereby property must in certain circumstances first be offered back to the original owners) will use its powers under the General Disposal Consent 2003 to transfer land at less than its market value, without the need to seek specific permission from the Secretary of State, provided that:

- a) The purpose for which the land is to be transferred is likely to contribute to the ‘promotion or improvement’ of the economic, social or environmental well-being of the area; and
- b) The difference between the market value for the land and the actual price paid for the disposal (if any) is not more than £2m (also providing that the reduction in price does not breach State Aid Rules)

#### **4.10 Acquisitions**

Land and property asset interests will only be considered for acquisition if the following circumstances apply:

- The acquisition makes a positive contribution to the delivery of Council services.
- The acquisition will make appositive contribution to reducing occupational cost
- All other methods for the delivery of the service have been investigated and an option appraisal has been undertaken which highlights acquisition as the most economic and efficient means of service delivery.
- The acquisition of the interest has potential for future strategic regeneration and/or redevelopment, or contributes to wider corporate objectives and appropriate funding has been identified.

#### **4.11 Working with Public Sector Partner Organisations**

The County Council will pursue opportunities for more efficient and effective collective use of the wider public sector estate through locality reviews and the Oxfordshire Collaborative Asset Management Group.



The Council supports the principles of CIPFA's ONE Public Estate and place-based asset management and will adopt such an approach across Oxfordshire.

The Council will pursue more informal, and less resource intensive property occupation arrangements with partners (licence agreements, Memorandums of Understanding, £/desk occupation charges). The Council will share property asset information with partners to enable strategic asset management of the public estate

#### **4.12 Development and Regeneration**

In certain cases the Council will hold land and property assets, sometimes for long periods, in anticipation of some wider benefit to be secured through a development or a wider regeneration proposal.

Where appropriate, the Council will use its surplus land and property assets to contribute towards corporate objectives for regeneration in the County and where opportunities arise

The Council will pursue public/private property initiatives, including Local Asset Backed Vehicles, where there is a robust business case for doing so and where the scheme will contribute significantly to corporate objectives for regeneration in a particular locality

#### **4.13 Community Asset Transfer**

The Council is committed to localism and recognises the importance of providing support to voluntary organisations that provide services to the community which are compatible with the Council's wider objectives

The Council will consider the disposal of land and property assets in accordance with the Community Right to Bid provisions of the Localism Act whereby community groups will be given the opportunity to develop a proposal and raise capital to bid for an "asset of community interest" when it comes to the open market

In addition to the Community Right to Bid, community interest in the transfer of property assets will be considered and assets made available for transfer unless one of the following principles applies:

- a) Property revenue savings or capital receipts from the property are needed to contribute to Council savings or to ensure the continued provision of front line Council services;
- b) There is another Council, partner co-location or school need for the property which would be difficult to meet in any other way;



- c) Grant conditions for capital expenditure on the property prevent the asset being transferred or a change of use within a specified timescale.

Once it has been decided that an asset can be made available, the Council will transfer the asset to the community/voluntary organisation on terms to be agreed, if:

- a) There is no other local building from which the community/voluntary organisation could reasonably provide the same service;
- b) The proposal is financially viable and sustainable;
- c) The proposal represents good value, taking into account the expected community benefits; and
- d) The proposal as a whole, and in particular the loss of a potential capital receipt due to a discounted sale price, is affordable.

The County Council will consider proposals from community and or voluntary organisations for either leasing an asset or for purchasing a freehold interest. The Council's detailed policy on community asset transfer is contained in the Community Asset Transfer Policy.

#### **4.14 Academy Transfers**

The Council will transfer education land to Academies under 125 year leases at a peppercorn rent, consistent with the Academies Act 2010.

The Academies Act 2010 includes clear expectations that Academies should have a long leasehold interest unless the predecessor school held the freehold. A "two stage" conversion (Foundation and then Academy) could enable an Academy to obtain the freehold of the school site and is considered against the intentions of the Act. Therefore two stage conversions will be refused by the Council.

Where other Council services (e.g. Libraries, Children's' Centres, Adult Learning, Hearing Impairment, Autism and other Special School services) form an integral part of the school, the Council's ability to continue to provide these services will be secured by taking a 125 year "lease-back" at a peppercorn rent (paying a fair proportion of utilities and maintenance costs).

#### **4.15 Investment Portfolio**

The Council will pursue opportunities for capital investment in surplus property to provide an income stream, subject to a robust business case.

The Council will consider strategic acquisition of investment property subject to the development of a robust business case.



The Council will be willing to hold a longer-term vision for use of capital funding in support of the above.

The Council will explore opportunities to generate additional income from its property portfolio of land and buildings, having regards to the community and neighbouring landowners, which will include:

- Telecoms and Wayleaves etc.
- Wind turbines/solar arrays/alternative energy sources
- Advertising

#### **4.16 Energy Management**

The Council will develop and implement an energy investment programme to meet its energy and carbon objectives.

In general, when making decisions about the management of its property, the Council will seek to minimise energy consumption, both in its buildings and in travel to and from the buildings.

The Council follows the principles of ISO50001 *Energy Management Systems* to define and implement its detailed energy policies and processes.

## **5 Property Requirements by Service**

### **5.1 Library Service**

The Council has a statutory duty to provide a comprehensive and efficient Library Service. There are currently 43 Libraries throughout the County together with 7 Mobile Libraries that service five mobile areas as well providing services to housebound residents.

The County Council's agreed strategy is to fully fund and resource all of the libraries that form part of our comprehensive and efficient library service. The core libraries are:

Abingdon, Banbury, Berinsfield, Bicester, Blackbird Leys, Botley, Carterton, Chipping Norton, Cowley, Didcot, Eynsham, Headington, Henley, Kidlington, Littlemore, Neithrop, Oxford Central, Summertown, Thame, Wallingford, Wantage and Witney.



The Council will also continue to provide a fully supported infrastructure (building, ICT, book stock and the installation of self-service) to those libraries which fall outside of our comprehensive and efficient library service. The Council will work with each of these libraries to establish a Friends Group to enable a shift in the balance of staffing in these libraries towards volunteers over a three-year period. For Community Plus libraries, this would mean one third volunteers and two thirds paid staff. These community plus libraries are:

Chinnor, Faringdon, Grove, Wheatley and Woodstock.

For Community Libraries this would mean one half volunteers and one half paid staff. These libraries are:

Adderbury, Bampton, Benson, Burford, Charlbury, Deddington, Goring, Hook Norton, Kennington, North Leigh, Old Marston, Sonning Common, Stonesfield, Watlington, Woodcote and Wychwood.

Where development and/or regeneration opportunities present themselves the County Council will look to secure appropriate contributions towards the provision of library services. In order to assist in this process, a review of the space standards for libraries will be undertaken during 2014/15. This will ensure the County Council has a robust basis for securing financial contributions.

In addition, during 2014/15 the County Council proposes to undertake a review of all of its library sites with a view to identify opportunities to make better use of existing space, in particular those opportunities that might offer the potential to co-locate services.

## **5.2 Fire and Rescue Service**

The Fire & Rescue service within Oxfordshire is delivered as part of the Council's services however there has been a recent shift in funding from a standard formula allocation, based on population to funding based on capital bids. The service is bound by legal responsibilities relating to response times and generally the existing Fire Stations are considered to be in the right locations to serve the existing population centres. Response times outside of the population centres are more challenging given that Oxfordshire is one of the most Rural Counties in the country.

There is a current shift towards the Oxfordshire service operating as part of a joined up national organisation of Fire & Rescue services to better combat terrorism and other national threats.



The Fire & Rescue Service as part of their Community Risk Management Plan are looking positively towards co-location opportunities particularly with other blue light services and this fits into the Council's wider ambition to work more closely with other public sector organisations.

There is a specific need to address the Fire & Rescue Service's workforce development strategy in relation to the Council's Asset Management Plan and especially in relation to any new locations for Fire Stations. There is a need for retained Fire Stations to be located within five minutes of on-call Personnel.

Future population growth areas in Bicester, Whitney, Wantage/Grove and Carterton, where the Fire & Rescue Service provision is currently provided by the Bampton, Burford and Whitney Fire Stations, has implications for the service due to potential increased risk and response times.

There remains an aspiration to re-provide the fire station at Rewley Road in Oxford as this would release some, or all, of the site for redevelopment. There would also be the potential to co-locate a number of the functions it accommodates, perhaps as part of the Northern Gateway development. However a City Centre Station is still required due to Oxford being a cultural and tourism centre, although a smaller site would suffice as office uses could be relocated elsewhere.

The on-going provision of some Fire & Rescue training is currently being assessed to determine the most effective means of delivering this going forward.

The Fire & Rescue Service also has responsibility for the Council's Gypsy and Traveller Service which has a number of locations within the County. This service currently operates effectively and there are no major asset implications.

### **5.3 Environment and Economy**

The Highways services within Oxfordshire are delivered by Skanska. The Highways contract allows for investment of £5m in highway depots sites, which will be funded through revenue savings. Skanska has licence agreements for the use of Deddington, Milton Common, Drayton, Chipping Norton and Woodcote depot sites. A depot strategy will be developed which will determine where capital will be invested. Feasibility studies will then be undertaken. The priorities for capital investment are:

- Office accommodation, including refurbishment of existing buildings at Drayton and replacement of temporary buildings at Deddington.



- Increased salt storage capacity (Deddington, Chipping Norton, Drayton and Milton Common);
- Other operational improvements, including storage and hard-standing
- Vehicle maintenance, including possible co-location with the Integrated Transport Unit.

#### **5.4 Children, Education and Families**

##### *Children's Homes*

The Council has two children's homes within the county. Thornbury House children's home for boys was re-provided in a new building on the same site in 2011 and is now known as 40 The Moors, Kidlington. Maltfield House in Headington provides accommodation for girls. Both are now fit for purpose.

The County Council is looking to increase the in-county provision as a means of improving the service available to support vulnerable children. Provision of such services locally will have the added benefit of being more cost effective.

##### *Pupil Referral*

The main Pupil Referral Unit is based at Meadow Brook School with other additional units located across the county. The service strategy continues to evolve and there remains a desire to explore potential co-location opportunities within localities.

##### *Early Intervention*

Seven Early Intervention Hubs, (EIH) operate across the county, supported by five Early Intervention Satellites (EIS). The EIHS provide a single, integrated early intervention service for children, young people and families with additional and complex needs: services are provided by both Council staff and partner organisations. The EIHS/EISS also provide drop-in office accommodation for staff and support the Council's main hub offices.

##### *Children's Centres*

Investment in the children's centre programme means that there now a children's centre accessible to all families across Oxfordshire. The Service is run by a number of different providers, including schools, the Council, private and voluntary organisations.



### *Children's Social Care*

This service is delivered predominately from Knights Court, Samuelson House, Foxcombe/Windrush Court, Nash Court and Kings Gate. Any increase in demand for this service will be considered as part of the office rationalisation proposals under the Strategic Asset Management Plan.

### *Outdoor Education*

There are currently three out of county Outdoor Education Centres with one being located within Oxfordshire at Hill End. The Council owns the freehold of the out of county centres and alternative service delivery models are currently being explored, subject to a robust business case.

### *Adult Learning*

Adult Learning has administrative functions concentrated into four area offices – Unipart House, Kidlington Adult Learning, Union Street (East Oxford) and Grove Adult Learning Centre.

Other premises continue to be required for service delivery. Co-location of Adult Learning accommodation with other Council and partner services continues to be pursued where appropriate.

## **5.5 Social and Community Services**

### *Adult Social Care*

Ninety percent of Adult Social Care Services are provided through contracts with external service providers. The service is moving from that of commissioner to an enabler given the funding changes that provide individual care budgets to service users. The focus of the service is to support users to remain independent in their own home. This focus is assisted by closer working arrangements with health professionals and the District Councils.

There is a desire to encourage more agile working within the provision of Adult Social Care through the use of smaller integrated bases with Health colleagues and more time being spent within communities.

### *Homes for Older People*

Homes for Older People are all leased to the Oxfordshire Care Partnership. The County Council worked with OCP to deliver the re-providing of seven of the homes that were no longer fit for purpose, before undertaking a further piece of work to address the remaining eight homes.

### *Day Services*

As part of the Day Opportunities Strategy traditional older people's day centres were replaced by resource centres. This has been completed in Bicester, Oxford, Abingdon and Witney and one is currently being built in Banbury. This leaves a requirement for Resource Centres in Didcot, Wantage and Wallingford.

### *Learning Disabilities*

There are no property related issues identified for this service at present.

### *Special Needs Housing*

The strategy for the delivery of Extra Care Housing is now established. This need is considered in all Council disposals, as well as any Section 106 bids, and through working closely with District Councils and Housing Providers.

An overall housing strategy is currently being prepared which will set out the need and delivery strategies for all the areas of special needs housing, including older people, as well as learning disabilities, physical disabilities and mental health. Whilst the demographic drivers are not on the same scale as for older people and Extra Care Housing, there is often a need for more specific and specialist housing that cannot be achieved through the normal affordable housing routes. The new strategy document will set out these specifics and the same principles will be applied with regard to the disposal of sites as for Extra Care Housing.

## **5.6 Coroners and Cultural Services**

The Council's Cultural Service incorporates Museums, the Archive Service and other stand-alone cultural sites. The Council also has a statutory duty to collect and store documents as part of the archive service based at the Oxfordshire History Centre (St Luke's Records Office). This facility was recently converted but is now at capacity and as a result a potential future new alternative location might be explored in conjunction with a potential relocation of the current book store service at Holton.



The Oxfordshire Museum in Woodstock is supported from the storage facility at the Standlake Museum Resource Centre which has recently been extended and now provides a sufficient principal storage facility.

#### **5.7 Customer Services**

This service is currently split between Unipart House and Clarendon House in Oxford. The need to vacate Clarendon House by June 2014 as part of the Asset Rationalisation Programme will result in the Customer Service Centre relocating to County Hall in spring 2014. The majority of ICT services located within Clarendon House will be relocated to Unipart House at the same time. ICT infrastructure will be moved to the Cloud in 2015/16 which will remove the requirement for a physical Data Centre. Academy Transfers are resulting in a move away from direct services to schools over three years to 2015. The remaining services are currently under review.

#### **5.8 Public Health Services**

This service transferred to the County Council with effect from 1<sup>st</sup> April 2013 and is effectively a commissioning service for preventative health services to the public within Oxfordshire. Members of staff located across County Hall and Oxford Health premises at Jubilee House. Opportunities for provision of services from Council property assets are kept under review as contractual arrangements are renewed.

#### **5.9 Staff Housing**

The general approach to vacant staff housing was agreed by the Cabinet in July 2005 and seeks to reduce the size of the staff housing estate where there is no school need for the accommodation and where the property can be easily separated from the main school site. The agreed approach is as follows:

- If the house is an integral part of the school site, the school should be allowed to decide whether it wishes to take over the building for teaching or office functions, or whether it wishes to retain it for caretaker use in which case either the responsibility for paying the rent subsidy should transfer to the school, or the school should consider whether the rent should be increased so that no rent subsidy is required;
- If the house is part of the school site, but could potentially be separated to allow a disposal, the Council should review the position with the school before making a firm decision as to whether a sale can be achieved;



- If the house is not part of the school site the Council should pursue disposal of the house, unless there are particular reasons why this is not appropriate.

## **6 Conclusion**

This Asset Management Plan is a live document and will be reviewed annually in line with Service and Resource Planning and Capital Planning process.

## TRANSPORT ASSET MANAGEMENT PLAN & PROGRAMME 2014/15 – 2015/16

### Introduction

1. Oxfordshire County Council's Transport Asset Management Plan (TAMP) was approved by Cabinet in March 2008. Officers have been working closely with a working group from the Transport Advisory Panel to refresh the TAMP with a view to it being more reflective of the current needs of the asset and ensuring that prioritisation of schemes enables the authority to derive the greatest value from its investment.
2. The Council has also recently been the subject of a peer review as part of the Highway Maintenance Efficiency Programme set up by the Department for Transport and the Local Government Association. This has enabled the authority to be recognised for the good work it is doing whilst providing challenge, and examples of good practice, on where it can improve. An action plan has been developed to address these improvements and will be implemented over the coming year.
3. This report provides the 2-year rolling programme for all highway maintenance activities and all types of highway infrastructure including roads, footways, bridges, street lighting and drainage in accordance with the current TAMP. The 2014/15 schemes (in Annex B) were presented in draft at the locality meetings held in autumn 2013, as part of the visualised two year programme (2014-16). Comments were taken from the meetings and the schemes were developed in accordance with feedback and condition assessments.
4. Annex A provides the Structural Maintenance Annual Programmes funding allocation for the medium term and the funding for major schemes and other activity. The detailed 2-year Structural Maintenance Programme is provided in Annex B.

### Asset consideration and prioritisation

5. Each asset type has differing levels of deterioration and requires specific assessments to ensure that condition is maintained and risk is not increased which might lead to claims or the need for major investment. Each is discussed in turn below:

#### Carriageways & Footways

6. Carriageway structural maintenance activities include carriageway resurfacing and reconstruction, structural patching, surface dressing and specialist safety surfacing treatments.

7. The last few years have seen a significant deterioration of the carriageway network with highway defects needing to be addressed rising from 27,958 in 2011 to 52,296 in 2013. This has put significant pressure on revenue budgets with costs increasing from £1.662m to £3.943m in the same period and has put pressure on budgets in place for more proactive activities.
8. Further pressure has been put on maintenance budgets by finding the presence of coal tar in roads recently identified for surfacing. This is classed as a hazardous substance and therefore requires controlled and costly disposal which has significantly increased costs for schemes. To mitigate this issue the service has sought to focus efforts on appropriate recycling of this material to ensure that the impact on capital budgets is kept to a minimum.
9. Significant work has been undertaken in the last few years in developing more advanced forward programmes of work to ensure that more informed decisions can be taken on linking schemes for recycling or commercial reasons to ensure that the programme in its entirety can be delivered as cost effectively as possible.
10. Schemes are currently assessed through relative need factors that effectively score roads and footways according to the level of deterioration present to provide an initial prioritisation. Other factors are then considered such as the ability to recycle schemes, coordination with other works and programmes, links to other strategic priorities and impact of revenue budgets etc. to ensure that the greatest benefits can be derived to determine each year's annual programme of work.
11. Programme appraisals also include assessments of the importance of the route in the network hierarchy and the effects on traffic and localities to ensure that travel on the highway network and the impact on individual communities is not adversely affected by competing road works.
12. The above approach does not detract from the Council's duty to maintain the network in a safe condition. Defects identified through highway inspections or reported by the public on all roads in the County will continue to be investigated and repaired if there is an implication for safety.
13. The County's highway network has proven to be particularly susceptible to the effects of the external environment with significant impact on the highway condition being effected by harsh winters, high temperatures and flooding.
14. The above factors have caused significant break-up of the carriageway surface across much of the network, some road surfaces to melt and the undermining of the foundations of some carriageways and footways (i.e. the embankment slip at Bagley Wood last year). Water entering cracks in the road construction, and the subsequent freezing and thawing process are the main factors that cause widespread damage. Timely and cost effective sealing and drainage treatments before the road deteriorates is therefore imperative to ensure that the road does not deteriorate significantly with the resulting prospect of expensive repair costs and increased claims.

15. To help address this, the Department of Transport made additional funds available for 2013/14 and 2014/15 and these have been directed to ensuring that surfaces are effectively sealed and that water can more effectively run off of the carriageway.

#### **Drainage**

16. Poor drainage is a major cause of early carriageway failure and localised highway flooding. In conjunction with the additional capital investment from DfT, more revenue funds have been directed to addressing local drainage issues such as run off channels and ditch clearing in an effort to keep road surfaces drier. Formal drainage investigations are now included in early feasibility work for schemes in the carriageways forward programme with costs built into the annual site investigation and works allocations.

17. The Flood and Water Management Act 2010 places a Duty on the Lead Flood Authority (Oxfordshire County Council) to manage and record all surface water flooding within the County. The Council is developing a strategy on how it intends to manage this and it will go out to public consultation early this year.

#### **Bridges**

18. The overall condition of OCC's bridge stock both on the public highway and on the public rights of way network is declining following a reduction in capital funding as resources and funding have been diverted to support other priority assets like carriageways. Therefore, the bridge stock is currently being managed in a reactive rather than proactive way. This has increased the number of bridges on which weight limit measures are being imposed.
19. Recent extreme winters require higher volumes of salt to be spread on the highway which is detrimental to the durability of steel and reinforced concrete bridges. The County has also recently experienced more frequent extreme flood events, hotter summers and colder winters which only serve to increase the stresses on bridge structures and accelerate the rate of deterioration of OCC's bridge stock.
20. The fast running waters of the significant flood events such as those experienced in July 2007 and the more recent events in 2012 have been found to have significantly eroded away parts of the foundations and surrounding supporting soil structure of many bridges in the County. On some public rights of way footbridges have been damaged so significantly they have needed to be closed completely.
21. The service is reviewing the Bridges Maintenance Programme to ensure that future bridge maintenance schemes still provide value for money in terms of whole life costs, and has invested one off money to survey key structures to support this activity.

22. However, this increased knowledge of the condition of the Councils bridge stock is likely to identify urgent works that will need to be undertaken in the coming years.

### **Street Lighting and Traffic Signals**

23. A simple system is used to assess the structural safety of lighting columns that provides an indication of the lighting column condition, which then forms the basis of a series of road lighting condition indicators. The interim report published in June 2002 proposed that the road lighting condition indicator should initially be based on the age of the lighting columns and any indicators of residual life that can be determined, whilst also considering environmental factors and other elements, such as luminaires and cable networks.
24. With an average life expectancy of 30 years it would be necessary to renew an average of 1460 lighting columns per year in order to keep pace with natural deterioration in the condition of Oxfordshire's lighting stock. However, the current budget allocation allows a programme of work to replace approximately 900 columns a year which have reached the end of their expected life. There are over 58,000 lighting columns in the county.
25. In the 1970's and 1980's the Council implemented a large majority of the traffic signal sites across the County. As with the street lighting stock many of these sites have reached their average life expectancy of 30 years and in many cases are beginning to show signs of deterioration. This will put pressure on capital budgets in coming years.

### **Structural Maintenance Programme 2014/15 & 2015/16**

26. Annex B contains the programmes for structural maintenance for 2014/15 and 2015/16. They are presented in Asset type and schemes for each have been identified and the locality identified for further communication and clarity.
27. The main carriageway and footway schemes have been developed in advance where possible by allocating funding for advanced design and coring. This process allows for specific and appropriate treatments to be chosen, risk of coal tar to be identified and costed, and better cost estimates to be provided, enabling more effective use of available budgets and certainty of programme delivery. Specific allocations of funding have been set aside within each year to ensure that this advanced work continues into future years so that delivery can be assured and that the supply chain and market forces can be exploited for economy of scale, effective programming and associated efficiencies.
28. Routine surface dressing sites can only be presented for the first year of the programme as they are subject to pre-patching work a year in advance. All work is carried out within the summer months due to temperature sensitivities.



29. Pre-patching sites cannot be practically identified as a programme as these are iterative from condition assessments carried out within the same year. It is possible that some sites can be identified but they are subject to change dependent on the findings from the inspections. This work will determine the surface dressing programme for the 15/16 programme as highlighted above.
30. Footways are identified for both 2014/15 & 2015/16 and all 2014/15 schemes have been advanced designed to eliminate risk, confirm the treatment and obtain accurate budget estimates as per carriageway schemes.
31. Drainage schemes are identified for 2014/15 & 2015/16. Some advanced design and investigation has similarly been undertaken for the 2014/15 programme to eliminate risk, confirm the design/intervention works and obtain accurate budget estimates as per carriageway schemes. It is not practicable to undertake advance design of the full programme as the investigations required are such that the cost and the impact on the highway network is prohibitive (i.e. the need to excavate along lengths of drainage systems to determine exact requirements where CCTV surveys are not possible) and it is far more cost effective to the authority to build in greater contingencies into subsequent years to be able to react to findings found on site. In addition, a third of the budget has been assigned to a “reactive works fund”. This is due to the nature of the works as they are not readily visible and due to the flooding issues in recent years, flexibility to react must be maintained to manage the asset and the impact of flooding on communities. There is also an allocation made for lining and contributions to schemes which is based on previous years’ experience of reactive need.
32. A further £50k has been made available in each year’s budgets to enable the authority to contribute to schemes of other authorities (including the Environment Agency) where parts of those proposed schemes cross over with the responsibilities of the County Council.
33. Bridges schemes are identified for 2014/15 & 2015/16. It is not practicable to have advanced design in the majority of cases as similarly the impact on full cost budgets and the highway network are prohibitive. The costs for traffic management and destructive material testing in these cases would not provide value for money in all cases and therefore the schemes are presented with a higher contingency within the budget figure. In addition, a reactive works fund is established based on experience of retaining walls works required within year and to deal with problems arising from underwater scour inspections.
34. Network Rail Electrification – A budget for the betterment associated with bridge decks being replaced or renewed has been assigned. This budget ensures that opportunities to make improvements to the highway network during works to several Network Rail bridges are taken which otherwise could prove extremely costly for the council to implement.
35. The constraints on Network Rails programme have been such that it has not been possible to influence the works as much as had been hoped and therefore £2.3m has been released back into the capital programme.

36. Street Lighting column replacements and essential pole bracket replacements are identified for 2014/15 and for the first time a second year programme has been identified for 2015/16.
37. Oxford City's Section 42 allocation is based on a combination of capital and revenue maintenance activities. The City's qualifying capital schemes for carriageways and footways are included within the programme and the budget allocation is made to the city council for the delivery of these schemes. The City's surface dressing allocation is based on a proportional split of the County's surface dressing budget (capital). The City also receives a revenue allocation which is based on a proportion (relevant to the network length) of the County's allocations for relevant routine maintenance activities.

### **Systems & Inventory**

38. The Council's highway network comprises over one million individual items of apparatus. A detailed knowledge of the location, type and condition of the highway inventory is vital to the establishment of appropriate service standards and efficient maintenance regimes. The Council has also a statutory duty in accordance with the new Flood & Water Management Act to publish a register of flood structures for interrogation by the public during 2011.
39. The Council has a framework of inventory and attributes visible on GIS that can be easily updated. It is a main requirement of the current Highway Services Contract to update the inventory as part of the routine day to day business to ensure data is current and easily able to be interrogated. There is also a pressing business need to digitise our large stock of highway records and plans. The service is therefore reviewing its systems for inventory management across all of the relevant asset categories.

### **Additional Pressures**

40. The Asset Management team are continuing to assess the implications of new guidance relating to the exposure, treatment and disposal of coal tar and derivatives. These substances are found in many existing road constructions and are classified as hazardous waste. It is now known that coal tar will be identified at many locations on our network, however, the financial implications of dealing with the problem will only become clearer after further site investigation work and research has been carried out on each location. Where its presence is detected we may have to recycle material on site, or remove it to special treatment facilities or to the approved disposal sites. As a result of this there are several "donor" schemes identified within the forward programme that have "treated" ex-situ recycled material used to avoid costly hazardous waste disposal costs.
41. In the absence of further advice from government agencies, our approach to dealing with this problem is to undertake early site coring and testing and to design maintenance treatments to limit disturbance of the coal tar as far as possible or, where feasible, to utilise suitable on-site recycling methods that

should help reduce disposal costs. Consequently, dealing with the coal tar will add significant costs in addition to the extra cost of increased coring and testing if recycling options and donor schemes cannot be found and the resultant material has to be disposed of as hazardous waste.

42. Embankment Stabilisation – The service continues to monitor the sites where embankment stabilisation was identified as being potentially problematic last year. There are 7 sites of strategic network importance that are currently being monitored which would need to be addressed without delay if slippage is imminent, a provisional budget allocation has been included within the earmarked reserves of the capital programme for this purpose. Whilst there continues to be some movement at these sites there has been no indication of an imminent slippage similar to that which occurred at Oxford Road in Bagley Wood in December 2012.

43. Works to restore the carriageway at Bagley Wood has recently been completed and the road was reopened before Christmas as programmed.

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**Transport Asset Management Plan Capital Programme Summary 2013/14 to 2017/18**

	Current Year	Firm Programme	Provisional Programme			Total	Current Capital Programme	Movement
	2013 / 14 £'000s	2014 / 15 £'000s	2015 / 16 £'000s	2016 / 17 £'000s	2017 / 18 £'000s	£'000s	£'000s	£'000s
Carriageway Schemes (non-principal roads)*	3,066	3,668	2,831	3,280	3,281	16,125	12,004	4,121
Footway Schemes	1,506	1,334	1,250	1,335	1,353	6,778	5,070	1,708
Surface Treatments	3,741	3,752	3,753	3,875	3,888	19,009	14,161	4,848
Street Lighting Column Replacement	500	500	490	490	490	2,470	1,880	590
Drainage	1,100	950	945	930	922	4,847	3,649	1,198
Bridges **	619	2,478	917	452	441	4,907	3,671	1,236
Public Rights of Way Foot Bridges	8	192	100	100	100	500	400	100
Additional Maintenance Works	2,312	1,239	0	0	0	3,551	3,551	0
<b>TOTAL</b>	<b>12,851</b>	<b>14,113</b>	<b>10,286</b>	<b>10,462</b>	<b>10,474</b>	<b>58,186</b>	<b>44,386</b>	<b>13,800</b>

Current Capital Programme	13,336	13,227	8,144	9,679	0	44,386
Movement	-485	886	2,142	783	10,474	13,800

Additional year annual allocation	11,500
Unrequired funds returned from reserve for rail electrification betterment works	2,300
<b>Total additional funds</b>	<b>13,800</b>

**Major Schemes and other items (not including those completing in 2013/14)**

	Previous Years Spend £'000s	2013 / 14 £'000s	2014 / 15 £'000s	2015 / 16 £'000s	2016 / 17 £'000s	2017 / 18 £'000s	Total Budget £'000s
Network Rail Electrification Bridge Betterment Programme	0	20	2,410	486	0	0	2,916
Thames Towpath Reconstruction	71	215	309	0	0	0	595
A4130 Bix dual carriageway	344	150	4,006	430	0	0	4,930
A420 Shrivenham Bypass	85	200	2,773	362	0	0	3,420
A420/A34 Slip Road		0	72	564	514	0	1,150
<b>Total</b>	<b>500</b>	<b>585</b>	<b>9,570</b>	<b>1,842</b>	<b>514</b>	<b>0</b>	<b>13,011</b>

\* includes £0.080m allocation for Woodstock Road to be transferred to Radcliff Observatory Quarter improvement scheme

\*\* includes £1.130m allocation for Isis, Weirs Mill, and Kennington bridges to be transferred to Kennington Interchange major scheme

TRANSPORT ASSET MANAGEMENT PLAN- STRUCTURAL MAINTENANCE PROGRAMME 2014/15 and 2015/16					
ID	Parish	Road Name	2014/15 Costs (£)	2015/16 Costs (£)	NOTES
<b>ASSESSED CARRIAGEWAY SCHEMES - (NON-PRINCIPAL ROADS PROGRAMME)</b>					
<b>A- NON- PRINCIPAL ROAD PROGRAMME</b>					
	Stanford in the Vale	High Street & The Green	244,879		
	Radley	Thrupp Lane		78,000	Deferred from 2014/15 to 2015/16
	Oxford City (S42)	Pembroke Street, St Aldates to St Ebbes Street		61,000	Deferred from 2014/15 to 2015/16
	Oxford	Park End Street (Worcester Rbt to Holybush Row)			Transferred to 2016/17 for co-ordination with the Frideswide/Station works programme but may need to be brought forward again. Latest estimate £346,885.
<b>TOTAL NON-PRINCIPAL ROAD SCHEMES</b>			<b>244,879</b>	<b>139,000</b>	
<b>B- VALUE ENGINEERED SCHEMES PROGRAMME</b>					
	Abingdon	A415/A34 Marcham Interchange Rbt			Brought forward from 14/15 to 13/14
	Oxford City (S42)	Mere Road			Removed from 14/15 programme as patched and surface dressed
	Didcot	Station Road	83,253		Pre GW2 Estimate
	Thame	Thame Park Road (Altingham Toll House Bend)	67,199		
	Kennington	The Avenue Section 2 (St Swithuns Rd to Kennington Rd)	208,770		
	Witney	Corn Street	279,666		
	Abingdon	Preston Road	257,066		
	Thame	Cornmarket	160,672		
	Cumnor	B4044 Eynsham Road corner	634,671		
	Watlington	B480 Cuxham Road Roundabout	84,414		
	Oxford	A420 London Road	490,000		
	Oxford City (S42)	Hayfield Road	38,954		
	Oxford City (S42)	Osler Road	205,885		New Entry
	Oxford	A4144 Woodstock Road	80,000		New Entry (Contribution) - Transferred to Oxford Woodstock Rd ROQ scheme
	Banbury	Westbar Street	153,340		New Entry
	Berinsfield	Fane Drive	139,392		New Entry
	Shipton Under Wychwood	Milton Road	126,522		New Entry
	Kennington	The Avenue Section 1 (Sandford Rd to north of Playfield Rd)	130,944		New Entry
	Abingdon	Drayton Road		232,531	
	Didcot	A4130 Didcot Perimeter Road		402,480	
	Banbury	Hennef Way Roundabout		475,200	
	Didcot	A4130 Power Station Roundabout		103,728	
	Oxford City (S42)	Sandy Lane West		198,961	
	Didcot	Broadway		186,615	
	Oxford	A40 Thornhill Park & Ride		429,660	
	Residual Design for 14/15		10,000		
	Advance Design		197,000	160,000	
	Advance Site Investigation		75,000	50,000	
	Contingency Allowance			452,362	7%
<b>TOTAL VALUE ENGINEERED SCHEMES</b>			<b>3,422,748</b>	<b>2,691,537</b>	
<b>TOTAL ASSESSED CARRIAGEWAY SCHEMES</b>			<b>3,667,627</b>	<b>2,830,537</b>	

ID	Parish	Road Name	2014/15 Costs (£)	2015/16 Costs (£)	NOTES
<b>COMBINED SAFETY SCHEMES PROGRAMME</b>					
	Banbury	A361 Southam Road + R/about , Banbury 100 inlay	167,077		Deferred from 13/14 to 14/15
	Aston Rowant	A40 Aston Hill Bend 1+2+3 Retexturing / lining/ draiange	106,870		Deferred from 13/14 to 14/15
	Kirtlington/W-ot-G	B430 Kirtlington/Weston on the Gr - Akeman St Draiang, signs and lining	11,068		
	Wardington	A361 Wardington - Wardington Road 100 Inlay	98,003		
	Hardwick	B4100 Hardwick Junction Patch / SD /lining	49,264		
	Thame	B4012 Thame Park Road, Bow bridge 100 inlay /1.2m edge haunching	104,939		
	Chalgrove	B480 Cutmill, nr Chalgrove 85 overlay / Inlay	61,148		
	Carteton	B4020 Shilton Dip (Nr Carterton) 100 inlay / overlay/ 1.2m edge haunching	113,693		
	Bicester	A4421 Bicester, Peregrine Way 85 Inlay, lining	119,695		
	East Hendred	A417 Reading Road, 100 inlay / overlay		180,700	13/14 Reserve scheme
	Signs		20,000		
	Design	Including advanced investigation and design	90,000		
	Residual 13/14 design		75,000		
	Programme to be confirmed			901,543	
	Contingency Allowance			225,184	11%
<b>TOTAL COMBINED SAFETY SCHEMES</b>			<b>1,016,757</b>	<b>1,307,427</b>	
<b>ROUTINE SURFACE DRESSING SCHEMES PROGRAMME</b>					
		A3400 - Chapel Hse - Over Norton	31,500		
		A3400 - Southcombe - Chapel House	31,500		
		A361 - Swerford - Chapel Hse	84,000		
		A4095 Enslow	16,200		
		A44 - Woodstock /Manor Rd	10,500		
		B4026 - Over Norton	18,000		
		B4030 - Lower Heyford	27,000		
		B4030 - Rousham - Hopcroft Halt	23,400		
		B4100 Bainton - Swift Hse	50,400		
		Caversfield	16,530		
		Kingham - B4450	19,800		
		MUW - Fifiel	26,250		
		Waterloo Crossroads/Bainton	30,690		
		Williamscot - Chacombe	13,050		
		Cholsey Hill, Cholsey	20,745		
		Huntercombe End Lane, Nuffield	17,019		
		Kingsey Road (east), Thame	35,001		
		The Green, Stadhampton	8,040		
		Watlington Road, Benson	10,800		
		Cutmill Nr Cuxham B480	31,350		
		A4130 Didcot Marsh to Tesco RAB	6,195		
		A4130 Didcot Sires Hill to Slade RAB	32,550		
		A418 Aylesbury Road Thame	26,265		
		Great Hasely	10,908		
		A4155 Shiplake	28,770		
		A4155 Marlow Rd Henley	29,160		
		A417 Haddenham Road Thame	6,300		
		Barrow Road Shippon	20,376		
		Tumbledown Hill/Cumnor Rd	45,000		
		Green Lane Bayworth	9,150		
		Milton Road Drayton	28,800		
		Brize Norton Road Carterton	12,240		
		Swinbrook Road Carterton	10,890		
		A420 Between A417 Roundabouts	16,875		

ID	Parish	Road Name	2014/15 Costs (£)	2015/16 Costs (£)	NOTES
		Tulwick Lane Grove	4,950		
		A415 Abingdon Road Standlake	27,000		
		A420 Besselsleigh	47,775		
		A420 from j/o A417 to Wadley Manor	31,200		
		A4165 Banbury Road - ST. GILES TO PARKS ROAD	9,802		
		A4165 Banbury Road - PARKS ROAD TO SOUTH PARADE	6,180		
		A4165 Banbury Road - BARDWELL ROAD	1,097		
		A4165 Banbury Road - NORHAM ROAD TO BARDWELL ROAD	3,740		
		A4165 Banbury Road - BARDWELL ROAD TO LINTON ROAD	5,554		
			6,517		
		A4165 Banbury Road - LINTON ROAD TO BELBROUGHTON ROAD			
		A4165 Banbury Road - BELBROUGHTON ROAD TO MARSTON FERRY ROAD	6,290		
		A4165 Banbury Road - MARSTON FERRY ROAD TO DIAMOND PLACE	4,301		
		A4165 Banbury Road - HAMILTON ROAD TO LONSDALE ROAD	3,864		
			10,631		
		A4165 Banbury Road - HERNES CRESCENT TO HAMILTON ROAD			
		A4165 Banbury Road - HERNES CRESCENT TO WENTWORTH ROAD	3,190		
			8,541		
		A4165 Banbury Road - WENTWORTH ROAD TO CARLTON ROAD			
		A4165 Banbury Road - CARLTON ROAD TO CUTTESLOWE ROUNDABOUT	3,920		
		A4165 Banbury Road - CUTTESLOWE ROUNDABOUT TO HAREFIELDS	3,092		
		A4165 Banbury Road - HAREFIELDS TO JORDAN HILL	11,343		
		A4165 Banbury Road - JORDAN HILL TO END	11,547		
		B480 Cowley Road - Bartlemas Close to Howard Street	6,414		
		B480 Cowley Road - Dawson Street to Juene Street	4,568		
		B480 Cowley Road - Divinity Road to Southfield Road	3,465		
		B480 Cowley Road - East Avenue to Manzil Way	2,358		
		B480 Cowley Road - Howard Street to Shelley Road	11,119		
		B480 Cowley Road - Juene Street to Union Street	5,454		
		B480 Cowley Road - Magdalen Road to Bartlemas Close	3,743		
		B480 Cowley Road - The Plain to Dawson Street	1,269		
		B480 Cowley Road - Shelley Road to Marsh Road	9,848		
		C16101 Evans Lane	12,390		
		C16101 Evans Lane Service Road	1,548		
		C16093 Mill Street	10,482		
		A44 WOODSTOCK ROAD - RUTTEN LANE TO SCIENCE PARK	9,627		
		A44 WOODSTOCK ROAD - LANGFORD LANE TO BEGBROKE	16,040		
		A44 WOODSTOCK ROAD - BEGBROKE TO LANGFORD LANE	17,998		
		A44 WOODSTOCK ROAD - BLADON ROUNDABOUT TO WOLSEY COURT	14,576		
		A44 WOODSTOCK ROAD - WOLSEY COURT TO LANGFORD LANE	11,300		
		lines /studs and markings.	280,000		
		Design	35,000		
		Fees	144,342		
		Carriageway Retexturing	100,000		
		s42	168,000		
		15/16 programme to be identified		1,450,000	
		Programme contingency		145,673	4%
		<b>TOTAL SURFACE DRESSING SCHEMES</b>	<b>1,885,327</b>	<b>1,595,673</b>	
		<b>SURFACE DRESSING PRE-PATCHING SCHEMES</b>	<b>850,000</b>	<b>850,000</b>	
		<b>TOTAL SURFACE TREATMENTS</b>	<b>3,752,084</b>	<b>3,753,100</b>	

ID	Parish	Road Name	2014/15 Costs (£)	2015/16 Costs (£)	NOTES
<b>FOOTWAYS PROGRAMME</b>					
	Oxford City (S42)	Catte Street	62,070		
	Oxford City (S42)	Wellington Square	58,443		
	Oxford City (S42)	Brasenose Lane	27,821		
	Oxford City (S42)	Oriel Square	29,485		
	Oxford City (S42)	Harebell Road	77,688		
	Kennington	The Avenue	62,835		
	Chipping Norton	Over Norton Road	17,624		
	Henley	West Green	33,137		
	Horspath	College Way	54,480		
	Marston	Marston Road	42,140		
	Culham	Sutton Bridge, Abingdon Road	9,561		
	Thame	Queen's Road	50,705		
	Didcot	Brasenose Road	20,471		
	Wallingford	Wallingford Bridge	16,757		
	Middle Barton	North Street	11,353		
	Ardley	Station Road	6,303		
	Banbury	St Leonard's Close	21,478		
	Milton-Under-Whychwood	Frog Lane	13,424		
	Henley	Northfield End	17,428		
	Banbury	Link Footway - Waller Drive / Browning Road			Scheme duplicated
	Oxford	A40 Northern Bypass Layby Westbound near Cherwell Bridge Footway	13,554		
	Didcot	Ladygrove Loop	39,755		New
	Banbury	Footpath Link from Bloxham Rd to Byron Rd	40,077		New
	Witney	B4022 Oxford Hill	4,695		New
	Oxford	High Street Magdalen Bridge	88,209		New
	Didcot	St John's Close	22,106		New
	Henley	St Andrew's Road (N)	73,664		New
	Abingdon	Drayton Road (West side)	13,410		New
	Henley	St Andrew's Road (S)	70,695		New
	Wantage	Upthorpe Drive	78,461		New
	Crowmarsh Gifford	The Street	21,674		New
	Curbridge	Well Lane	26,759		New
	Ardley with Fewcott	Castlefields	27,807		New
	Didcot	Lydalls Road	24,389		New
	Banbury	Nuffield Drive	57,736		New
	Tetsworth	A40 Tetsworth Atlington Stud Footway		21,000	deferred from 14/15 to 15/16
	Chinnor	Elderdene		72,770	
	Chilton	Elderfield Crescent		35,757	
	Cholsey	Pound Lane		26,013	
	Hanborough	Churchill Way		94,264	
	Henley	Makins Road		86,711	
	Abingdon	Cherwell Close		38,560	
	Wiggington	Wiggington Road		43,976	
	Kennington	The Avenue (Section 1)		54,313	
	Grove	Mayfield Avenue		73,099	
	Oxford City (S42)	Giles Road		105,758	
	Oxford City (S42)	Nicholas Avenue		38,851	
	Oxford City (S42)	Mill Lane		118,224	
	Kidlington	South Avenue		108,058	
	Hanborough	Witney Road Long Hanborough		10,666	
	Cholsey	Brookside		20,389	
	Finmere	Chinnals Close		31,842	
	Residual Design for 14/15		10,000		
	Advance Design		88,088	80,000	
	Contingency Allowance			189,994	8%
	<b>TOTAL FOOTWAYS SCHEMES</b>		<b>1,334,282</b>	<b>1,250,245</b>	



ID	Parish	Road Name	2014/15 Costs (£)	2015/16 Costs (£)	NOTES
<b>DRAINAGE SCHEMES</b>					
	Oxford, Florence Park, Cowley	Contribution to flood relief works for Campbell Road	40,000		Deferred from 13/14 to 14/15
	A41 Wendlebury Stream to Bicester	Continue existing works - ditch regrade	60,000		New scheme
	A40 A415 slip to A40 B4477, Witney	Drainage Repair	100,000		
	Ascott Under Wychwood The Green	New drain	25,000		
	Bampton, Various	Repair Asset Report Defects	0		Removed as jetting survey work carried out solved the problem
	Black Bourton	Replace Outfall Pipe	25,000		
	Filkins And Broughton Poggs	New highway drainage system	63,000		New scheme
	Kiddington Canyon	Provide channel & connect to existing	30,000		
	Kiddington, Springfield Road & Edinburgh Place	Improve existing system	0		Scheme brought forward to 13/14
	Littleworth, Buckland Road	Provide 150mm system	12,000		
	North Leigh, East End	Improve existing systems	25,000		
	Salford, Lower End	New highway drain	20,000		
	South Leigh	Upsize Culvert	20,000		
	Witney, West End	Drainage Investigation & Repair	20,000		
	Wroxton, Main Street (Phase 3)	Replace stone drain	0		Removed as urgent work completed in 13/14
	Stonesfield, Cockshoot Close	Improve existing system		40,000	deferred from 14/15 to 15/16
	Banbury Acorn Road	Highway Drainage Improvements		20,000	
	Bladon A4095 Grove Lane Jct with Park Street	Repair and replace damaged Culvert and System		30,000	
	Bloxham Painters Close	Upsizing pipe and new outfall		20,000	
	Botley Cumnor Road / Eynsham Road	New Gullies and connect pipe to surface water sewer		20,000	
	Burcott Park	New soakaway			Deferred to 16/17
	Compton Beauchamp	Additional pipework and Gullies		20,000	
	Cothill	New Highway Drain		20,000	
	East Lockinge to Betterton	Additional Highway Drainage		20,000	
	Fernham High Street	Replace Culvert		20,000	
	Fulbrook, Manor Farm Westall Hill	New Drainage System		15,000	
	Hempton Duns Tew Road	New Drainage System		20,000	
	Launton Station Road	New pipework to prevent pond from flooding road		15,000	
	Lew Yelford Road ??	Culvert and additional drainage			Deferred to 16/17
	Steventon Mill Lane	Additional pipework and gullies		20,000	
	Westcot	Highway drain replacement		20,000	
	Countywide	Investigations for schemes	50,000	50,000	
	Countywide	Lining	30,000	30,000	
	Countywide	Drainage Design Costs	80,000	80,000	
	Countywide	Emergency Works	300,000	295,000	
	Countywide	Contributions	50,000	50,000	
		Contingency		140,000	8%
<b>TOTAL DRAINAGE SCHEMES</b>			<b>950,000</b>	<b>945,000</b>	

ID	Parish	Road Name	2014/15 Costs (£)	2015/16 Costs (£)	NOTES
		<b>BRIDGES PROGRAMME</b>			
		<b>ANNUAL FUNDS</b>			
	Assessment of disused rail bridges (12 approx)	Inspection & Assessment of BRPB Bridges	30,000		
	Principal Inspection and Assessment	Inspection and assessment work.	99,000	150,000	
	Newbridge Maintenance & Monitoring	Special Inspections for weak bridge	10,000	11,000	
	Wovercote Temp Lights	Load mitigation until replacement bridge is constructed	4,000	4,000	
	Brickfield Subway Recon Fund	Ongoing annual capital contribution to future structure replacement	7,000	7,000	
		<b>SCHEMES</b>			
	Cottesmore Footbridge 6068	Post-tensioning review, Concrete Repair, Waterproofing, Joints, Parapets height. Pier protection?	34,000		Carry forward from 13/14 to 14/15.
	Winterbrook Bridge	Joints/drainage, access hatch safety, security and leakage, parapet upstand cladding connection and WP investigation and settlement monitoring.	30,000		Carry forward from 13/14 to 14/15.
	Stert Culvert Repairs.	Strengthening of 100m section.	280,000		Carry forward from 13/14 to 14/15.
	Gaunt House Mill	Testing, Concrete repairs, waterproofing and resurfacing.	106,000		Carry forward from 13/14 to 14/15 and increase budget
	Upgrade of low bridge signage	Low Bridge signage review and metrification	15,000	35,000	Transfer from 13/14 to 14/15 and from 14/15 to 15/16
	West Mill	Resurfacing (existing is failing)	40,000		
	Weirs Mill Post-tension Inspection	Post tensioning inspection , assessment			Transfer of funding within 14/15
	Kennington rail substructure	Post-tension inspection and assessment, repairs RC	80,000		
	Tomkin's Bridge 0360	BDE coned down to 1 lane. One end requires widening/ reconstruction		60,000	} New schemes
	Ickford Bridge 0076	BDE repointing and signalise to reduced damage and vibration on bridge. Approximately 190m length under signals.		80,000	
	Heath Bridge	BDE Investigation and probable deck replacement	400,000		
		<b>OTHER PROGRAMME ITEMS</b>			
	Scour works identified from the 13/14 in-house scour inspections.	Scour repairs etc for Astall 0008, Enslow 0055, Minster Lovell 0085, Somerton 0089, Pudlicote 0247, Lyneham 0248, Widford 0294, Ironbridge 0378, Swailsford 0380, Tittelford 0400, Friars Mill 5 0796 & Godstow 1064.	250,000		
	Scour works identified from further inspections.			350,000	
	Reactive works fund	To cover unprogrammed urgent structure defects that materialise during the year, e.g. joint failures, retaining wall collapses		50,000	
	CONTINGENCY	CONTINGENCY		170,000	
					8%
		<b>MAJOR SCHEMES</b>			
	Isis Bridge Waterproofing				
	Weirs Mill Major Maintenance		1,093,000		Funds transferred to Kennington major scheme
	Kennington road and railway	higher contingency held in 2015/16 until more information known			
	<b>TOTAL BRIDGES SCHEMES</b>		<b>2,478,000</b>	<b>917,000</b>	(£1,385,000 14/15 excluding major schemes)

ID	Parish	Road Name	2014/15 Costs (£)	2015/16 Costs (£)	NOTES
	<b>STREET LIGHTING</b>				
	Pole Replacement				
	Abingdon	St Amand Drive	£22,000		
	Abingdon	Hedgemoad Ave	£35,000		
	Adderbury	Deene Cl	£18,000		
	Kidlington	The Moors	£35,000		
	Didcot	Broadway	£20,000		
	High Street	Steventon	£34,000		
	Banbury	Various roads	£60,000		
	Harwell	Abingdon Road, Harwell Rd	£35,000		
	Grove	Albermarle Drive Area	£19,000		
	Shrivenham	Martens Cl Area	£12,000		
	Oxford	Various roads	£182,000		
	Oxford - Various Roads			£170,000	
	Abingdon - Various Roads			£85,000	
	Bloxham - Various Roads			£43,000	
	Charlbury - Various Roads			£34,000	
	Chipping Norton - Various Roads			£34,000	
	Henley - Various Roads			£74,000	
	Didcot - Various Roads			£50,000	
	Pole Bracket Replacements				
	Hornton		£5,000		
	Milcombe		£7,500		
	North Newington		£6,000		
	Shutford		£4,500		
	Sibford Ferris		£5,000		
	<b>TOTAL STREET LIGHTING SCHEMES</b>		<b>500,000</b>	<b>490,000</b>	
	<b>Public Rights of Way Footbridges</b>				
	Upper Heyford		95,000		
	Drayton St Leonard		97,000		
	South Leigh Footpath 34 (footbridge)			40,000	
	Hardwick Footpath 5 (Footbridge)			40,000	
	Programme contingency			20,000	7%
	<b>TOTAL PROW</b>		<b>192,000</b>	<b>100,000</b>	
	<b>TOTAL STRUCTURAL MAINTENANCE ANNUAL PROGRAMMES</b>		<b>12,873,993</b>	<b>10,285,882</b>	

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# Section 3

# Directorate Business Strategies

**Directorate Business Strategies**

Directorates have developed new four-year business strategies for the period 2014/15 – 2017/18. These strategies build on the previous strategies agreed in 2011 to deliver £119m savings for the Council and identify ways of addressing the further budgetary pressures and funding shortfalls faced by the Council. The strategies include details of both the new pressures and savings and those already built into the existing MTFP to provide visibility of the overall impact on each service area.

# Children Education and Families Business Strategy

2014/15 – 2017/18

## Introduction

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This is a new four-year business strategy for 2014/15 to 2017/18. It builds on the previous strategy agreed in 2011 which included savings of £119m for the council which have been achieved by reconfiguring services to establish a smarter, leaner and more cost effective operating environment, whilst at the same time reshaping services to fit the changed local and national policy environment.

However the hard work does not stop here as cuts in government grant and restrictions on council tax increases put further pressure on the council's budget. In addition there are new service pressures that have been identified which need to be managed. The latest financial outlook means that our Medium Term Financial Plan (MTFP) 2014/15 – 2017/18 that sits alongside this strategy proposes a further £64m savings in addition to the £31m already planned.

This new strategy reflects the updated position and incorporates the pressures and savings in the existing MTFP together with the new budget proposals agreed by council in February 2014. The detail of these pressures and savings is set out in the resources to deliver our priorities section

This business strategy both drives and is driven by our strategic approach as set out in the councils Corporate Plan and determines our performance management framework.

## Children Education and Families Directorate Overview

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The Children, Education & Families vision is for Oxfordshire to be the best place in England for children and young people to grow up, by working with every child and young person to develop the skills, confidence and opportunities they need to achieve their full potential.



We want Oxfordshire to be a 'thriving Oxfordshire'. This means a place where people can work to achieve a decent life for themselves and their family, a place alive with vibrant, active communities and a place where people can enjoy the rewards of a growing economy and feel safe.

We have an overarching responsibility to work with partners to improve the well-being of children and young people, and to reduce inequalities between them. Our statutory duties fall into four main areas:

### **1. Safeguarding**

We work with partners to make arrangements to ensure that all our functions are discharged with a view to safeguarding and promoting the welfare of children. In particular, we ensure that there are clear and effective arrangements to protect children and young people from harm.

We have also set up the independent Oxfordshire Safeguarding Children Board that coordinates the effectiveness of arrangements to safeguard and promote the welfare of children and young people in the County.

### **2. Vulnerable children and young people**

We work with partners to understand local need and secure provision of services that promote prevention and early intervention and offer early help to children, young people and families so that emerging problems are dealt with before they become more serious.

We also act as effective and caring 'corporate parents' for looked after children, with key roles in improving their educational attainment, providing stable and high quality placements and proper planning for when they leave care. We also ensure that disabled children and those with special educational needs (SEN) can access high quality provision that meets their needs and fund provision for children with statements of SEN.

We ensure arrangements are in place for alternative provision for children outside mainstream education or missing education (for example due to permanent exclusion or illness) to receive suitable full-time education. We also ensure that there is coherent planning between all agencies providing services for children involved in the youth justice system (including those leaving custody), secure the provision of education for young people in custody and ensure that safeguarding responsibilities are effectively carried out.

### **3. Educational provision**

We promote the interests of children, young people, parents and families and work with local communities to stimulate and support a diversity of school, early years and 16 to 19 provision that meets local needs. We promote participation in education or training of young people, including by securing provision for young people aged 16-19 (or 25 for those with learning difficulties or disabilities). This includes ensuring fair access to all schools for every child in accordance with the statutory School Admissions and School Admissions Appeal Codes and ensuring appropriate information is provided to parents, and suitable provision for suitable home to school transport arrangements.

We actively promote a diverse supply of strong schools, including by encouraging good schools to expand and, where there is a need for a new school, seeking proposals for an academy or free school. We also need to promote high quality early years provision, including helping to develop the market, securing free early education for all three- and four-year-olds and for all disadvantaged two-year-olds. This includes providing information, advice and assistance to parents and prospective parents, and ensuring there are sufficient children's centre services to meet local need and sufficient childcare for working parents. We also promote children and young people's participation in public decision-making so they can influence local decisions about services.

#### **4. Educational excellence**

We work with headteachers, school governors and academy sponsors and principals to promote educational excellence for all children and young people and make sure they are ambitious in tackling underperformance. We support maintained schools in delivering an appropriate National Curriculum and early years providers in meeting the requirements of the Early Years Foundation Stage (as outlined in the EYFS Statutory Framework). We have established the Oxfordshire Schools Forum to help us work in partnership to achieve this.

Where necessary we take rapid and decisive action in relation to poorly performing schools, including using powers of intervention with regard to maintained schools and considering alternative structural and operational solutions. We develop robust school improvement strategies, and promote high standards in education by supporting effective school-to-school collaboration. We also provide local leadership for tackling issues needing attention which cut across more than one school, for example poor performance in a particular subject area across a cluster of schools.

## **Delivering the council's corporate priorities**

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- **Thriving economy**

The proportion of Oxfordshire GCSE students achieving at least five A\*- C grades including English and Maths is at its highest ever level, and there have been significant improvements in reading, writing and mathematics for seven and eleven year olds. This suggests the council's education strategy is having a positive impact, although our performance has still not reached the aspirations the council, pupils, parents and schools hold. 'A Strategy for Change – Improving Educational Outcomes in Oxfordshire' sets out a clear vision for Oxfordshire to be a dynamic and forward looking place for education and learning, providing the best quality experiences for children and young people to grow up, learn, develop and achieve, and we will continue to work closely with a range of partners to ensure it is implemented effectively.

- **Support for the vulnerable**

Giving children a good start in life will prevent many problems from ever occurring. Where issues do occur we are committed to providing early help in order to avoid problems escalating and family needs becoming more complex. Our early intervention service, currently provided through hubs and children's centres across the county, remains pivotal to our targeted prevention approach. The service brings together previously separate teams to give coordinated support to children and young people who are at risk of not having good outcomes. A wide range of partner organisations refer individuals to the service and support its provision of 'whole family', integrated services. Early intervention is closely linked to supporting better educational outcomes and ensuring a good start in life, particularly through targeted work with young and vulnerable parents.

Children's social care will continue to focus on protecting children at risk of harm or neglect and tackling, as well as preventing, cases of child sexual exploitation. We have made considerable investments in frontline children's social care services to ensure we have sufficient capacity to maintain high standards and ensure children and young people are appropriately safeguarded. A joint resource (the Kingfisher team) has been established specifically to focus on child sexual exploitation is a demonstration of our commitment, and we will continue working with the police and health – as well as other key partners such as Oxfordshire's district councils and its voluntary sector – to extend the reach of this team.

- **Thriving people and communities**

There is a national focus on helping the most disadvantaged and challenged families to turn their lives around. The Thriving Families programme works with these families to reduce worklessness, antisocial behaviour, crime and school exclusions and to increase school attendance. The key focus is on our most resource intensive and vulnerable families with the aim of reducing the numbers needing the type of support offered by social care. This continues to be a vital strand in the on-going work locally to narrow the gap in outcomes that exists across the county.

## How we work to deliver these priorities

We are rolling out a programme of 'agile working' in order to support the new ways of working necessary to deliver these priorities. Agile working means: giving staff the right equipment and working environment to suit their role and service; working in a more flexible way that makes best use of staff time, buildings, and resources; and taking advantage of changes in technology and working styles to become more efficient. This will ultimately protect delivery of front line services as far as possible.

For example, staff are able to work flexibly from a number of different offices across the county, to reduce travel time and increase efficiency. A number of health services are delivered from Children's Centres, and staff from the council and partner organisations are co-locating in early intervention hubs. This approach will be further extended as we develop a multi-agency safeguarding hub that will co-locate partners including Adults Services, the Fire Service and Trading Standards, Oxford Health and Thames Valley Police.

## Services and Priorities

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### What has already been achieved?

The Children, Education and Families Directorate is a well-regarded and highly valued service, with overall performance outcomes that are good and consistently good or outstanding Ofsted judgements. Standards of reading, writing and mathematics in primary schools are on the rise, and the proportion of GCSE students achieving at least five A\*- C grades including English and Maths is at its highest ever level at 60.3%. There has also been a significant improvement in the number of children taught in schools which are judged to be good or outstanding by Ofsted by the end of the 2012/13 academic year: 6950 more children in primary schools and 2900 more in secondary schools.

Since April 2011 the directorate has made savings of almost £12m from the non-schools budget, whilst meeting increased demand for care over the past 2 years. Children's social care is working with slightly higher numbers of children than similar authorities, and activity levels are increasing. Between April and September 2013 there were 8% more initial assessments of children in need; 38% more child protection investigations and 58% more children placed on child protection plans than the previous year. There were 468 children on child protection plans at the end of September 2013, a rise of 29% in 18 months.

### Our Strategy and Approach

The key elements of the strategy are:

- 1) Keeping children safe from harm and especially those at risk of exploitation
- 2) Establishing the right balance of universal and targeted services to be able to manage demand for services
- 3) Embedding the most effective way to provide early help to children, young people and families
- 4) Supporting schools, academies, early years settings and other agencies to continue to raise achievement
- 5) Ensuring good access to the right support at the right time
- 6) Encouraging a positive experience of the transition from childhood to adulthood.
- 7) Developing a balance of services provided by public, private and voluntary sector organisations

### **1) Keeping children safe from harm and especially those at risk of exploitation**

Protecting the most vulnerable children and young people is an overriding priority for the council and its partners. We perform well in terms of timeliness of initial assessments, core assessments, holding of child protection case conferences with solid multi-agency safeguarding and child protection practice. However, children being looked after by the council are currently being placed too far away from home, in many cases out of the County. We will deliver our new placement strategy that has been developed to ensure these children can live closer to home, to make it easier to keep contact with relatives and for them to move back home as soon as it is appropriate to do so.

Child sexual exploitation is a significant issue in Oxfordshire and elsewhere. We are working hard to keep our children and young people safe from abuse. We will continue to build on existing work with partners, including development of a new multi-agency safeguarding hub (MASH) and extending the reach of the Kingfisher team – a multi-agency team providing an initial point of contact for advice and information to families, children and other professionals where there are concerns about child sexual exploitation.

### **2) Establishing the right balance of universal and targeted services to be able to manage demand for services**

Where possible, the provision of universal services free at the point of delivery has been retained. Increasingly however it is recognised that the work of our services needs to be targeted to those in greatest need. Children who have a statement of special educational needs are well supported but outcomes need to improve for those children identified as in need. For young people with disabilities, we will streamline assessments, provide personal budgets, make information and advice more readily available and have a more joined up approach between education, health and social services.

The Thriving Families programme works intensively with families over a sustained period of time to bring lifestyle changes in the family. The number of families who receive intensive support will increase and a whole family approach developed through the Thriving Families programme will be extended as part of the wider review of children's services.

### **3) Embedding the most effective way to provide early help to children, young people and families**

All services need to support children and families early enough to ensure the right support at the right time, without delay, to prevent any escalation of needs. The Early Intervention Service is targeted at vulnerable children and those with complex needs. A mix of children's centres and other provision is accessible to families and is delivered from a variety of venues including schools. As we focus more on our statutory responsibilities, an increasingly important part of our strategy is to increase the role of other organisations in delivering early help, across the public sector but also by developing voluntary sector engagement.

### **4) Supporting schools, academies, early years settings and other agencies to continue to raise achievement**

We will revise the way support is provided to schools and settings to reflect changes in responsibilities for schools and the county council and to improve outcomes for children and young people. About half of secondary schools are now academies and more academies are expected in the medium term, but the council retains overall responsibility for educational performance and quality.

Our focus will be on improving the number of good and outstanding schools and settings, as this is an important factor influencing the overall educational attainment of children. We will also continue to focus on the quality of teaching and learning, giving greater attention to vulnerable learners, improving reading and improving performance at GCSE level.

### **5) Ensuring good access to the right support at the right time**

Families need easier access to support and to get the help they need when they need it. They need a consistent and co-ordinated response no matter which door they knock on. We will increase personalisation, streamline assessments, have a more joined up approach between education, health and social services, provide personal budgets (if requested) and make information and advice more readily available.

### **6) Encouraging a positive experience of the transition from childhood to adulthood.**

We will work across the council to ensure smooth transitions from Children's to Adult Services. We will ensure that eligible young adults receive personalised support which improves their outcomes, and the capacity of those with more complex needs

to be cared for within their local communities. Children's and Adult Services will continue to work together to ensure that disabled young people with mental health needs and challenging behaviour are cared for locally wherever possible, and that robust monitoring arrangements are in place to safeguard and protect young adults who are placed in specialist out of area placements outside Oxfordshire.

## **7) Developing a balance of services provided by public, private and voluntary sector organisations**

The majority of services for children are provided by public sector agencies – the county council and the NHS. Approximately a tenth of spend is through contracts with non-statutory organisations providing a range of services from individual placements through to respite care and Children's Centres.

To enable families to have greater choice we will work to develop a vibrant and high quality market for services for children and families. Good quality will be maximised through commissioning expertise and effective contract management. Improved choice is likely to extend to the development of personal budgets in the future.

## Overview of other strategic plans

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The Health and Wellbeing Board is a partnership between local government, the NHS and the people of Oxfordshire. It includes local GPs, councillors, Healthwatch Oxfordshire, and senior local government officers. The board has been set up to ensure that we work together to improve everyone's health and wellbeing, especially those who have health problems or are in difficult circumstances. The board provides strategic leadership for health and wellbeing across the county and is responsible for the development of Oxfordshire's Joint Health and Wellbeing Strategy.

This Strategy contains priorities of direct relevance to Children, Education and Families, and that are in keeping with the strategic direction set out above, including ensuring all children have a healthy start in life and stay healthy into adulthood; narrowing the gap for our most disadvantaged and vulnerable groups; keeping all children and young people safe; and raising achievement for all children and young people

The Children and Young People's Plan 2013-2014 has been developed by the Children and Young People's Partnership Board, on which the council is a key partner. It is a partnership plan that sets out the strategic direction for future services for children, young people and families in Oxfordshire, and how organisations will work together to improve outcomes.

The Children and Young People's Plan reflects the joint strategic vision from the Health and Wellbeing Strategy and the Oxfordshire Safeguarding Children Board, and contains the same vision and strategic priorities outlined above. The plan also draws on other key strategies from the city and district councils and the county council (including the Education Strategy and Placement Strategy) as well as the Operating Plan from the Oxfordshire Clinical Commissioning Group.

## How our services are changing

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In future, we will continue to ensure the safety and wellbeing of children and young people, whilst ensuring the services are delivered as efficiently as possible. We will also ensure there is high quality educational provision in the county, and that there is appropriate support available to children, young people and families when they need it.

However, to make the necessary savings we will focus on what we are required to do by legislation, regulation or policy. We will support but no longer be a provider of universal services, focusing on ensuring that services are targeted to those in greatest need.

We are already delivering a number of savings previously agreed, and changed the way that some services are delivered. These include efficiencies in the way early help is delivered through the establishment of early intervention hubs in 2011, reducing management and administration costs in children's centres, reviewing how school improvement and foundation learning is delivered, and working with providers to reduce the cost of home to school transport.

In summary, our further proposals for 2014-15 to 2017-18 are as follows:

### **Review of Early Childhood Services and Adolescent Services**

We will carry out a review of all the services we provide for children and families. The aim of this review will be to find innovative ways to save money whilst at the same time maintaining frontline services, and to bring forward proposals to be implemented in the 2017/18 financial year.

We will be seeking to make better links between early intervention services, children's centres and children's social care to create a more cohesive all-round service that improves outcomes for children and young people. We will also be focusing on improving the



experience of children and young people and their families from needing care and support to receiving it, and transitioning between services where necessary.

The review will also focus on ways of working with partner organisations and the community to explore new ways of delivering services, such as increased use of volunteers, or new sources of funding. We are already working with health commissioners and providers to develop more joined up services and improved timely access to those services. This might mean the joining up of teams and budgets in localities, and includes the new autism residential academy as a way of providing the right support locally for those with the most severe and complex needs.

### **Education Services (including Music, Schools & Learning and Foundation Years)**

We will change the way that a number of non-statutory education services are delivered, in response to the changing relationships and responsibilities for schools and the council and the need to find more efficient ways of working. This includes exploring different ways to deliver the Foundation Learning Service, which provides support for the education of 0 to 5-year-olds, and to avoid duplication with other services.

We will establish the County Music Service as an independent traded service, in order to continue providing high quality services to young people in Oxfordshire. Council funding will be gradually withdrawn over a four-year period (up to 2017/18), during which time the service will be restructured. This will allow time for the service to position itself to maximise its potential to obtain income from other sources, including developing commercial partnerships.

Management of issues relating to the attendance of pupils at school is increasingly transferring from local authorities to individual schools across the country, especially as more schools convert to academy status and are therefore independent from local authority control. We will therefore reduce the existing Attendance Service, but continue to fulfil our legal obligations to manage cases where a pupil is regularly not attending school.

We are already implementing a planned reduction in our school improvement services, in line with central government direction to promote the role of school to school support. Increasingly, the good practice promoted within the variety of projects that we currently fund is being embedded in schools, as demonstrated by improved attainment and the number of schools rated good or outstanding by Ofsted. We have worked with schools to set up their own improvement networks and partnerships, and the increasing autonomy of schools will result in schools working with each other, bidding for external funding and sharing pooled funding for future projects. Any additional developments that schools wish to continue will be funded by school partnerships, and where projects have had an impact on improved outcomes we will strive to share this practice and to identify those schools who can champion these approaches.

## **Children's Social Care**

As part of our Placement Strategy, we are committed to ensuring children being looked after by the council live as close to home as possible. This has benefits for the young people and their families in staying in contact, and making it easier for them to return home as soon as it is appropriate. We will therefore be investing in four new Children's homes in Oxfordshire, which will also reduce the cost of placements to the council as out of county placements are higher cost than placements within the county.

We will also improve outcomes for children, young people and their families by streamlining services between Early Intervention and Children's Social Care and by working more closely with partner agencies. The reshaping of Children's Services will help us implement the Placement Strategy, promote the use of family based services and permanency of placements, and to make better use of early help services. We will deliver more joined-up services that improve the experiences of young people who need and receive care, and reduce duplication and the amount of 'hand-overs' between different services and professionals.

### **Additional funding for staffing for the Multi Agency Safeguarding Hub**

We are working with partners including the Thames Valley Police, Oxford Health, Adults Services, the Fire Service and Trading Standards to develop a Multi-Agency Safeguarding Hub (MASH). The MASH will be a new way of working with partners to help protect the vulnerable from harm, neglect and abuse, and will be a gateway between universal services (such as Schools and GPs) and specialist services. It will lead to improved outcomes for children by co-locating key safeguarding agencies, by enabling better information sharing and decision making, identification of risk at the earliest possible opportunity, appropriate early and holistic interventions, and a coordinated, effective and timely response,

We will invest to make sure that qualified and experienced staff are available within the MASH to provide appropriate support and decision making.

### **Disability and Special Educational Needs**

We will continue to focus on keeping children with special educational needs and disabilities (SEND) safe, keeping our riskiest and most vulnerable in local placements wherever possible, maximising family resilience and improving children's independence skills and well-being. We will make strategic use of available funding and outcomes based commissioning will be used to focus our resources to families in need of support, especially those in the greatest need

We will continue to reduce our use of expensive out of county placements for children and young people, and challenge charges for post-16 services. We will work with partners and providers of targeted and specialist services to maintain support to children with

the highest needs and enable them to live as close to home as possible, by developing cost-effective local solutions such as the new residential autism academy.

There will also be significant legislative changes from September 2014 when the Children and Families Bill is expected to become law. We will continue to ensure we deliver our statutory responsibilities, such as short breaks and accessible childcare for working parents with disabled children, whilst driving down costs and reducing duplication and management.

### **Administration**

As a result of the proposals outlined above, and other savings already agreed and implemented, there will be a reduction in the support needs of specific services and the directorate as a whole. Administrative support for the directorate will be reviewed and reduced to reflect this, and to improve current practices to remove any unnecessary activity, reconfigure staff structures and increase the use of apprentices where appropriate.

### **Joint Commissioning**

The Joint Commissioning team is a joint service supporting both Adult Services and Children, Education and Families in commissioning, contract management, educational and social care performance reporting and management, strategy and business planning, engagement, advocacy and complaints. As above, a reduction in the support needs of specific services and the directorate as a whole will mean there will also be a reduction in many of these services, although we will seek to protect statutory functions and those that safeguard vulnerable service users.

## **Managing our performance**

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The successful delivery of the council's corporate plan and business strategy will be monitored on a quarterly basis by the Performance Scrutiny Committee and Cabinet. Progress will be published on the council's website.

A series of performance indicators will be used to assess our performance in delivering the priorities set out in this strategy. Performance Indicators are currently being developed by directorates and will be considered by the Performance Scrutiny Committee.

Once agreed directorate performance indicators will form an appendix to this strategy.



# Resources to deliver our priorities

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## Draft Medium Term Financial Plan - Children, Education & Families

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m
Base Net Budget	105.2	102.6	101.6	99.3
Virements Agreed in 2013/14				
Inflation*	0.8			
Previously Agreed Pressures	-0.6			
Previously Agreed Savings	-3.3			
New Savings Proposed	0.2	-1.0	-2.7	-3.4
New Pressures Identified	0.3		0.4	0.3
<b>Proposed Budget</b>	<b>102.6</b>	<b>101.6</b>	<b>99.3</b>	<b>96.2</b>

\*Inflation only allocated to directorates in 2014/15

## Detailed Previously Agreed and Proposed Budget Changes

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>Education &amp; Early Intervention - 2013/14 Net Budget £49.944m</b>					
		<b>Additional &amp; Special Educational Needs</b>					
CYFPF1	P	Increased numbers of Learning Difficulties & Disabilities (LDD) children and young people arriving in county especially with Autistic Spectrum Conditions preventing the achievement of recoupment/income targets and adding to local pressures	10				10
		<b>Subtotal Additional &amp; Special Educational Needs</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>
		<b>Early Intervention</b>					
CEF10c	S	Early Years & Children's Centres - Children's Centre share	-199				-199
14CEF4	S	Children's Centres - Management savings	-800				-800
15CEF1	NS	Rephasing of savings CEF10c and 14CEF4 relating to Children's Centres in current MTFP	499	-499			0
15CEF2	NS	Development of an integrated adolescent service and early childhood service				-3,000	-3,000
		<b>Subtotal Early Intervention</b>	<b>-500</b>	<b>-499</b>	<b>0</b>	<b>-3,000</b>	<b>-3,999</b>
		<b>Education</b>					
CEF15	S	School Improvement - reduce in line with national changes	-352				-352
CEF16	S	Outdoor Education Centres - move to self financing model	-100				-100
13CEF11	S	Underperforming School Leaders - remove one off funding of £0.180m provided in 2012/13 to accelerate the pace of improvement in school leadership.	-120				-120
14CEF5	S	Schools converting to academy status reduce requirement for School Improvement service	-850				-850
CEF10b	S	Early Years & Children's Centres - Early Years share	-230				-230
15CEF3	NS	Make Music Service self financing by increasing income and reducing free tuition.	-40	-70	-70	-182	-362
15CEF4	NS	Identify savings in Foundation Learning service which eliminate the need for non-DSG funding.	-163				-163
15CEF5	NS	Reduce Attendance service from Sept 2014	-100	-100			-200
15CEF6	NS	Further reduce staffing of School Improvement services		-75			-75
		<b>Subtotal Education</b>	<b>-1,955</b>	<b>-245</b>	<b>-70</b>	<b>-182</b>	<b>-2,452</b>
		<b>School Organisation and Planning</b>					

O - Previously Agreed One-Off Investment

P - Previously Agreed Pressure

S - Previously Agreed Saving

NS - New Saving Proposal

NP - New Pressure Identified

## Detailed Previously Agreed and Proposed Budget Changes

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
CEF10a	S	Early Years & Children's Centres - Sufficiency & Access share	-71				-71
		<b>Subtotal School Organisation and Planning</b>	<b>-71</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-71</b>
		<b>Total Education &amp; Early Intervention</b>	<b>-2,516</b>	<b>-744</b>	<b>-70</b>	<b>-3,182</b>	<b>-6,512</b>
		<b><u>Children's Social Care - 2013/14 Net Budget £48.805m</u></b>					
		<b>Corporate Parenting</b>					
14CEF6	S	Outcome of Corporate Parenting review which took place during 2012/13	-180				-180
		<b>Subtotal Corporate Parenting</b>	<b>-180</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-180</b>
		<b>Social Care</b>					
13CEF10	P	Funding for Troubled Families programme in 2012/13 and 2013/14 falls out in 2014/15. This was funding to support the Government initiative.	-800				-800
CYPFP4	P	Southwark Judgement. In May 2009, the Court of Appeal issued the Southwark Judgement which has significant implications for the way children's services are delivered to homeless 16 and 17 year olds. The Judgement extends Local Authorities' duty of care for this group	200				200
14CEF7b	S	Remove previously agreed funding for Southwark Judgement (which obliges the Council to provide accommodation and support for homeless 16 and 17 year olds) as impact of judgement lower than anticipated	-200				-200
14CEF8	S	Reduce over provision in support levels to All Rights Exhausted clients (for failed asylum seekers).	-150				-150
15CEF7	NS	Savings anticipated by further increasing close co-operation with partner agencies such as the police, the health service, schools and others		-250			-250
15CEF8	NP	Children's Homes - borrowing costs to fund 4 new homes in Oxfordshire			420	238	658
15CEF9	NS	Children's Homes Savings - from building Children's Homes in the county which reduces the number of high cost out of county placements			-420	-238	-658
15CEF13	NP	Additional funding for staffing for the Multi Agency Safeguarding Hub	350				350
		<b>Subtotal Social Care</b>	<b>-600</b>	<b>-250</b>	<b>0</b>	<b>0</b>	<b>-850</b>
		<b>Total Children's Social Care</b>	<b>-780</b>	<b>-250</b>	<b>0</b>	<b>0</b>	<b>-1,030</b>

O - Previously Agreed One-Off Investment

P - Previously Agreed Pressure

S - Previously Agreed Saving

NS - New Saving Proposal

NP - New Pressure Identified

## Detailed Previously Agreed and Proposed Budget Changes

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b><u>Children, Education &amp; Families Cross Directorate</u></b>					
15CEF10	NS	Reduce administration support in line with reductions in directorate services, seek efficiency improvements.			-500		-500
15CEF11	NS	Develop more integrated management across SEN & Disability. Challenge costs of 16+ SEN responsibilities transferred into OCC from Education Funding Agency, obtaining savings within DSG funded SEN services that enable a larger DSG contribution to the educational cost of placements.			-1,200		-1,200
15CEF12	NS	Reduce support services from joint commissioning team in line with other service reductions. Reduce non-statutory public engagement activities.			-500		-500
		<b>Total Children, Education &amp; Families Cross Directorate</b>	<b>0</b>	<b>0</b>	<b>-2,200</b>	<b>0</b>	<b>-2,200</b>
		<b>Total Children, Education &amp; Families</b>	<b>-3,296</b>	<b>-994</b>	<b>-2,270</b>	<b>-3,182</b>	<b>-9,742</b>

O - Previously Agreed One-Off Investment

P - Previously Agreed Pressure

S - Previously Agreed Saving

NS - New Saving Proposal

NP - New Pressure Identified



# Adult Social Care Business Strategy

2014/15 – 2017/18

## Introduction

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This is a new four-year business strategy for 2014/15 to 2017/18. It builds on the previous strategy agreed in 2011 which included savings of £119m for the council which have been achieved by reconfiguring services to establish a smarter, leaner and more cost effective operating environment, whilst at the same time reshaping services to fit the changed local and national policy environment.

However the hard work does not stop here as cuts in government grant and restrictions on council tax increases put further pressure on the council's budget. In addition there are new service pressures that have been identified which need to be managed. The latest financial outlook means that our Medium Term Financial Plan (MTFP) 2014/15 – 2017/18 that sits alongside this strategy proposes a further £64m savings in addition to the £31m already planned.

This new strategy reflects the updated position and incorporates the pressures and savings in the existing MTFP together with the new budget proposals agreed by Council in February 2014. The detail of these pressures and savings is set out in the resources to deliver our priorities section.

This business strategy both drives and is driven by our strategic approach as set out in the council's Corporate Plan and determines our performance management framework.

## Adult Social Care Directorate Overview

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The Social & Community Services vision is to support and promote strong communities so that people live their lives as successfully, independently and safely as possible. We believe that people themselves, regardless of age or ability, are best placed to determine what help they need.

Local Authorities have a statutory duty to meet the needs of older, disabled and vulnerable people and their carers - this includes older people, adults with learning disabilities, adults with mental health problems and those with physical and sensory impairments. Social care needs are, in summary, activities of daily living, personal care such as going to the toilet, help with bathing and eating and in some circumstances help with occupation and activities during the day (for example for younger adults who may require

access to training and employment). Access to support is normally through a professional assessment of need, guided by nationally set eligibility criteria. Local authorities can take resources into account when determining how those assessed needs should be met but we cannot refuse to meet people's eligible care needs.

People who meet the criteria for social care are financially assessed to see how much they should pay. Everyone in a care home makes a contribution towards the cost of their care, but people with over £24,000 of savings have to pay for all of their care costs irrespective of how that is provided. A significant proportion of older people in Oxfordshire fund their own care.

Over 90% of social care locally is delivered by third parties via a contract with the council. Working in partnership with the NHS, the council has a role in ensuring that there is a range of good quality services available to support people.

## Delivering the council's corporate priorities

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- **Thriving economy**

Adult social care (in partnership with the Oxfordshire Clinical Commissioning Group) spends in excess of £300m per year on external services through its Pooled Budget arrangements. These services include a wide range of small, medium and large organisations either based or working within Oxfordshire and contribute to a significant number of employment and training opportunities across the county.

- **Support for the vulnerable**

We will continue to provide information and support to individuals and their carers to ensure people can live a life free from abuse and the fear of abuse and can have care and support which meets their needs. We will treat people as individuals and with dignity and respect. We will invest in reablement – this means helping people to maintain or regain their independence by learning or re-learning the skills necessary for daily living.

Prevention is also key to our approach in adult services. We want to keep people well and help them to live at home and remain active in their local communities for as long as possible, and avoid, reduce and delay the need for more complex care or admission to a care home. We will continue to enable people to live at home for longer through investment in equipment and assistive technology. We are working with our district council colleagues to increase Extra Care Housing, which enables people to live independently with varying levels of care and support on site.

- **Thriving people and communities**

Community development - including working in localities with districts, the NHS, and providers including the voluntary sector to support local decision-making about how best to support older people in their community - also remains important. We are investing in community information networks to support people to stay in their communities for as long as possible by helping them access the information, advice and local services they need to make informed choices about how best to meet their needs.

### **How we work to deliver these priorities**

We are rolling out a programme of 'agile working' in order to support the new ways of working necessary to deliver these priorities. Agile working means: giving staff the right equipment and working environment to suit their role and service; working in a more flexible way that makes best use of staff time, buildings, and resources; and taking advantage of changes in technology and working styles to become more efficient. This will ultimately protect delivery of front line services as far as possible. For example, we have good working relationships with health, and staff are able to work from offices at the Oxfordshire Clinical Commissioning Group and John Radcliffe Hospital. The Health and Wellbeing Resource Centres are used by health services and voluntary organisations to extend the use of the building and offer important support to service users.

## **Services and Priorities**

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### **What has already been achieved?**

Adult social care has already delivered savings of £39m by the end of 2013/14, whilst meeting increased demand for care. In the 18 months since April 2012, 13% more older people have been supported; 7% more adults with a learning disability and 23% more adults with a physical disability.

Since April 2012 all adults eligible for social care support from the council have had their own personal budgets to use to make their own choices and have greater control over the way they live their lives. In 2012/13, we were in the top quartile of authorities offering personal budgets and had the highest use in the country of direct payments.

We have worked closely with providers of services to restrict price increases, and to significantly reduce the cost of home care from £25/hour to £17/hour. The number of staff employed by Adult Social Care has fallen by almost 30% since 2010, due to the outsourcing of services previously provided internally including the home support, reablement and Supported Living services.

We have also improved the links between health and social care, including a significant increase in the amount of money that is spent from pooled budgets between the council and Oxfordshire Clinical Commissioning Group.

## **Our Strategy and Approach**

The key elements of our strategy are:

- 1) Keeping people well through investment in services that prevent some people from needing social care, reducing or delaying the need for care.
- 2) To ensure people can live a life free from abuse and the fear of abuse.
- 3) Ensuring people have more choice and control over the way they are supported.
- 4) To develop long term support options that reduce the number of people admitted to care homes (especially residential care homes which do not provide nursing support), increase alternatives to care and develop community support that continues to keep people safe in their own homes.
- 5) To facilitate a market of good quality services that can be used by everyone.

### **1) Keeping people well**

Providing low level support to keep people well and prevent them from needing more intensive (and expensive) care. Services include information and advice, reablement (to aid recovery after illness), falls prevention, support to family carers, employment, assistive technology, equipment and day services.

### **2) Ensuring people can live a life free from abuse and the fear of abuse**

The council has a safeguarding role for all vulnerable adults, ensuring that people live their lives free from abuse and taking action to protect people where necessary. In 2012/13 there were 2,288 safeguarding alerts raised, 608 converted to referrals.

### **3) Ensuring people have more choice and control**

We use a set formula to calculate how much money (personal budget) should be allocated to a person who is eligible for support from adult social care. The size of the personal budget will reflect the scale and complexity of their care needs but also the availability of informal care from their families and friends. People can choose to be given money in the form of a Direct Payment to buy their own care. We are still responsible for making sure that their care needs are met.

**4) Develop long term support options that reduce the number of people admitted to care homes**

We do this by providing services such as home care, respite, day services, occupational therapy and equipment in people's own homes. We are also developing alternative housing options that reduce the number of people admitted to care homes such as Extra Care Housing and Supported Living. We work with the Oxfordshire Clinical Commissioning Group who commission health care and NHS providers to provide better round the clock health care to prevent hospital admissions for the most complex needs and to discharge people back home. This includes multi agency integrated teams and joint commissioning.

**5) Market facilitation**

To facilitate a market of services that can be used by everyone and that support the capacity of communities to care. There is a focus on quality, contract management and encouraging consumer feedback.

**Working with Health**

We need to work even more closely with Health partners. One of the main concerns from people needing care is that the different groups of care professionals don't talk to each other and there are too many "handoffs or handovers". The challenges facing the health service are the same as those facing adult social care. There are increasing demands for care from a relatively small proportion of the population. Financial resources are not increasing in line with those demands so we need to focus on intervening early and quickly to limit the extent to which care needs increase. This will require radical changes in health in particular as resources are focused on care in the community rather than in hospitals.

The Health and Wellbeing Board is a partnership between local government, the NHS and the people of Oxfordshire (chaired by the Leader of the council). It includes local GPs, councillors, Healthwatch Oxfordshire, and senior local government officers. The board has been set up to ensure that we work together to improve everyone's health and wellbeing, especially those who have health problems or are in difficult circumstances. The creation of Health and Wellbeing Boards has brought local government much closer to decision making within the health service.

Integrated local teams will be in place during 2014 which will bring together social workers and occupational therapists with community health staff and GPs. Joint commissioning strategies for all our client groups have now been agreed. A larger pooled budget with the Oxfordshire Clinical Commissioning Group has the potential to move resources to where they will achieve the best outcomes for people.

**Overview of other strategic plans**

The Health and Wellbeing board provides strategic leadership for health and wellbeing across the county and is responsible for the development of Oxfordshire's Joint Health and Wellbeing Strategy. This Strategy contains priorities of direct relevance to Adult Social Care, and that are in keeping with the strategic direction set out above, including: supporting adults with long term conditions, physical or learning disability or mental health problems to live independently and achieve their full potential; supporting older people to live independently with dignity whilst reducing the need for care and support, and; working together to improve quality and value for money in the Health and Social Care System.

The council also has Joint Commissioning Strategies, developed with the Oxfordshire Clinical Commissioning Group, that set how we will work together to ensure the needs of specific groups of people will be met. These include people with learning disabilities, autism, physical disabilities, mental health, and older people.

We also continue to work closely with colleagues in the NHS to develop plans that support more seamless working across health and social services and more efficient use of resources. This includes the Better Care Fund that will see around £37m dedicated to this purpose from 2015 onwards.

## How our services are changing

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In future we will focus on continuing to ensure there is good quality support available to meet the assessed needs of eligible people, supporting them to live independently and keep well whilst ensuring the services are delivered as efficiently as possible. However, to make the necessary savings we will stop supporting non-statutory activities which are not essential for adult social care.

We will continue to focus on reducing the numbers of people who need personal care, by focusing on intervening earlier to prevent people needing any care or to reduce the level of their care needs. We will also continue to explore and exploit ways to reduce the cost of providing care, such as working with providers to reduce the hourly rates without compromising quality and increasing the use of assistive technology. We will also seek to charge for services wherever possible and sensible to do so, without placing people at unnecessary risk if they cannot afford to pay for their care.

We are already delivering a number of savings previously agreed, and this includes changing the way that some services are delivered. These include efficiencies in the provision of services for older people, investing in preventative services and equipment to support people to live at home and reduce the cost of care in the longer term, reviewing existing contracts and working with providers to reduce cost to the council, reviewing the internal Learning Disability Service, and reviewing the level of funding people need to meet their eligible care needs as a result of more efficient services.

In summary, our further proposals for 2014-15 to 2017-18 are as follows:

### **Investment to help meet increased demand for social care**

There are a number of planned savings that assume that we will be able to reduce the need for care. However, this year we have seen increasingly high levels of need, leading to increased demand for expensive packages of care. This repeats the trend from last year, with more care home placements and more hours of home care provided.

This creates pressures to meet the cost of extra care home placements and more hours in future years, and means we cannot rely on the planned savings that assume that the need for care will fall. It is also important that we invest permanently in the discharge to home service that helps get people home from hospital as soon as they are ready to leave, and the equipment budget to meet increasing demand to support people to live independently at home for as long as possible.



There will therefore be an overall four-year investment of £14.9m to help meet the increasing demand for adult social care within the pooled budgets the council shares with Oxfordshire Clinical Commissioning Group.

### **Create a more personalised approach to home support which will include removing short visits for personal care for older people**

We will ensure that no home care visit offering personal care is too short for the person to be treated with dignity and respect. Often home support for older people has become too focused on time and task, as opposed to good outcomes for the person. Sometimes visits are too short for the person to be treated with dignity and respect. We will link this funding to an improvement in performance for home support based on the needs of the older person.

We will implement changes over a two year period from October 2014 onwards, to allow time to work with providers to affect any changes that are needed in the range of services or how they operate.

### **Resources from the Better Care Fund to protect adult social care services**

Central Government has announced that £3.8 billion nationally of NHS funding will be made available to adult social care through the Better Care Fund. Oxfordshire's share of this is around £37 million from 2015/16 onwards, of which around £19 million will be money not previously available to adult social care. We are working with partners in the Oxfordshire Clinical Commissioning Group to agree how this will be utilised to improve outcomes for service users. Some of the resources are dependent on performance on a number of measures specified in national guidance. The focus of the Fund is on improving outcomes for frail older people and thus reducing the pressures on the health and social care system. How the Fund will work may be affected by the financial challenges facing the Clinical Commissioning Group given that the Fund is not additional or new funding to health and social care overall.

### **Working closely with providers to generate efficiencies in contracted services**

We will continue to work in partnership with all service providers to review the way services are delivered in Oxfordshire to ensure that such services are accessible, of the right quality and at an affordable cost for all people who need to arrange their support. This includes services purchased by the council, individuals who elect to purchase directly using their Personal Budget, and those members of the public who choose to buy services privately.

We will work closely with providers in the planning, delivery, monitoring and review of local services, and introducing more outcome based service contracts. We will also encourage the use of provider self-assessment systems and user evaluation of services, work with providers to review and reduce back-office costs and find transactional cost efficiencies such as shared training, and jointly develop a social care workforce strategy for the county.

Alongside this and to generate further efficiencies we will continue to promote reablement and recovery throughout all services to ensure that resulting support packages are appropriate to a person's needs, promote the expansion of Self Directed Support and a direct relationship between service users and providers. We will also set annual price reviews based on an improved understanding of the cost of care in Oxfordshire. We will review high cost placements and wherever possible secure alternative provision at a more affordable cost that continues to meet a person's needs,

**Close working with learning disability service users to find new ways of working whilst ensuring assessed needs continue to be met.**

We are already working with providers of care and support to explore ways of delivering care in a more cost effective and efficient way. This is being achieved through better use of assistive technology to replace paid support; development of properties to deliver greater economies of scale and to support people in their own homes in the community rather than in a residential setting; increased use of community resources; decommissioning of services which are no longer affordable; as well as developing new and improved services which meet the needs of individuals, offer a quality service and are affordable within personal budgets.

This approach has proved successful for a number of years, increasing efficiency and delivering positive outcomes and increased independence for people with learning disabilities. It is proposed to continue this approach to be able to deliver further savings. We will continue to work in close partnership with support and housing providers and by involving people with learning disabilities and their representatives in decision making and planning

**Seeking alternatives to the current brokerage service**

We know that people who fund their own care are usually able to arrange support with the assistance of family and friends, and by making better information available we will make this easier both for people who fund their own care and for those who receive funding from the council. Through the Adult Services Improvement Programme there is work underway to improve information and advice, to simplify processes, and to support people to carry out self-assessment and take greater control of their support arrangements. This is expected to enable many people to arrange their own support using their personal budgets, meaning people will have greater control over decisions about their care.

The brokerage service acts to advise service users on how they should spend their personal budget to meet their care needs. However, as assessments are carried out by locality social work teams we believe brokerage involves a level of duplication, with people needing to get to know another person and repeat information when they are introduced to a broker for support planning.

We will therefore stop funding brokerage services. In some cases people with complex needs may require support from the locality social work teams if brokerage services are no longer available. However, it is also possible that some providers may be able to identify alternative sources of funding in order to continue to deliver a brokerage service, and so it is proposed to offer a long notice period to allow time to explore alternatives.

### **Review of information and advice services**

We currently provide funding for a range of non-statutory information, advice and advocacy services commissioned externally. We will undertake a full review of these services, to ensure that they are providing value for money, are in line with the ambitions of the Care Bill and are the most effective way of helping people understand and access the care they need. This will include consultation with service users and providers of services, and will result in changes to the services that are commissioned as well as reviewing individual contracts.

### **Stop subsidising meals, shopping and laundry services (other than for people with incontinence)**

We will no longer subsidise these services as only a limited number of people are using them, and will seek to identify alternatives for people to use at no cost to the county council. This may include increasing the charges for these services to recover the existing subsidy, and amalgamation into eligible people's personal budgets. It may also include alternative ways of providing these services, such as linking to supermarket home delivery services in the case of meals. We will make sure no one who is eligible for care is left without support, and will ensure that people with incontinence will continue to be offered subsidised laundry services as they are now.

### **Supporting our staff to work more efficiently, reducing bureaucracy and streamlining process**

We will undertake a comprehensive review of existing processes and procedures, with the aim of delivering more than 10% improvement in productivity through better ways of working. This will reduce pressures on staff, enable quicker responses and create more capacity to cope with increasing safeguarding alerts.

Adult Social Care Funding Reform from 2015 onwards will mean our services will need to meet increased demand for new assessments. This increased activity will result from people who previously would have self-funded their care and will now be seen much earlier, and in monitoring care accounts to ensure people do not spend beyond the governments stated cap on care costs of £72,000 in their lifetime. The Government is expected to provide additional money to cover the increased demand for assessments so, by using smarter working to free up operational staff to meet the additional demands resulting from funding reform without requiring further investment, an overall saving can be made whilst minimising the risk of redundancies

### **Reduce Social Fund budget but with on-going provision for care leavers to be retained, despite withdrawal of central government funding from 2015/16.**

The Oxfordshire Support Fund was established in April 2013 to replace Care Awards and Crisis Loans which used to be provided by central government (the Department of Work and Pensions) through the Social Fund. It has been designed for people who are vulnerable and need help to meet their basic needs.

The Fund has been underused and it is not a statutory requirement. There is also evidence that take up of similar funds across the country has been lower than anticipated, suggesting this is not unique to Oxfordshire. We also believe this type of support may be better delivered by the voluntary or charitable sector. However it is recognised that we have a responsibility to provide assistance to certain groups of vulnerable people in Oxfordshire, and care leavers in particular, and that a small award can help to prevent problems from escalating and enable people to manage independently. It is therefore proposed that the Fund should be reduced by two thirds and the contract for administration with an external provider is ended, but that awards will continue to be available to some specific groups.

### **Reduction in line with central government reductions in Supporting People funding**

Central Government gives the county council funding for housing related support through the Supporting People fund. This is used to pay for hostels for homeless people, floating support and housing support for victims of domestic violence and people with drug problems. The Government funding has significantly reduced year on year and is now less than our actual spend (£9.5m compared to £15.4m). The county council has already reduced spend by £2.3m but absorbed the remainder of the funding reduction, largely protecting spending on housing related support of most importance to district councils and Oxford City Council.

Given the new financial circumstances we cannot afford to continue with this arrangement, and are proposing that funding is reduced by 38% to bring spending in line with the amount of money we receive from government. We will work closely with the district and city councils to consider how best to manage this reduction, with proposals to be developed by the Health Improvement Board and agreed by the Health and Wellbeing Board once developed.

### **Continued work to identify further savings over the four-year period**

The scale of the reductions in funding means that more savings will need to be found over the coming four years. We believe it will be possible to further reduce the demand for care for older people by investing in preventative services, and to challenge the price

paid for care and support more effectively. There may also be scope to reduce demand as a result of investments from the Better Care Fund. Detailed proposals will be developed over the period based on what is already working in reducing costs and new ideas as appropriate, and brought forward for approval by Cabinet at appropriate times.

## Managing our performance

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The successful delivery of the council's corporate plan and business strategy will be monitored on a quarterly basis by the Performance Scrutiny Committee and Cabinet. Progress will be published on the council's website. We anticipate that this will be supplemented by monitoring of the performance of the health and social care system as a whole by the Health and Wellbeing Board.

A series of performance indicators will be used to assess our performance in delivering the priorities set out in this strategy. Performance Indicators are currently being developed by directorates and will be considered by the Performance Scrutiny Committee.

Once agreed directorate performance indicators will form an appendix to this strategy.

# Resources to deliver our priorities

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## Draft Medium Term Financial Plan - Adult Social Care

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m
Base Net Budget	179.0	185.2	174.3	173.4
Virements Agreed in 2013/14				
Inflation*	2.3			
Previously Agreed Pressures	6.9	2.8		
Previously Agreed Savings	-10.9	-1.0	-2.0	
New Savings Proposed	-2.5	-10.7	-2.8	-5.0
New Pressures Identified	10.4	-2.0	3.9	3.4
<b>Proposed Budget</b>	<b>185.2</b>	<b>174.3</b>	<b>173.4</b>	<b>171.8</b>

\*Inflation only allocated to directorates in 2014/15

## Details of Previously Agreed and Proposed Budget Changes

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>Older People - 2013/14 Net Budget £73.017m</b>					
SC22	S	A review of the servicing and maintenance of stair lifts, step lifts and through floor lifts	-13				-13
S33	S	Potential savings by limiting contract inflation - work to keep costs of contracted services down by expecting providers to make efficiency savings in the costs of providing their services	-52				-52
14SCS22	S	Efficiencies in the provision of internal older people day services	-80				-80
S31	S	The need for staff directly employed by the council is reduced as more people take up the option to arrange and purchase their own care through a personal budget	-51				-51
14SCS9	S	Invest in early client intervention to reduce the cost of care in the longer run.	-1,500				-1,500
SCP16	P	Continuing Care - Reduction in additional activity as a result of improvement in the assessment and use of evidence to agree continuing health care eligibility under the national framework policy. This is a variation to previous year's plans.	-200				-200
SCP19	P	Future Demography - Older People - more people are living longer putting increasing pressure on budgets; this reflects the national situation.	2,342				2,342
S3	P	Demography Increase - Older People - more people are living longer putting increasing pressure on budgets; this reflects the national situation.	105				105
S31	P	Demographic pressures - due to improvements in healthcare there are more people with complex needs who are living longer putting increasing pressure on budgets; this reflects the national situation. In addition, the number of students with support needs arriving in Oxfordshire to study are increasing. This will be spent on external home support.	164				164
14SCS2	P	Care Homes - impact in subsequent years of additional placements made in 2012 together with more complex care needs increasing the average cost of care.	700	-2,200			-1,500
S8	S	Care Home Placement Reduction - savings from reducing the number of older people admitted to care homes and providing alternative services for people in their own homes. This will provide better outcomes for older people as well as achieving efficiencies for the council.	-490				-490

## Details of Previously Agreed and Proposed Budget Changes

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>Older People Continued</b>					
S4	S	Review of Oxfordshire Care Partnership (OCP). The Council is working with the Oxfordshire Care Partnership to explore ways of meeting long term care needs in a way that reduces the cost of providing services and leads to developments to achieve efficiencies.	-884				-884
14SCS1	P	Proposed agreement with the Oxfordshire Care Partnership will achieve £2.8m savings in total (including earlier year's savings) compared to initial assumed savings of £3.8m	500				500
14SCS7	S	Greater use of assistive technology to enable more people to remain in their homes for longer and reduce the need for home support	-200	-250	-250		-700
14SCS8	S	Provide prevention services that encourage older or vulnerable people to remain independent and reduce their need for more expensive care services.		-500	-500		-1,000
SC38	S	Net savings from the Care Homes for Older People project having taken account of the costs of prudential borrowing (HOPS project phase 1 new build)	-3				-3
S39	S	£1m of expenditure on the Homes for Older People programme will be funded by other capital resources rather than prudential borrowing resulting in a saving on the borrowing costs for the directorate	2				2
S6	S	Limit Contract Inflation - work to keep costs of contracted services down by expecting providers to make efficiency savings in the costs of providing their services	-1,925				-1,925
S7	S	Older People - Savings from the Resource Allocation System (RAS) which is used to allocate personal budgets to service users. Efficiencies from the move to Self Directed Support and Personal Budgets will result in more efficient delivery of care	-391				-391
14SCS5	S	Older People's Pool to meet own pressures.	-1,150	2,200			1,050
14SCS21	S	Review of Older People's day services		-300			-300
14SCS26	S	Additional NHS Funding - Social Care transfer	500				500
14SCS26	S	Additional funding from White Paper to support better integrated care and support	-1,000				-1,000
15SCS1	NS	Resources from the Better Care Fund to protect adult social care services	-2,000	-8,000			-10,000
15SCS2	NS	Working closely with providers to generate efficiencies in contracted services		-400	-400	-400	-1,200
15SCS3	NS	Supporting our staff to work more efficiently, reducing bureaucracy and streamlining process – establishing efficiency savings in preparation for increased demand generated by funding reform, which we expect will be funded by central government			-1,500		-1,500
15SCS4	NS	Seeking alternatives to the current brokerage service		-600			-600



## Details of Previously Agreed and Proposed Budget Changes

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>Older People Continued</b>					
15SCS5	NS	Stop subsidising shopping and meals service. Continue to provide a subsidised laundry service for people who suffer from incontinence.		-140			-140
15SCS6	NS	Continuing to fund information and advice for people who may need or are eligible for social services, but reducing support for mainstream welfare rights advice and advocacy. A review of information and advice services will be undertaken.		-100			-100
15SCS7	NS	Continued work to identify this saving over the four-year period				-2,800	-2,800
15SCS8	NP	Investment to help meet increased demand for social care (also see additional demography under 'All Client Groups')	10,000	-2,400	-1,100	-1,600	4,900
15SCS44	NP	Create a more personalised approach to home support which will include removing short visits for personal care for older people	400	400			800
		<b>Subtotal Older People</b>	<b>4,774</b>	<b>-12,290</b>	<b>-3,750</b>	<b>-4,800</b>	<b>-16,066</b>
		<b>Learning Disabilities - 2013/14 Net Budget £61.855m</b>					
SCP30	P	Future Demography - numbers of people with learning disabilities are increasing due to longer life expectancy and people with complex physical and health needs surviving into adulthood. Both these factors mean that not only are numbers rising, but the amount of care and support individuals need is increasing	2,900				2,900
S9	S	Rephasing of demographic pressures for Learning Disabilities.	-801				-801
S14	P	Impact of national changes to the Independent Living Fund.	175				175
SC71	S	Review of Internal Learning Disability Service - The plan to reduce funding to the internal supported living and day services by £1m over two years has partly been achieved through a management restructure. The remaining savings are now being achieved over three years from 2012/13 through purchasing the service from external providers.	-250				-250
S16	S	Savings from Learning Disabilities Resource Allocation System (RAS) which allocates personal budgets to service users. Efficiencies from the move to Self Directed Support and Personal Budgets will result in more efficient delivery of care. We therefore aim to reduce people's personal budgets by approximately 12% over 4 years. Proposals are aimed at reducing reliance on paid services and reducing unit costs of services through a wide range of activities so that people continue to be able to meet their eligible needs within the reducing budget	-1,300				-1,300

## Details of Previously Agreed and Proposed Budget Changes

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>Learning Disabilities Continued</b>					
14SCS16	S	More efficient delivery of care leading to reduced cost of Learning Disabilities Resource Allocation System		-1,000	-1,000		-2,000
S17	S	Learning Disabilities - Limit Contract Inflation - work to keep costs of contracted services down by expecting providers to make efficiency savings in the costs of providing their services	-309				-309
15SCS9	NS	Close working with learning disability service users to find new ways of working whilst ensuring assessed needs continue to be met		-500	-400	-1,800	-2,700
		<b>Subtotal Learning Disabilities</b>	<b>415</b>	<b>-1,500</b>	<b>-1,400</b>	<b>-1,800</b>	<b>-4,285</b>
		<b>Physical Disabilities - 2013/14 Net Budget £10.666m</b>					
S18	P	Additional demography - provision for demographic pressures for adults with a physical disability and or brain injury is below that forecast nationally and needs to be increased in line with the national average.	206				206
S19	S	Physical Disabilities - Savings from Resource Allocation System - the Resource Allocation System (RAS) allocates personal budgets to service users. Efficiencies from the move to Self Directed Support and Personal Budgets will result in more efficient delivery of care	-98				-98
14SCS12	S	More efficient delivery of care leading to reduced cost of Physical Disabilities Resource Allocation System	-100	-100	-200		-400
		<b>Subtotal Physical Disabilities</b>	<b>8</b>	<b>-100</b>	<b>-200</b>	<b>0</b>	<b>-292</b>
		<b>Mental Health - 2013/14 Net Budget £9.113m</b>					
S20	S	Potential savings from Oxfordshire & Buckinghamshire Mental Health service workforce as a result of the introduction of self directed support	-50				-50
S21	S	As part of the mental health strategy we will offer self directed support to eligible people that supports greater independence and self-management of care within a recovery pathway					0
S22	S	Keeping People Well - further efficiencies from 2012/13 - the creation of a pathway in day services that both prevents people becoming so unwell that they need to use adult social care services and promotes recovery so that people can self-manage their own care in the wider community	-150				-150

## Details of Previously Agreed and Proposed Budget Changes

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>Mental Health Continued</b>					
S23	S	Support to Independent Living - this will be managed by the creation of a housing pathway that supports people to move through from hospital to supported living to independent accommodation and makes the most efficient use of resources. The pathway pools adult social care, health and Supporting People investment in housing for people with mental health problems	-134				-134
		<b>Subtotal Mental Health</b>	<b>-334</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-334</b>
		<b>All Client Groups - 2013/14 Net Budget £6.838m</b>					
14SCS6	S	Closer working with Health, generating efficiencies by pooling budgets and integrating care.		-1,000			-1,000
	P	Demography		5,000			5,000
15SCS10	NP	Demography			5,000	5,000	10,000
15SCS11	NS	Phased reduction in line with central government reductions in Supporting People funding for Housing Related Support		-1,000	-500		-1,500
		<b>Subtotal All Client Groups</b>	<b>0</b>	<b>3,000</b>	<b>4,500</b>	<b>5,000</b>	<b>12,500</b>
		<b>Joint Commissioning - 2013/14 Net Budget £7.081m</b>					
14SCS25	S	Review of Joint Commissioning (saving will be across Children, Education & Families and Social & Community Services)	-500				-500
15SCS12	NS	Reduce Social Fund budget. On-going provision for care leavers to be retained, despite withdrawal of central government funding from 2015/16.	-500				-500
		<b>Total Joint Commissioning</b>	<b>-1,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,000</b>
		<b>Total Adult Social Care</b>	<b>3,863</b>	<b>-10,890</b>	<b>-850</b>	<b>-1,600</b>	<b>-9,477</b>

# Fire & Rescue Business Strategy

Including Emergency Planning, Trading Standards and Community Safety

2014/15 – 2017/18

## Introduction

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This is a new four-year business strategy for 2014/15 to 2017/18. It builds on the previous strategy agreed in 2011 which included savings of £119m for the council which have been achieved by reconfiguring services to establish a smarter, leaner and more cost effective operating environment, whilst at the same time reshaping services to fit the changed local and national policy environment.

However the hard work does not stop here as cuts in government grant and restrictions on council tax increases put further pressure on the council's budget. In addition there are new service pressures that have been identified which need to be managed. The latest financial outlook means that our Medium Term Financial Plan (MTFP) 2014/15 – 2017/18 that sits alongside this strategy proposes a further £64m savings in addition to the £31m already planned.

This new strategy reflects the updated position and incorporates the pressures and savings in the existing MTFP together with the new budget proposals agreed by Council in February 2014. The detail of these pressures and savings is set out in the resources to deliver our priorities section.

This business strategy both drives and is driven by our strategic approach as set out in the council's Corporate Plan and determines our performance management framework.

## Fire and Rescue Directorate Overview

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This Business Strategy covers the Fire & Rescue Service, Emergency Planning and Community Safety Services. The Strategy has been updated in order to capture the medium term (3-5 year) vision for all of the Services identified, as well as their aims to meet the current priorities of the wider county council.

## Delivering the Council's corporate priorities

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

**Thriving Economy** – This objective will be supported through our contribution to the sustainable development and protection of the thriving local economy by provision of advice and support. This will enable local businesses and industry to successfully compete in the marketplace, ensure their business continuity, minimise the likelihood and impact of regulatory challenge and minimise the likelihood of emergencies (e.g. accidents and fires). More broadly, the services also protect the environment for example, reducing both carbon emissions and emergency incidents, as well as through partnership working with partners such as the Environment Agency to help minimise the effects of flooding, pollution incidents and fire-fighting actions, as well as promoting quicker recovery.

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

**Support for the vulnerable** - This objective will be supported by the OFRS integrated approach to community and home safety ensuring that we contribute to this objective through collaboration and information sharing with local partners. We are embedded into the Thriving families programme board and are looking at how we can assist the programme in meeting its outcomes, e.g. use of the safety centre at Rewley Road as an interactive centre. We are currently working with the early intervention hubs to assist in the mentoring and provision of positive role models to young people who are lacking these positive influences and are involved either directly or through their families with the criminal justice system.

Finally, all the services strive to deliver efficiency programmes and provide value for money in general. This is being achieved at a local and regional level to increase efficiency further, the Fire & Rescue Service working within the South East Fire Improvement Partnership and with neighbouring Fire and Rescue Services on various collaborative activities.

### **How we work to deliver these priorities**

We have already been working towards the above priorities and as a result have already delivered the following savings for the public in the Fire and Rescue Service, Trading Standards and the Gypsy and Traveller Service since 2010:

- Fire & Rescue and Emergency Planning have delivered savings totalling £0.7m by service reviews and more effective procurement
- Trading Standards has delivered savings totalling £0.6m (23% of budget) by restructuring the service and generating additional income
- The Gypsy & Traveller Service is managing contracts with other local authorities who are contributing £0.1m pa to management and overheads. The service is self-financing.

Going forward we are rolling out a programme of ‘agile working’ in order to support the new ways of working necessary to deliver these priorities. Agile working means: giving staff the right equipment and working environment to suit their role and service; working in a more flexible way that makes best use of staff time, buildings, and resources; and taking advantage of changes in technology and working styles to become more efficient. This will ultimately protect delivery of front line services as far as possible. This programme has already started to deliver benefits to service delivery through:

- Flexible part-time firefighter contracts – this has enabled full-time firefighters to request to work part-time hours and for OFRS to utilise them in a dynamic way to ensure we maximise on-call station availability and response times across the county.
- Joint working with Royal Berkshire Fire and Rescue Service in the South Oxfordshire area – right across the UK, the increasing pressures on our on-call firefighters from both a family and work perspective is affecting the availability of fire engines in some areas. Locally, we have been experiencing availability challenges in the Henley and Wargrave areas and, as a result, OFRS has teamed up with Berkshire FRS to alternate the emergency cover arrangements at weekends. This innovative trial project is ensuring a weekend response across both FRS areas through a collaborative approach – that

also allows the on-call firefighters time with their families and reduces the moral pressure on them to remain in the immediate locality for an extended period.

- Remote Working - we have worked with staff who live significant distances from their work base and identified whether they are able to work from another location or from home.
- On-call station support officers - these are based in our local communities to support the community and the station personnel and work flexible hours to meet the requirement of both parties. They are based at the on-call stations which has been possible due to the improved network availability and accessibility of the ICT infrastructure.
- We are currently in dialogue with the county council's ICT team about the option for staff who need to be re-located to work at our on-call fire stations either as a permanent base or as a drop in centre.

## Services and Priorities

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### **Fire and Rescue Service and Emergency Planning**

Our purpose is to secure a safer Oxfordshire. This plan identifies the risks to public and firefighter safety, and sets out the things we are doing, and plan to do, to control them. Our approach is to prevent incidents happening, protect against their impact and respond quickly and effectively to minimise their effect to people and their communities.

We have a measurable 10-year strategic aim, known as '365 Alive', which was launched in 2006 and sets targets to save lives, save money for the Oxfordshire economy and make our communities safer through education.

Specifically, our three strategic targets are, by 2016, to:

- Save 365 lives – reduce the loss of life in fires and road traffic collisions through the prevention, protection and response work of the Fire and Rescue Service.
- Save the economy £100,000,000 – through the reduced number of incidents, injuries and deaths and their direct and indirect costs to the economy.



- Deliver 840,000 safety messages to make people safer – through the prevention work of the Fire and Rescue Service and other partners.

We have set out the following principles to support these strategic aims through effective and efficient working:

- A truly integrated cross directorate/multi agency approach – adding value across Oxfordshire County Council
- A prioritised & intelligence led approach to keeping Oxfordshire's communities safe
- Focus on prevention across Fire & Rescue and Trading Standards
- Protecting the emergency response function
- Fire & Rescue - Addressing the future risk profile in Oxfordshire to ensure we are 'fit for purpose'.

Collaboration with other Fire & Rescue Services to deliver efficiencies. These strategic aims and principles are in support of our statutory responsibility to provide:

- Fire and other safety related prevention/Educational Activities,
- Fire protection advice and enforcement
- Operational 999 blue light call handling, training and response activities
- Road Safety Advice and Education
- Community resilience

These responsibilities are requirements of the Fire and Rescue Services Act 2004, Regulatory Reform (**Fire Safety**) Order **2005**, *Civil Contingencies Act 2004 and the Fire and Rescue National framework document and they underpin the service's community risk management plan 2013-2018 and our annual community risk action plans.*

This strategy is aimed at saving lives in the home and on the road by identifying, assessing, reducing and controlling the risks to our community from fire and other emergencies. It highlights a shift in emphasis on preventing fires and other emergencies before

they occur, while maintaining an effective response. It provides a strategic planning process that ensures the right resources are in the right place at the right time.

The strategy builds upon our improvements in service delivery and firefighter safety and ensures that the service reflects the needs of our communities.

We are also focusing on community resilience through our emergency planning team working both at a local level - to develop focused plans within our local communities - and also with the Thames Valley Local Resilience Forum through sharing of notable practice and learning activities with the key partners across the group.

### **Trading Standards**

The Trading Standards Service enforces approximately 80 Acts of Parliament and several hundred sets of subordinate legislation on behalf of the council. The wide remit of the Service includes but is not limited to activities such as food safety, fair trading and fraud, farm animal health and welfare controls, age restricted sales, product safety and storage and sale of hazardous substances. In addition the service provides an enforcement service in relation to overweight heavy goods vehicles.

A set of strategic objectives have been agreed for the Trading Standards Service. These include:

- Ensuring strong and well publicised business support services that enhance the plans for growth in Oxfordshire.
- Developing stronger ties with partners, such as Citizens Advice locally, and partnerships, such as the Health Improvement Board, to ensure a seamless customer response to consumer problems in Oxfordshire and provide support for wider priorities in Oxfordshire.
- Supporting and strengthening safeguarding mechanisms for vulnerable people and in the new personalised care and support market

### **Gypsy and Traveller Service**

The Gypsy & Traveller Service provides landlord services for some 80 families resident on the county council's six permanent sites as well as safeguarding the county's settled communities from the problems associated with unauthorised encampments. The service also provides this function for Buckinghamshire County Council and Brent Housing Partnership which generates additional income to off-set costs.

## How our services are changing

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We will always maintain an emergency response to calls for assistance. However, our emphasis towards securing a safer society has shifted to also encompass prevention and education. Multi-skilled employees along with voluntary agencies and other partners, help promote risk awareness, self-help, safeguarding and will sign-post specialist assistance and support when required. This approach embraces the preventative agenda and reduces the call on other council services such as Adult Social Care, which helps support the elderly.

The Cabinet has already endorsed Fire & Rescue response targets (80% incidents attended in 11 minutes, 95% in 14 minutes). The current targets can reasonably be expected to be met, with a minimum station disposition (using predominantly On-call Duty System staff) of 24 fire stations and 34 front line fire appliances.

Our future approach is to look at the planned developments within the county and identify developing risks in those areas to ensure that our resources are allocated to meet the future needs, whilst maintaining the agreed response targets across Oxfordshire. We are looking for wider collaboration opportunities with other local authorities and community partners which will focus on outcomes rather than outputs to meet the community's needs.

The following areas of work have already been agreed within the current business strategy.

Agreed:

- Review of local conditions of service
- Aim to reduce fire calls for on-call staff
- Reduction in pension payments
- Review of support services

New proposals:

- Thames Valley Fire Control receiving emergency calls for Oxfordshire, Buckinghamshire and Berkshire.
- Delivering efficiencies through further flexibility with our existing resources

- Review of prevention, protection and intervention in all district council areas
- New crewing models for specialist appliances
- Review of working patterns
- Look at staff and building requirements
- Identify opportunities for sharing buildings
- Working with partners ensure we collaborate where we can
- Working with local communities to help them develop their plans to prepare for local emergencies e.g. flooding
- Cease funding Community Safety Partnerships, reflecting the responsibility for this funding passing to the Police and Crime Commissioner.
- Refocusing and reducing our support to community safety partnership coordination
- Further prioritisation in Trading Standards including reducing our animal welfare work and response to lower risk consumer complaints
- Increasing income in Trading Standards through enhanced business support and training services
- Alignment of Business Continuity with Fire & Rescue
- Developing further opportunities to generate income

## Managing our performance

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The successful delivery of the council's corporate plan and business strategy will be monitored on a quarterly basis by the Performance Scrutiny Committee and Cabinet. Progress will be published on the council's website.

A series of performance indicators will be used to assess our performance in delivering the priorities set out in this strategy. Performance Indicators are currently being developed by directorates and will be considered by the Performance Scrutiny Committee.

Once agreed directorate performance indicators will form an appendix to this strategy.

# Resources to deliver our priorities

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## Draft Medium Term Financial Plan - Fire & Rescue and Community Safety

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m
Base Net Budget	27.9	28.4	28.0	28.2
Virements Agreed in 2013/14				
Inflation*	0.2			
Previously Agreed Pressures	0.3			
Previously Agreed Savings	-0.1			
New Savings Proposed	-0.7	-0.4	-0.5	-0.5
New Pressures Identified	0.8		0.7	
<b>Proposed Budget</b>	<b>28.4</b>	<b>28.0</b>	<b>28.2</b>	<b>27.7</b>

\*Inflation only allocated to directorates in 2014/15

## Details of Previously Agreed and Proposed Budget Changes

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b><u>Community Safety - 2013/14 Net Budget £2.594m</u></b>					
12CS19	S	Further savings to be achieved either through adopting an alternate model for provision of a Trading Standards Service (subject to options appraisal and approval) or through further reductions to be identified	-100				-100
14SCS32	P	Trading Standards - Joint working - pressure arising from non achievable saving in 2012/13 Medium Term Financial Plan.	100				100
15SCS13	NP	Cessation of contract to provide petroleum and explosives licensing and enforcement function for another local authority	25				25
15SCS14	NP	Reduction in income from legal metrology services arising from local business developing an accredited 'in-house' service (Trading Standards)	40				40
15SCS15	NS	Cease funding provided to local Community Safety Partnerships (with £44k retained to continue to support the Domestic Abuse Coordinator post)	-190				-190
15SCS16	NS	Cessation of dedicated Community Safety coordination work through the Safer Communities Unit		-194			-194
15SCS17	NS	Increased income from business support services and new specialist training service (Trading Standards)		-20			-20
15SCS18	NS	Reduction in livestock welfare enforcement work and refocus of remaining animal health activity on animal health and disease control (Trading Standards)		-30			-30
		<b>Total Community Safety</b>	<b>-125</b>	<b>-244</b>	<b>0</b>	<b>0</b>	<b>-369</b>

O - Previously Agreed One-Off Investment

P - Previously Agreed Pressure

S - Previously Agreed Saving

NS - New Saving Proposal

NP - New Pressure Identified

## Details of Previously Agreed and Proposed Budget Changes

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b><u>Fire and Rescue &amp; Emergency Planning - 2013/14 Net Budget £25.315m</u></b>					
		<b>Fire &amp; Rescue</b>					
14SCS31	P	Fire & Rescue - National agreement regarding the rights of Retained Fire Fighters to join the pension scheme	200				200
15SCS19	NP	Change of staffing to support county-wide Emergency Cover - Bicester Fire Station - potential staffing model change from fully on-call (2 appliances) to 1 appliance on-call and 1 appliance Day Crewed. (This will require an additional 10 firefighters plus 4 supervisory managers)			700		700
15SCS20	NP	Change of staffing to support county-wide Emergency Cover - Establish an initial additional emergency response resource for Southern County area - (requiring an additional 6 Firefighters)	216				216
15SCS21	NP	New provision of staff to meet changing emergency cover needs - Establish an initial additional emergency response resource for West Oxford District Council & Carterton area (additional 6 Firefighters) - long term move to an 'on-call' model	216				216
15SCS22	NP	Development of established staffing model to support emergency cover - Increase in on-call firefighters in the West Oxford District Council & Carterton area				50	50
15SCS23	NP	New Provision of Staff to meet changing emergency cover needs - Additional on-call crewing to strengthen second appliance response in Wantage / Science Vale area		50			50
15SCS24	NP	Workforce Development/Training Strategy - Increase on-call Firefighter & Supervisory Manager Core Operational Skills experiential training	210				210
15SCS25	NP	Vehicle Renewal/Replacement Programme - Increased costs (inflation and specialist equipment costs)	25				25
15SCS26	NS	Emergency Planning - Restructure and alignment with Oxfordshire Fire & Rescue in relation to business continuity management.			-20		-20
15SCS27	NS	Agile Working - Full review of administration and support function following the introduction of agile working arrangements				-60	-60
15SCS28	NS	Development of Commercial Training Unit (Income Generation)	-25	-25	-25	-25	-100

O - Previously Agreed One-Off Investment

P - Previously Agreed Pressure

S - Previously Agreed Saving

NS - New Saving Proposal

NP - New Pressure Identified



## Details of Previously Agreed and Proposed Budget Changes

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>Fire and Rescue Continued</b>					
15SCS29	NS	Collaboration Efficiencies - Revenue reductions associated with implementation of Thames Valley Fire Control Service (TVFCS)	-150	-75	-25	-25	-275
15SCS30	NS	Collaboration Efficiencies - reconfiguration of Oxfordshire Fire & Rescue's Technical Communications Team following the implementation of TVFCS			-25		-25
15SCS31	NS	Collaboration Efficiencies - Benefits realisation of collaborative approach to training delivery, leading to the reduction in staffing costs.			-50		-50
15SCS32	NS	Collaboration Efficiencies - Benefits realisation of collaborative approach to training support, leading to reconfiguration of training administration resources				-50	-50
15SCS33	NS	Senior Management Restructure and Collaboration - amend operational rota			-30		-30
15SCS34	NS	Charging and Fees Efficiencies - Review of current charges including revisiting Fire and Rescue Services Act 2004 Section 13/16 arrangements	-25	-25			-50
15SCS35	NS	Middle Management Review - Road Safety function		-40			-40
15SCS36	NS	Large/Major Incident Command Review - review OFRS resources in conjunction with the other Thames Valley fire & rescue services.				-30	-30
15SCS37	NS	Targeted Smoke Detector Provision for the most vulnerable only	-10				-10
15SCS38	NS	Review of Road Safety Educational Delivery	-38				-38
15SCS39	NS	Change of Staffing to Support County-wide Emergency Cover - Reduction in staffing for one on-call appliance at Bicester - covered by Day Crewed personnel (see 15SCS19)				-50	-50
15SCS40	NS	Conditions of Service Review - locally agreed reduction in allowances & subsistence	-20				-20
15SCS41	NS	Change of Staffing to Support County-wide Emergency Cover - Alternative crewing arrangements for hydraulic platform and frontline appliances at Rewley Road (releasing 8 Firefighter posts)	-288				-288

## Details of Previously Agreed and Proposed Budget Changes

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>Fire and Rescue Continued</b>					
15SCS42	NS	Change of Staffing to Support County-wide Emergency Cover - Banbury Fire Station - staffing model change from 1 appliance full time 24/7 and one on-call appliance to 1 appliance Day Crewed and one on-call (release 10 Firefighters plus 4 Supervisory Managers)			-360		-360
15SCS43	NS	Reduction in Full-time Firefighter Support - for new Carterton emergency cover arrangements (see 15SCS21)				-216	-216
		<b>Total Fire and Rescue &amp; Emergency Planning</b>	<b>311</b>	<b>-115</b>	<b>165</b>	<b>-406</b>	<b>-45</b>
		<b>Total Fire &amp; Rescue and Community Safety</b>	<b>186</b>	<b>-359</b>	<b>165</b>	<b>-406</b>	<b>-414</b>

# Environment and Economy Business Strategy

2014/15 – 2017/18

## Introduction

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This is a new four-year business strategy for 2014/15 to 2017/18. It builds on the previous strategy agreed in 2011 which included savings of £119m for the council which have been achieved by reconfiguring services to establish a smarter, leaner and more cost effective operating environment, whilst at the same time reshaping services to fit the changed local and national policy environment.

However the hard work does not stop here as cuts in government grant and restrictions on council tax increases put further pressure on the council's budget. In addition there are new service pressures that have been identified which need to be managed. The latest financial outlook means that our Medium Term Financial Plan (MTFP) 2014/15 – 2017/18 that sits alongside this strategy proposes a further £64m savings in addition to the £31m already planned.

This new strategy reflects the updated position and incorporates the pressures and savings in the existing MTFP together with the new budget proposals agreed by Council in February 2014. The detail of these pressures and savings is set out in the resources to deliver our priorities section.

This business strategy both drives and is driven by our strategic approach as set out in the Council's Corporate Plan and determines our performance management framework..

## Environment and Economy Directorate

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Environment and Economy is a diverse directorate, delivering and commissioning a range of highly visible services and functions, and supporting the Council's role in leading through partnership on the delivery of critical infrastructure and future economic growth. The Directorate delivers the Council's duty to maintain a safe highways network, probably the Council's most visible universal function. In addition to supporting Oxfordshire's role as the Minerals and Waste planning authority, Environment and Economy plays a vital part in supporting Districts in their local planning function, as Oxfordshire prepares for growth in the economy and housing, and for the infrastructure to support that growth.

The Environment and Economy Directorate also plays a role in delivering efficiency across the Council by integrating back office functions and services. In particular Oxfordshire Customer Services operates as a unit of the directorate, ensuring integration of back office and customer-facing functions. We also take the lead on implementing the 'corporate landlord' approach to property management and efficiency, working with our external partners, Carillion Capita Symonds.

## Our Contribution to the Council's Priorities

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The Environment and Economy Directorate delivers services which address every aspect of the Council's Corporate Strategy; the key theme of which is to deliver a **Thriving Oxfordshire**.

Oxfordshire has the greatest potential of any location in the UK to deliver world leading technology and business innovation which builds upon our academic and research excellence, led by our internationally renowned Universities, Oxford and Brookes. The directorate has the lead role in helping deliver the shared ambition of a **thriving economy** as an infrastructure provider and service deliverer. Our City Deal aims to deliver transformational growth through support to developing employing, exporting, profitable businesses from this research and innovation, helping those businesses thrive, and ensuring Oxfordshire is an attractive location for investment.

Oxfordshire as an economic region has underperformed and the County Council has a key role to play in creating the conditions that give investor confidence in Oxfordshire as the location of choice for the world's leading science and technology businesses. Our road network and public transport system are insufficient for the County's needs. Demand for housing and commercial premises has outstripped supply in recent years, leading to a shortage of available property, and pricing many employees and businesses out of the market.

As a rural County any economic growth needs to be carefully balanced against the need to preserve our countryside and enhance the environment. The directorate leads on the management of our countryside and through our property service ensures that the county council's presence in both rural and urban Oxfordshire is sympathetic both to the environment and the needs of that community.

The County cannot drive economic and social development alone, instead we must provide leadership and enable partnership working to ensure we create the conditions for economic growth. Strong and effective partnership working across the public, business and academic sectors has enabled a shared vision to be arrived at – one that is focused on realising our potential for economic growth through innovation.

Delivery of Oxfordshire's shared ambition is dependent upon the County Council continuing to inform and shape the statutory development plans of the District/City Councils. It is also dependent upon the County Council continuing to take an active role in working closely with the business and academic sectors.

The Customer Services Centre provides the front door to the Council's services, enabling customers to get what they need from the Council as quickly and efficiently as possible, ensuring we deliver efficient public services. The Customer Service Centre also performs a key role in supporting front line services to improve the performance and deliver savings by working with them to improve their process and simplify the customer's interaction with the council

Oxfordshire is a rural county and it is essential that our plans and investment proposals take into account the need for rural communities to continue to have access to our services in order to prevent rural isolation and to support our **healthy and thriving communities**, helping people to help themselves, as well as directly supporting the most vulnerable service users. Transport is a key factor in this regard, as well as in ensuring that we **support vulnerable people** of any age enabling them to access the support and services they need wherever they live.

## Services and Priorities

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### External Partnerships

The development of the shared vision for Oxfordshire – Economic Growth through Innovation – has been achieved through partnership working across the public, business and academic sectors.

The County Council has been a proactive partner in discussions that took place in support of the proposed City-Deal: it will continue to be a proactive partner in the work to develop the Strategic Economic Plan. The latter forms the basis for future Oxfordshire bids to the Local Growth Fund, which from 2015 will be the primary source of Government funding for capital investment in major structural maintenance and new highway schemes.

As part of our commitment to partnership working we will continue to:

- Be a member of the Spatial Planning and Infrastructure Partnership – and in particular contribute to its consideration of future levels and distribution of housing
- Be a member of the Local Enterprise Partnership – and act as the accountable body for the Partnership

- Support the work to deliver the City-Deal – in particular overseeing delivery of the priority transport schemes
- Support the work to develop the European Investment Strategy as the framework for the allocation of European funds managed by the Local Enterprise Partnership
- Contribute to the development of the Strategic Economic Plan – in particular ensuring that it provides the basis for robust bids to the Local Growth Fund
- Be a member of the Oxfordshire Skills Board – in particular working to deliver the skills initiatives associated with the City-Deal and Strategic Economic Plan

### **Economy and Skills**

The County Council has an important role to play in supporting economic growth and ensuring that the skills offer available is closely aligned with the needs and expectations of employers.

As part of our on-going commitment to support economic growth we will:

- Continue to run the Work Experience Service through which young people are placed with employers
- Actively promote apprenticeships to employers – building on the work to date which has seen Oxfordshire consistently exceed national performance with apprenticeships
- Support the ‘Invest in Oxfordshire’ inward investment service as it transitions into a self-funding service

### **Local Plans and Neighbourhood Plans**

The Local Plan – prepared by each of the District/City Councils – provides the statutory basis on which growth in each area is planned. It is essential that the implications of planned growth on County Council provided infrastructure and services is properly taken into consideration by the relevant district/city council.

Neighbourhood Plans are a recent introduction and form part of the statutory development plan (along with the Local Plan). Local communities are incentivised to produce a Neighbourhood Plan by the fact that where one exists they will receive 25% of any money collected through the Community Infrastructure Levy.

In protecting the interests of the County Council we will:

- Co-ordinate input from across the County Council into the Local Plan making process – including inputting into the drafting of Local Plans, responding to consultations and attending Public Examinations

- Engage in the preparation of detailed policy documents that supplement Local Plans – e.g. Supplementary Planning Documents, Area Action Plans
- Respond to consultation on planning policy documents issued by adjoining local authorities where these have an impact on Oxfordshire
- Provide base information to communities that are preparing Neighbourhood Plans and undertake (on a cost recovery basis) more detailed work to support Neighbourhood Plans

In order to mitigate the impact of new development the County Council will:

- Continue to negotiate and secure legal agreements on behalf of the County Council that provide the funding required to invest in new infrastructure and/or services
- Ensure that any proposal by a district council to introduce the Community Infrastructure Levy takes into account the County Council's infrastructure and service requirements
- Maintain a programme of works that ensures the developer contributions secured are spent in a timely manner to the benefit of the community

### **Other Statutory Planning Functions**

The County Council is responsible for preparing and keeping up-to-date the Local Transport Plan – a statutory document that sets out the long-term transport strategy for Oxfordshire.

Resources have been allocated to review and update the Local Transport Plan in order to consider the implications of changes in the delivery of services, as well as the implications of external factors – e.g. an aging population, new housing requirements.

The initial focus of work has been on updating the 'area strategies' for key locations across Oxfordshire so as to provide a basis for securing financial contributions from developers. Resources have been allocated to undertake the formal review of the Plan, with a timescale of completion within 18 months.

As the Highways Authority the County Council is a statutory consultee for highway matters on all planning applications. Recent months have witnessed a marked increase in the number of applications received as the economy picks up and as developers exploit the lack of up to date Local Plans.

In its role as Highway Authority the Council:

- Sets itself the target of responding to consultations on planning applications within 21 days.



- Review its processes and procedures with a view to introducing 'standing advice' that can be used by the District/City Councils when dealing with smaller planning applications
- Continue to recover from developers the cost of the work required to adopt roads built as part of new developments

### **Minerals and Waste**

- As the statutory Minerals and Waste Local Planning Authority the County Council is responsible for preparing, monitoring and reviewing the Minerals and Waste Local Plan.
- Work continues on the preparation of the Minerals and Waste Local Plan. Following the need to review that work in light of changes introduced through National Planning Policy Framework, the County Council will consider the draft Local Plan in autumn 2014 prior to its submission to Government.
- The County Council also has the statutory duty to consider and determine all minerals and waste planning applications. Resources continue to be allocated to ensure that the Council's performance in determining planning applications exceeds the Government's national targets.

### **Highways**

The County Council has a duty to maintain a safe highway network under the Highways Act 1980. The highways maintenance service is continuously under scrutiny because it affects everybody every day and is high on the issues that the public are most concerned about.

The County Council maintains the highway network using an integrated Highways Services Contract (currently with Skanska). This contract has been in place for approximately 3 years.

Highways maintenance is split into three main areas as follows:

- Planned – Capital funded work on carriageways including surface dressing, bridgeworks and drainage schemes.
- Cyclic – e.g. gully emptying, grass cutting, signs and lines, weed control and safety fence tensioning.
- Reactive - defect repairs (potholes and small patching works), flooding responses, winter maintenance.

The County has:

- 4,576 km of Roads
- 3,170 km of footways
- 2,900 bridges and structures
- 59,600 Street Lights
- 105,225 Drainage Gullies

As a Council we are committed to prioritising highways maintenance so we can continue to maintain the road network and avoid reactive maintenance costs.

Working with our partner Skanska we are moving to a more asset led approach which ensures that money is used in the most efficient way rather than 'worst first' thus delivering better value for money and a more stable asset.

We also recognise that this is an area of our business that the public care about, for it has an immediate impact on their day to day lives, and we are improving public information and access to information (e.g. introduction of FixMyStreet defect reporting on the web site, improved information to members at locality meetings)

### **Network Management**

The service enables the council to fulfil its obligations under the Traffic Management Act 2004 and manages the flow of traffic through the transport network and includes:

- Network management through the traffic control centre
- Real time information
- Streetworks
- Parking
- Civil Parking Enforcement in Oxford City and West Oxfordshire.

The County Council delivers these services through a variety of contracts and in-house provision and uses a range of methods to control traffic movement and to keep the public informed of issues on the highway network, including having BBC Radio Oxfordshire embedded in our control room at peak times.

The service is funded through a combination of revenue and income with the streetworks and parking services wholly funded through income. It is important to note that the Council is only allowed to charge enough to cover its costs and uses the parking account to enable it to manage the peaks and troughs of income over years without impacting on council revenue budgets.

### **Supported Transport**

The Council currently spends circa £30m a year on a range of different transport services. This includes funding home to school transport for eligible school children, providing transport to and from day centres for adult social care clients, subsidised bus routes, support to community transport services, and subsidising concessionary bus passes for the elderly and disabled, along with various other forms of direct or indirect provision.

Subject to approval by Cabinet the Council will pool these budgets to enable a comprehensive review of the transport services it supports to be undertaken and pilot opportunities for change, aspiring to achieve the following:

- To create a better integrated, rationalised transport network
- To safeguard the council's most vulnerable transport users
- To ensure Oxfordshire's residents (in particular young people) are enabled to access employment through transport
- To ensure available resources are targeted at those users with the greatest need
- To reduce OCC's overall expenditure on transport

At the heart of the programme's approach has been the principle of encouraging the voluntary and community sector to mitigate the impact of service reductions.

### **Property**

Our buildings are the public face of the County Council but we need to consider how best to utilise them to enable our customers to access services in the manner which best meets their needs.

The County Council's property portfolio comprises approximately 830 operational properties with an asset value of approximately £800m.

The main property types are:

Secondary schools	Day centres
Primary schools	Highway depots
Special schools	Staff houses
Offices	Children's centres
Fire stations	Early intervention hubs
Libraries	Waste recycling centres
Museums	Homes for older people

As part of our commitment to protecting front line services we are committed to supporting the Council and partners in transforming the ways we work, maximising efficiency from technology, property, and our people:

- Proactively identifying opportunities to further reduce our asset base triggered by changes in the way we deliver our services and by using lease breaks to reduce the number of offices from which the County Council operates.
- Actively working with other local authorities and public sector agencies to identify and realise opportunities to co-locate services and staff which will not only reduce our property costs, but also deliver improved and more efficient services to the public.
- Providing staff with the support and equipment that enables them to work in the most cost effective and efficient way in order to maximise the time that they can spend with our customers
- Proactively secure the disposal of surplus property at the earliest opportunity possible

The County Council also provides support to the corporate estate including premises management, health and safety and repairs and maintenance. Working with our partner, Carillion Capita Symonds, the Council manages the balance between planned and reactive maintenance of our property estate to ensure that the asset is managed efficiently and is fit for purpose.

## **Waste Management**

The team provides services that help manage approximately 300,000 tonnes of municipal waste every year, and fulfills the County Councils statutory responsibilities as the Waste Disposal Authority through the delivery of:

- 7 Household Waste Recycling Centres
- 2 Anaerobic Digestion facilities that treat the county's separately collected food waste
- An In Vessel Composting facility that treats mixed food and green waste
- 3 composting facilities for the treatment of the county's green waste
- The safe disposal of over 100,000 tonnes of municipal waste every year
- Ongoing management of 10 closed landfill sites so they do not pollute the environment.

Construction of the Energy from Waste facility at Ardley is well underway, with a 2014 commissioning date. Once on-line, the facility will deal with the overwhelming majority of municipal residual waste, and reduce the amount that needs to be sent to landfill. The construction of 2 new waste transfer stations will enable residual waste to be transported to the Ardley facility. The energy created as a by-product of the Energy from Waste facility provides the County Council with a revenue stream that supports its activities as Waste Disposal Authority.

### **Customer Service Centre**

The Customer Service Centre provides the front door to most of the Council's services, supporting residents as customers to get what they need from the Council as quickly and efficiently as possible. The Customer Service Centre also performs a key role in supporting front line services to improve the performance and deliver savings by working with them to improve their process and simplify the customer's interaction with the council.

The Customer Service Centre is committed to delivering a better customer experience for Oxfordshire residents, and future savings based on the following principles:

- We will provide our services on line whilst accepting that for some customers, telephone, e-mail and surface mail will remain the preferred route for some. ("Digital by default")
- Service improvement should be a continuous exercise and an embedded approach embracing all staff from top to bottom.

- Customers should have a single point of access to the Council and we should minimise the number of additional contacts they experience to get the job done.
- We will work towards a “single view” of the customer so that our advisers have a complete understanding of the customer’s engagement with the Council whenever they talk to them.

### **Oxfordshire Customer Services Externalisation**

The Transforming OCS Programme has delivered a number of process improvements and self-service practices for the Council which has contributed to the current OCS MTFP. It is acknowledged internally and externally that OCS cannot deliver further significant savings without externalisation or significant investment in automation.

There are serious concerns over the continuing viability of in-house back office services and support services for schools. Proposals for the externalisation of a range of back office services provided by Oxfordshire Customer Services, the Schools and Learning Service and the Foundation Years Services were considered and agreed by Cabinet.

The Cabinet has agreed the following approach:

- ICT Business Delivery is already subject to considerable change that is being managed internally and will lead to 50% of the service being fully commissioned by April 2014. It is proposed that the reshaping of ICT and extension of commissioning should continue as an internally managed programme.
- HR & Financial Services provide very little opportunity for further improvement or additional savings using the current delivery model. The Council should seek a fully outsourced service from one of the national providers which could see cost reductions of between 20 and 30%.
- OCS School Back Office Services could be linked in a procurement exercise with Corporate back office or with Schools and Learning/Foundation Years services but the £2.4M trading position will not be attractive in its own right.
- The remaining in-house delivery to meet the Council’s own skills/learning needs should cease and all future requirements should be commissioned as necessary;
- Discussion should be opened now with local Oxfordshire providers first with a view to externalising qualification based learning and to determine the future of the remaining skills and learning provision.

## ICT Business Delivery

During 2010/11, ICT went through a 25% reduction in staff and the “development” side of ICT was reorganised to ensure that projects commissioned by directorates were fully funded. Since then, business application staff in CEF and elsewhere have been consolidated into ICT, infrastructure has been streamlined with new technology platforms being secured (notably MS Dynamics & Sharepoint).

The challenges facing ICT are those which confront the rest of the Council. The Council has continued to scale down in terms of staff, property and services. Industry changes are also a factor in shaping the new direction. We now have an option to fully commission all fixed and mobile telephony services on a per user/per device basis giving us maximum flexibility. We will move most of the council’s servers and data storage equipment from the Clarendon House Data Centre “to the cloud” in a two-phased exercise that will deliver a substantial advantage in cost avoidance within 2 years. By taking this approach, the council will relinquish the need to own and refresh expensive infrastructure and will simply consume and pay based on organisational needs.

ICT will move away from being a direct provider to focus on the application of technology needed to drive efficiencies at Service level. This means accelerating work on commissioning services where these make sense commercially and where we cannot afford or secure the technical skills and capacity in-house. It also means greater focus on the residual strategic client and how we manage our relationships with our partners to ensure we get the best value from our contracts.

## How our services are changing

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The business of the Environment and Economy Directorate is diverse and we have taken a tailored approach to identifying savings in each of our services to ensure that we minimise the impact on our customers.

There are some overarching principles that we have applied when approaching savings across the directorate:

- We must continue to meet our statutory duties and ensure we safeguard our most vulnerable and isolated service users
- Services should no longer be provided by the County Council unless there is clear strategic value to retain the delivery of them in-house. However, we will ensure that our customers, schools and academies continue to have access to the services they need and where possible, these services should be based locally.

- We will focus on opportunities for our activities to support economic growth in the county, and maximise our contribution to the national economy.
- We will maximise efficiency for the council as a whole - seeking out opportunities to reduce the asset base of the council and to co-locate with other partners where possible. We will enable our staff to work more flexibly so as to reduce the office based footprint of the council and to enable staff to best meet their clients' needs.
- We must maximise opportunities for income generation and drive best value out of all our contracts.
- We will work creatively with our public and voluntary sector partners to build capacity within our communities to respond to changes in services.
- We will provide a focus on customer services to enable our customers to get what they need from the council using the fastest and most effective channel. Customers should have a single point of access to the council and their needs met with as few 'contacts' as possible.

We are rolling out a programme of 'agile working' in order to support the new ways of working necessary to deliver these priorities. Agile working means: giving staff the right equipment and working environment to suit their role and service; working in a more flexible way that makes best use of staff time, buildings, and resources; and taking advantage of changes in technology and working styles to become more efficient. This will ultimately protect delivery of front line services as far as possible.

## Managing our performance

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The successful delivery of the council's Corporate Plan and business strategy will be monitored on a quarterly basis by the Performance Scrutiny Committee and Cabinet. Progress will be published on the council's website.

A series of performance indicators will be used to assess our performance in delivering the priorities set out in this strategy. Performance Indicators are currently being developed by directorates and will be considered by the Performance Scrutiny Committee.

Once agreed directorate performance indicators will form an appendix to this strategy.



# Resources to deliver our priorities

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## Draft Medium Term Financial Plan - Environment & Economy

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m
Base Net Budget	121.7	121.7	111.6	108.5
Virements Agreed in 2013/14	-1.5			
Inflation*	1.5			
Previously Agreed Pressures	3.9	-2.4	-0.1	
Previously Agreed Savings	-6.7	-3.1	-1.9	
New Savings Proposed	-1.4	-5.1	-2.4	-6.2
New Pressures Identified	4.2	0.5	1.3	-1.1
<b>Proposed Budget</b>	<b>121.7</b>	<b>111.6</b>	<b>108.5</b>	<b>101.2</b>

\*Inflation only allocated to directorates in 2014/15

## Details of Previously Agreed and Proposed Budget Changes

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>Strategy &amp; Infrastructure - 2013/14 Net Budget £9.2m</b>					
EE36	P	Assumed impact of loss of Local Authority Business Growth Incentives grant funding	50				50
EE39	P	Carbon Reduction pressures due to change in government policy	45				45
EE41	P	Carbon Reduction Tax (street lighting and non - school properties)	73				73
14EE36	O	One-off funding of £0.050m in 2013/14 to develop improved and joined up technical solutions to paying for journeys across Oxfordshire and beyond	-50				-50
EE6	S	Policy & Strategy activity reduced until 2013/14 in the previous Medium Term Financial Plan - reduction falls out in 2014/15	155				155
EE3	S	Remove additional external funding assumed to be received until 2013/14 (relating to road adoptions)	100				100
EE63	S	Income Generation (countryside)	-10				-10
EE30	S	Energy Reduction saving - Schools' contribution (20% top slicing energy efficiency)	-33				-33
EE31	S	Energy Reduction Savings - Directorate contribution (20% top slicing energy efficiency)	-14				-14
EE51	S	Restructuring of Planning, Planning Implementation and Economic Development teams	-76				-76
EE52a	S	Countryside Service - reduction in service level	-2				-2
EE33	S	Carbon Management (reduced carbon allowances from 3% reduction)	2				2
NR5	S	Transition to Community Infrastructure Levy (CIL)	-100				-100
NP2	P	Energy Reduction - Revenue investment falls out in 2014/15	-250				-250
14EE4	S	Increased efficiency on administration for road adoptions	-100				-100
14EE32	S	Asset Rationalisation Savings - Further rationalisation of our property portfolio dependent on capital investment.		-200	-250		-450
14EE11	S	Reduction in policy & strategy activity	-155				-155
14EE16	O	Economic Development & Growth - Increased capacity to gather business intelligence and help address barriers to growth.			-100		-100
15EE1	NS	Carbon Reduction Tax - Council no longer part of government scheme (below threshold)	-120	-290			-410
15EE2	NS	Merger of Energy, Natural Environment and Waste Strategy Teams	-35	-120			-155
15EE3	NS	Recover costs for Local Enterprise Partnership administration and communication	-70				-70
15EE4	NS	Reduction to Economy & Skills Establishment	-45				-45
15EE5	NS	Unidentified Savings within Strategy - Delivery being planned			-150		-150
15EE6	NS	Move to a self funding position for travel planning			-75		-75
15EE7	NS	Move to a self funding position for Invest in Oxfordshire			-125		-125
15EE8	NS	Reduce Travel Behaviour and Energy non-staffing budgets		-240			-240
15EE9	NP	Rights of Way Income - Reduction in target	75				75
15EE10	NS	Asset Rationalisation - Agile working - Over and above the medium term plan target				-640	-640
15EE11	NP	Asset Reduction Implementation - Change in profile	522	-477	711	-756	0
		<b>Total Strategy &amp; Infrastructure</b>	<b>-38</b>	<b>-1,327</b>	<b>11</b>	<b>-1,396</b>	<b>-2,750</b>

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## Details of Previously Agreed and Proposed Budget Changes

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>Commercial Services</b>					
		<b>Miscellaneous - 2013/14 Net Budget £0.3m</b>					
14EE1	P	Reduction in the planned drawdown on the Parking Account from 2014/15 to reflect the balance expected to be available for use.	500				500
	S	Updated contribution to (+)/from (-) On & Off Street Parking Account to revenue budget following: a) re-introduction of street parking charges b) re-introduction of charges at the County Council's park and ride car parks.	-1,073				-1,073
EE52b	S	Countryside Service - reduction in service level	-11				-11
15EE12	NS	Other staff/staffing facilities reduction	-45	-10	-50		-105
15EE13	NS	Unidentified Saving- within Commercial Services delivery being planned				-535	-535
		<b>Subtotal Miscellaneous</b>	<b>-629</b>	<b>-10</b>	<b>-50</b>	<b>-535</b>	<b>-1,224</b>
		<b>Transport Others - 2013/14 Net Budget £14.9m</b>					
EE9	S	Reduce levels of Bus Subsidy through contract efficiency	-250				-250
14EE12	O	Public Transport contracts saving - Savings have been realised in 2012/13 resulting in a re-profiling of future years' savings	250				250
14EE6	S	Highways contract management savings		-80			-80
S5	S	Rephasing of Community Transport Saving originally agreed as £1.3m per annum from 2012/13.	-100				-100
14SCS17	O	Transport for Day Services. Charging for transport to day centres from April 2013 will not generate sufficient income but the outcome of the Corporate Review of Community Transport may identify savings and additional income in future years. £0.4m of the savings target has been re-scheduled over 2013/14 to 2015/16.	100	-400			-300
15EE14	NS	Supported Transport Project savings which includes review of: transport contract management, Dial a Ride, bus subsidies, home to school transports including SEN	-325	-425	-750	-1,700	-3,200
15EE15	NS	Highways Contract process efficiency		-20		-118	-138
15EE16	NS	Withdraw contributions to Bus Stop infrastructure information		-58		-57	-115
		<b>Subtotal Transport Other</b>	<b>-325</b>	<b>-983</b>	<b>-750</b>	<b>-1,875</b>	<b>-3,933</b>

## Details of Previously Agreed and Proposed Budget Changes

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>Property Services - 2013/14 Net Budget £19.5m</b>					
NS-D1	S	Asset Rationalisation Savings- Increased realisation of Portfolio Reduction savings (net of dilapidation costs)	-450				-450
EE43/66	S	Asset Rationalisation Savings - Reduction in operational costs through Strategic Management of Property	5				5
EE40	S	Reduction in Repairs & Maintenance by 40% overall until 2012/13 (which start to fall out in 2013/14).	180				180
14EE5	S	Estimated facilities management contract savings	-120	-100	-20		-240
14EE26	S	Further savings from Facilities Management contract dependent on experience of phase 1 of contract			-175		-175
14EE34	S	Reintroduce maintenance 'holiday' to non-school property - suspension of non-statutory property maintenance work		-200	-707		-907
14EE27	S	Asset Rationalisation Savings - Reduction in rates due to reduction in property portfolio.	-100				-100
14EE15	O	Asset Rationalisation Savings - re-profiling of pressure.	250	-250			0
15EE17	NS	More rigorous corporate Landlord Implementation	-300				-300
15EE18	NS	Property and Facilities staffing including - reduce facilities management structure/Property & Facilities service stream/Property and Facilities staffing			-60	-400	-460
15EE19	NS	Reduce size of property portfolio therefore reducing the overall size of contract		-200	-100	-100	-400
15EE20	NS	Reduce planned Property Repairs and Maintenance				-400	-400
15EE21	NP	Property Energy Costs - Statutory Compliance	150				150
		<b>Subtotal Property Services</b>	<b>-385</b>	<b>-750</b>	<b>-1,062</b>	<b>-900</b>	<b>-3,097</b>

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## Details of Previously Agreed and Proposed Budget Changes

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>Waste Management - 2013/14 Net Budget £22.7m</b>					
		<u>Waste Disposal</u>					
Waste	P	Landfill Allowance Trading Scheme (LATS) purchase/fines as per previous tonnage & market assumptions	144				144
NS5	S	Landfill Allowance Trading Scheme (LATS) budget - reduce by £0.500m (50% the budget available) in 2012/13 due to better waste performance - Of the £0.500m savings £0.325m is temporary for 2-years as it forms part of the Value for Money valuation for the Waste Treatment contract. Total savings over the MTFP are £0.175m.	325				325
Waste	S	Landfill Tax escalator - reduction in pressure reflecting increase diversion from landfill disposal. Assumes £80/tonne in 2014/15.	1,110				1,110
Waste	P	LATS & Landfill Tax Adjustment	1,456				1,456
Waste	S	LATS & Landfill Tax Adjustment	-1,456				-1,456
15EE22	NP	Increased Waste Tonnage - linked to the economic up turn and increase in number of households		500	500		1,000
		<u>Waste Treatment Procurement</u>					
EE35	P	Waste Treatment Procurement - Delay in operational implementation of Energy from Waste Facility	-978				-978
14EE14	O	Waste Treatment Facility slippage on the original implementation date	489	-489			0
14EE8	S	Reduce Bulking and Haulage contract costs - resulting from planned opening of the new waste management facility		-300			-300
15EE23	NS	Commercial Waste & Electrical energy from waste - 3rd Party Income				-1,300	-1,300
		<u>Waste Recycling Centre Strategy</u>					
EE34/EE49	S	Revised Waste Recycling Centre Strategy - as agreed and publicised earlier in 2011 (Impact of retaining Redbridge at weekends and on bank holidays).	-208				-208
15EE24	NP	Household Waste Recycling Centres - additional pressure from increased Redbridge Rent and unachieved savings; new strategy for future savings to be developed	358			-350	8
		<u>Oxfordshire Waste Partnership</u>					
EE59	S	Waste Management - review financial incentives to Waste Collection Authorities	-600				-600
14EE3	S	Oxfordshire Waste Partnership -phased withdrawal of non-statutory waste incentives	384	-232	-213		-61
15EE25	NS	Withdraw contribution to Oxfordshire Waste Partnership		-138			-138
		<u>Other Waste Management</u>					
EE57	S	Reduction in grants to external groups (Waste Management)	-117				-117
EE64	S	Income Generation (Waste Management)	-20				-20
		<b>Subtotal Waste Management</b>	<b>887</b>	<b>-659</b>	<b>287</b>	<b>-1,650</b>	<b>-1,135</b>

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## Details of Previously Agreed and Proposed Budget Changes

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>Network Maintenance - 2013/14 Net Budget £13.8m</b>					
EE14	S	Increase part night lighting by 28,000 units (2 phases of £14,000 units) and decommission areas of lighting - subsequently removed as saving could not be achieved.	-100				-100
NP1	P	Energy cost pressures - Street Lighting - impact of energy cost inflationary pressures estimated at 50% over 5 years (inflationary pressure 15% 2012/13 10% thereafter)	217				217
EEP2	P	Parking Account to generate surplus to redistribute	25				25
EE11	S	Increase charge for residents' & other permits - implemented on 15 August 2011	-25				-25
NS1 & 2	S	On-going impact of changes in park and ride parking charging policies - Long stay charging, facility income and on street parking charges	-100				-100
14EE7	S	Introduce day time car parking charges at the County Council park and ride locations	-250				-250
14EE13	O	Bridges Investigation - Improved information required on the condition of our bridges to ensure their safety. One-off pressure falling out.	-350				-350
14EE17	O	Bridges investigation - fund from reserves. One-off funding falling out.	350				350
15EE26	NS	Reduce the support for street works and events management		-30			-30
15EE27	NS	Reduce Road Survey Budget/other network maintenance/Network management general restructure/joint workings/Further other network maintenance		-100	-102	-281	-483
15EE28	NS	Street Lighting -Energy Saving plus reduction in inspection frequencies and cleaning regimes	-220		-390	-30	-640
15EE29	NP	Pressure on parking related services	300				300
15EE30	NS	Income generated through sponsorship and providing other services		-230	-100	-400	-730
		<b>Subtotal Network Maintenance</b>	<b>-153</b>	<b>-360</b>	<b>-592</b>	<b>-711</b>	<b>-1,816</b>

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## Details of Previously Agreed and Proposed Budget Changes

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>Roads Maintenance - 2013/14 Net Budget £12.5m</b>					
14EE9b	S	Refocus of Area Stewards Fund for Road Maintenance	-1,090				-1,090
14EE10	S	Reduction in road patching work and pre-planned surface maintenance schemes		-700	-310		-1,010
EE13	P	Flood and extreme weather pressure	336				336
EE15	S	Reduce Section 42 payments	-10				-10
15EE31	NS	Reorganisation of Area Stewardship and locality working staff	-52	-145			-197
15EE32	NS	Reduce Grass Cutting		-689			-689
15EE33	NS	Alternative defect repairs		-200			-200
15EE34	NS	Significant defect correction lines/signs				-175	-175
15EE35	NS	Reduction in non-essential tree maintenance		-90			-90
15EE36	NS	Other Highways Savings		-92	-88		-180
15EE37	NP	Additional investment in highways defects following increased volumes	1,800	700			2,500
15EE41	NP	Additional investment in highways (locality based)	1,000	-200			800
		<b>Subtotal Roads Maintenance</b>	<b>1,984</b>	<b>-1,416</b>	<b>-398</b>	<b>-175</b>	<b>-5</b>
		<b>Total Commercial Services</b>	<b>1,379</b>	<b>-4,178</b>	<b>-2,565</b>	<b>-5,846</b>	<b>-11,210</b>
		<b><u>Oxfordshire Customer Services - Net Budget £29.6m</u></b>					
		<b>OCS Management Team</b>					
CS8	S	Reduction in establishment following implementation of the Business Strategy	-99				-99
CC12a	S	Revision to Customer Services Centre - project savings targets	19				19
NS-F1	S	The New OCS Operating Model - Extending the model for Human Resources and Finance.	-150				-150
14EE24	S	Reduce HR & Finance staff in line with projected downsizing of organisation		-300			-300
14EE30	S	Externalise or cease non-mandatory HR/Finance activities - staff reductions		-145			-145
14EE31	S	Consolidate and out source print services	-250				-250
14EE34	O	Procurement costs of externalisation of customer services	750	-750			0
15EE38	NS	Oxfordshire Customer Services externalisation	-100	-2,055			-2,155
		<b>Subtotal OCS Management Team</b>	<b>170</b>	<b>-3,250</b>	<b>0</b>	<b>0</b>	<b>-3,080</b>

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Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>OCS Finance</b>					
14EE23	S	Application of full overhead costs to the Pension Fund	-160				-160
		<b>Subtotal OCS Finance</b>	<b>-160</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-160</b>
		<b>ICT (2013/14 Net Budget £11.3m which is included in the £29.6m net budget for Oxfordshire Customer Service)</b>					
CCP2	P	Changes to ICT maintenance requirements	96				96
CCP5	P	Increased demand on Oxfordshire Community Network (OCN)	75				75
CCP8	P	Telephony maintenance	6				6
CS11	S	Review of ICT staff structure	-74				-74
NP7	S	Pressure on existing OCN services - Cost of schools pursuing other solutions to the Councils Oxfordshire Community Network (OCN) which would result in a loss of income.	213				213
NS7	S	OxOnline Project (replacement of OCN infrastructure) - Reduced revenue operating costs.	-564				-564
NS-E1	S	Telephony Strategy (assumes all budgets transfer to ICT) - Reduced reliance of fixed line desk based telephony.	-200				-200
14EE19	S	ICT infrastructure maintenance reduction enabled through reduced need and tighter control in costs	-96				-96
14EE20	S	Reduction in Oxfordshire Community Network (OCN) contract payment & telephony maintenance	-294				-294
14EE22	S	Removing/ rationalising ICT applications which reduces maintenance costs		-150	-150		-300
14EE28	S	Removal and recycling of ICT Hardware	-50		-50		-100
14EE29	S	ICT reductions associated with data centre - Movement to "Cloud" allows reductions in staff and maintenance		-290			-290
14EE33	S	ICT reductions based on property rationalisation	-200	-400			-600
14EE35	O	OCC Data Centre - Investment to secure the transition to Cloud	350	-500			-150
15EE39	NS	ICT Rationalisation - including implementation of new telephony technology			-400		-400
15EE40	NS	SAP Hosting efficiencies through joint authority partnering arrangements	-100				-100
		<b>Subtotal ICT</b>	<b>-838</b>	<b>-1,340</b>	<b>-600</b>	<b>0</b>	<b>-2,778</b>

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## Details of Previously Agreed and Proposed Budget Changes

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>County Procurement</b>					
CC18	S	Savings resulting from a review of Procurement Services	-30				-30
		<b>Subtotal County Procurement</b>	<b>-30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-30</b>
		<b>Customer Service Centre</b>					
CS16	S	Additional Customer Services Centre project savings	-19				-19
		<b>Subtotal Customer Service Centre</b>	<b>-19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-19</b>
		<b>Human Resources (including Adult Learning)</b>					
CS4	S	20% reduction in staffing establishment over 4 years	-151				-151
CS5	S	20% reduction of Learning & Development budget over 4 years	-37				-37
14EE21	S	Remove schools service provision subsidy - application of full overhead costs	-250				-250
		<b>Subtotal Human Resource (Including Adult Learning)</b>	<b>-438</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-438</b>
		<b>Total Oxfordshire Customer Services</b>	<b>-1,315</b>	<b>-4,590</b>	<b>-600</b>	<b>0</b>	<b>-6,505</b>
		<b>Total Environment &amp; Economy</b>	<b>26</b>	<b>-10,095</b>	<b>-3,154</b>	<b>-7,242</b>	<b>-20,465</b>

# Chief Executive's Office Business Strategy

Incorporating Cultural Services

2014/15 – 2017/18

## Introduction

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This is a new four-year business strategy for 2014/15 to 2017/18. It builds on the previous strategy agreed in 2011 which included savings of £119m for the council which have been achieved by reconfiguring services to establish a smarter, leaner and more cost effective operating environment, whilst at the same time reshaping services to fit the changed local and national policy environment.

However the hard work does not stop here as cuts in government grant and restrictions on council tax increases put further pressure on the council's budget. In addition there are new service pressures that have been identified which need to be managed. The latest financial outlook means that our Medium Term Financial Plan (MTFP) 2014/15 – 2017/18 that sits alongside this strategy proposes a further £64m savings in addition to the £31m already planned.

This new strategy reflects the updated position and incorporates the pressures and savings in the existing MTFP together with the new budget proposals agreed by Council in February 2014. The detail of these pressures and savings is set out in the resources to deliver our priorities section.

This business strategy both drives and is driven by our strategic approach as set out in the Council's Corporate Plan and determines our performance management framework.

## Chief Executive's Office Directorate Overview

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The focus of the Chief Executive's Office is on working with members to set the direction of the council and support the organisation through a period of significant change. Registration & Coroner's and Cultural Services also form part of the Directorate's responsibilities.

## Delivering the Council's corporate priorities

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The Chief Executive's Office provides a number of key support functions to enable directorates to achieve the council's overarching goal of '**A Thriving Oxfordshire**'. This includes:

- working closely with the Leader and Chief Executive on the strategic direction and priorities of the council;
- providing the governance framework for the council and supporting members to make democratic decisions;
- supporting service delivery through provision of HR, legal, finance services and providing policy trouble-shooting capacity and data when required;
- delivering internal audit and setting the risk and performance management framework for the council
- communicating key messages through the local media and within the council;
- working in partnership with local and national stakeholders, and ensuring that we position the county council effectively.

Registration & Coroner's and Cultural Services (including Libraries, Museums and the History service), along with our work with the voluntary and community sector play an important role in the delivering **Thriving People and Communities, and Thriving Economy**:

- Attracting wedding business into Oxfordshire and proving citizenship ceremonies to welcome our new citizens
- Undertaking Coroner's investigation and inquiries into sudden or unexplained death and providing support to families through this difficult time.
- Targeting work to support and increase children's, young people's and families' literacy and learning
- Contributing to cultural tourism and creative educational programmes and connecting communities to their heritage

## Services and Priorities

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The Chief Executive's office consists of four small units, (Corporate Finance, Corporate HR and Communications, Law and Governance and Policy) plus Registration & Coroner's and Cultural Services (which includes Library, Museums and History Services).

The **Policy Team**'s current service activity includes:

- Working with the Cabinet and County Council Management Team to articulate the council's strategic direction
- Providing policy and trouble-shooting support to council directorates to support delivery of key priorities and support the service and resource planning process
- Working with external stakeholders to support delivery of the council's priorities
- Cabinet and County Council management team support and forward planning
- Setting the framework for the council's approach to working at a local level in communities
- Leading work with the voluntary and community sectors
- Research and intelligence team, providing key evidence to support service delivery
- Performance management
- Service and resource planning (with finance)
- Supporting scrutiny and cabinet advisory groups
- Chief Executive's personal office, including support to the Chairman of the Council and the Oxfordshire Lieutenancy

**Corporate Finance (including Internal Audit and Insurance)** lead on the council's key financial processes including working with members to set the budget, Medium Term Financial Plan and capital programme. The service provides support, advice and challenge to high risk areas, projects and programmes, together with a lead advisor on financial matters for each directorate. As part of our statutory requirement we are required to have an officer responsible for the arrangements for the proper administration of its financial affairs, this is the Chief Financial Officer. Internal Audit provides a level of assurance by managing the internal governance and reporting, this also includes managing risk.

**Corporate HR** ensures that the council complies with employment legislation and has a skilled, motivated and informed workforce. Current service activity includes:

The **Strategic HR** team which defines, develops and communicates a comprehensive employment framework for all major aspects of work and employment. Key areas are policy development, professional advice, Corporate Employer and workforce analysis.

The **Organisational Development** team drive organisational effectiveness by supporting effective change management ensuring the council has a skilled workforce capable of fulfilling statutory duties. Key areas are performance management, workforce planning, learning & development and Investors in People

The **Communications** team agree a communication strategy with County Council Management Team and Cabinet who are the decision making body of the council at the start of each year. Key areas are media and public relations, internal communications, marketing, consultation and digital.

**Legal Services** provides comprehensive legal advice, representation and assistance to the council and all directorates. This includes:

- Attendance and representing the council in the Supreme Court, Court of Appeal, High Court and all other lesser courts (including Magistrates and Tribunals)
- Provide legal advice on contracts, developer agreements, highways and property matters.

The **Governance** team provides administrative support to Councillors and co-opted members and electoral support for the Returning Officer who has to oversee the electoral process. The team are also responsible for:

- Effective and compliant governance arrangements including compliance with all public law requirements and Member/Officer codes of conduct

- Oversight of the Council's constitution policies and procedures
- Managing the proper administration of Schools admissions appeals, exclusions appeals, and transport appeals.
- Co-ordination of the Freedom of information process
- Liaising with Local Government Ombudsman in relation to complaints

**The Registration and Coroner's Service** provide a statutory service that serves people at key times of their lives including:

- Full Registration Service for all births, deaths, marriages and civil partnerships within Oxfordshire. This service also:
- Delivers civil partnerships, citizenship ceremonies, Nationality Checking Services, Settlement Checking Service, and additional celebratory services such as naming ceremonies.
- Delivers the national Tell Us Once service to the bereaved
- Investigates deaths that appear violent, unnatural, sudden, of unknown cause, or occurring in legal custody; as well as military repatriations through the Coroner's Service.

**Cultural Services** provide opportunities for people of all ages to participate in and enjoy the arts, to acquire new skills and knowledge through:

- **The Library Service** provides access to books, information and knowledge to support the recreational, cultural and educational needs of those who live, work and study in Oxfordshire.
- **The Museum Service** enables the long term care and preservation of the County collection of Oxfordshire archaeology and history material.
- **The History Service** preserves and makes available the historic documents, photographs, and printed resources necessary for the public to understand the history of Oxfordshire.

## How our services are changing

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The Chief Executive's Office is changing to reflect the needs of the organisation. We are reducing the number of staff, reducing the internal spend along with reducing the services we provide to the rest of the organisation and reducing some of the grant funding. This means in the future we will be providing a more flexible and responsive service looking at self-service approaches. We will also be reviewing statutory and non-statutory services and the charges we make for these.

## Managing our performance

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The successful delivery of the business strategy will be monitored on a quarterly basis by the Performance Scrutiny Committee and Cabinet. Progress will be published on the Council's website.

A series of performance indicators will be used to assess our performance in delivering the priorities set out in this strategy. Performance Indicators are currently being developed by directorates and will be considered by the Performance Scrutiny Committee.

Once agreed directorate performance indicators will form an appendix to this strategy.



# Resources to deliver our priorities

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## Draft Medium Term Financial Plan - Chief Executive's Office

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m
Base Net Budget	27.4	28.3	28.1	27.7
Virements Agreed in 2013/14	1.6			
Inflation*	0.6			
Previously Agreed Pressures	-0.6			
Previously Agreed Savings	-0.2	-0.1	-0.1	
New Savings Proposed	-0.9	-0.1	-0.3	-0.1
New Pressures Identified	0.4			
<b>Proposed Budget</b>	<b>28.3</b>	<b>28.1</b>	<b>27.7</b>	<b>27.6</b>

\*Inflation only allocated to directorates in 2014/15

## Details of Previously Agreed and Proposed Budget Changes

### 2013/14 Net Budget £27.387m (including Cultural Services - £13.340m)

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b><u>Chief Executive's Office &amp; Business Support</u></b>					
13CEO5/ 14CEO9	P	Big Society Fund - In February 2013 it was agreed an additional £0.330m of one-off funding would be added to the £0.300m of one-off funding agreed in 2012/13 (for 2 years) bringing the total Big Society funding available in 2013/14 is £0.630m. The total of Big Society funding from 2011/12 to 2013/14 including base budget funding (which has been removed from 2013/14) is £1.970m	-630				-630
14CEO5	S	Reduce Oxford Inspires budget	-25				-25
14CEO7a	S	Reduce staffing and office costs from CEO Office		-100	-100		-200
15CEO1	NS	Cut funding to Oxford Inspires (retaining contribution to Experience Oxfordshire)	-25				-25
15CEO2	NS	Public Health staff costs met in full from Public Health	-25				-25
15CEO15	NP	Community Budget	315				315
		<b>Total Chief Executive's Office &amp; Business Support</b>	<b>-390</b>	<b>-100</b>	<b>-100</b>	<b>0</b>	<b>-590</b>
		<b><u>Human Resources</u></b>					
15CEO3	NS	Reduce Human Resources Establishment by 2fte	-42		-42		-84
15CEO4	NS	Reduce spend on Learning & Development delivery	-170				-170
		<b>Total Human Resources</b>	<b>-212</b>	<b>0</b>	<b>-42</b>	<b>0</b>	<b>-254</b>
		<b><u>Corporate Finance and Internal Audit</u></b>					
12CES7	S	Internal Audit - Collaboration with Buckinghamshire County Council	-35				-35
15CEO5	NS	Reduce Corporate Finance establishment by 1.5fte	-74				-74
		<b>Total Corporate Finance &amp; Internal Audit</b>	<b>-109</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-109</b>

O - Previously Agreed One-Off Investment

P - Previously Agreed Pressure

S - Previously Agreed Saving

NS - New Saving Proposal

NP - New Pressure Identified

## Details of Previously Agreed and Proposed Budget Changes

### 2013/14 Net Budget £27.387m (including Cultural Services - £13.340m)

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b><u>Law and Culture</u></b>					
12CES11	S	Reduce number of council members from 74 to 63 following the 2013 county council elections	-11				-11
12CEP1	P	Transfer of coroners officers from Thames Valley Police - existing budgetary provision (09CC31) will be inadequate when the Council has to fully fund the Coroner's officers in 2014/15.	56				56
SCP3	P	Variation in cost of prudential borrowing	-1				-1
12COS8/ 13SCS10	S	Previously agreed Library Service savings to be implemented through community library model and reduction in vehicle replacement reserve contribution	-130				-130
12COS3	S	Efficiency savings from joint service provision at History Centre	-12				-12
15CEO6	NS	Increased Registration Charges and activity	-210				-210
15CEO7	NS	Coroners - review and renegotiate contracts and agreements	-90				-90
15CEO8	NS	Withdrawal of grant scheme for the improvement of village halls and other community buildings	-59				-59
15CEO9	NS	Removal of unallocated resource in 2014/15 (£16k) and withdrawal of grant to The Mill Arts Centre (£80k)	-16			-80	-96
15CEO10	NS	Increased efficiencies to be achieved by Library Service through further review of management support, book procurement, supplies and services		-63	-187		-250
15CEO12	NP	Increase in childcare court fees - volume and cost	120				120
		<b>Total Law and Culture</b>	<b>-353</b>	<b>-63</b>	<b>-187</b>	<b>-80</b>	<b>-683</b>
		<b><u>Strategy and Communications</u></b>					
15CEO13	NS	Remove 4fte (vacant posts) and reduce Communications spend	-87	-50	-50	-50	-237
15CEO14	NS	Take out military and local grants (Locality Grant to Choose Abingdon and Refugee Resource Grant)	-130	-30	-15		-175
		<b>Total Strategy and Communications</b>	<b>-217</b>	<b>-80</b>	<b>-65</b>	<b>-50</b>	<b>-412</b>
		<b>Total Chief Executive's Office</b>	<b>-1,281</b>	<b>-243</b>	<b>-394</b>	<b>-130</b>	<b>-2,048</b>

# Public Health Business Strategy

2014/15 – 2017/18

## Introduction

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This is a new four-year business strategy for 2014/15 to 2017/18. It builds on the previous strategy agreed in 2011 which included savings of £119m for the council which have been achieved by reconfiguring services to establish a smarter, leaner and more cost effective operating environment, whilst at the same time reshaping services to fit the changed local and national policy environment.

However the hard work does not stop here as cuts in government grant and restrictions on council tax increases put further pressure on the council's budget. In addition there are new service pressures that have been identified which need to be managed. The latest financial outlook means that our Medium Term Financial Plan (MTFP) 2014/15 – 2017/18 that sits alongside this strategy proposes a further £64m savings in addition to the £31m already planned.

This new strategy reflects the updated position and incorporates the pressures and savings in the existing MTFP together with the new budget proposals agreed by Council in February 2014. The detail of these pressures and savings is set in the resources to deliver our priorities section.

This business strategy both drives and is driven by our strategic approach as set out in the Council's Corporate Plan and determines our performance management framework.

## Public Health Directorate Overview

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The Health and Social Care Act 2012 returned a public health role to local government. The reformed public health system gives us an unprecedented opportunity to take a far more strategic role. We can now promote public health through the full range of council business and become an influential source of trusted advice for the population, the local NHS and everyone whose activity might affect, or be affected by, the health of the people in Oxfordshire.

Public health practice made huge strides during the 20th century, transforming the living standards of millions and saving countless lives in the process. Yet real threats still linger and new ones emerge. Dealing with the avoidable mortality caused by, say, smoking or obesity as conclusively as cholera and typhoid were dealt with requires different ways of thinking and acting.

We will have succeeded when we can see that the people of Oxfordshire are living longer, healthier lives and we have narrowed the persistent inequalities in health between rich and poor.

## Delivering the Councils corporate priorities

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Our approach is to work through the Health and Wellbeing Board to deliver the priorities identified in the joint health and well-being strategy.

- **Building a thriving economy** – we work to keep people healthy so that they can be economically active, thus contributing towards the financial success of Oxfordshire.
- **Supporting healthy Thriving people and communities** – we support people in making healthy lifestyle choices, keeping people safe from diseases and other threats and identifying people who are more vulnerable to disease and ill health, healthy people are able to contribute to and work for their local community, thus allowing communities to thrive. We coordinate work across the Council with the voluntary sector and promote programmes to tackle inequalities in communities. We also work closely to support the NHS and to join up NHS and Council business. Our work on community safety with the police and our drug rehabilitation programmes also contribute here. We help to keep people safe through our 24/7 on call service for emergencies and disasters affecting the community. We support people to make commitments to active travel, using the environment for both community and personal health gain. We help to keep the environment safe by helping to prevent environmental hazards and infectious diseases.
- **Supporting the vulnerable** – we ensure that the services we commission support those people who are the most vulnerable by building specific requirements into our contracts. Some services we commission are targeted at vulnerable groups, such as rehabilitation services and needle exchange for drug users, support to ensure that rehomed families are rapidly allocated a new health visitor and additional community breast feeding support in areas where breastfeeding is low. We also deliver extensive public health campaigns to help vulnerable groups understand the importance of taking up opportunities to protect their health such as the NHS health check, immunisations and screening programmes.

**How we work to deliver these priorities** We are rolling out a programme of ‘agile working’ in order to support the new ways of working necessary to deliver these priorities. Agile working means: giving staff the right equipment and working environment to suit their role and service; working in a more flexible way that makes best use of staff time, buildings, and resources; and taking advantage of changes in technology and working styles to become more efficient. This will ultimately protect delivery of front line

services as far as possible. The public health team works across two locations where hot-desking systems are used in order to optimise office space. Staff also make use of laptops and blackberries with secure network connections to enable them to work from a variety of locations including other council or NHS sites and from home when appropriate.

## Services and Priorities

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From April 2013 Oxfordshire County Council took over a raft of vital public health activity, ranging from cancer prevention and tackling obesity to drug misuse and sexual health services.

Our responsibilities cover:

- Sexual Health Services
- NHS Health Check programme
- Local Authority role in health protection
- Public health advice
- National Child Measurement Programme
- Obesity
- Physical Activity
- Drug Misuse
- Alcohol Misuse
- Stop smoking services and tobacco control
- Public health services for children 5-19 (including School Health Nursing)

- Wider work including
  - Wider Determinants
  - Mental well being
  - Oral health
  - Nutrition Initiatives
  - Accidental injury prevention
  - Behavioural and lifestyle campaigns
  - Health at Work
  - local initiatives to reduce excess deaths as a result of seasonal mortality
  - public health aspects of promotion of community safety
  - public health aspects of local initiatives to tackle social exclusion
  - local initiatives that reduce public health impacts of environmental risks.

Our priorities are informed by the Joint Health and Well-Being strategy for Oxfordshire and include promoting the uptake of cancer screening programmes and immunisation programmes; promoting the uptake of NHS Health Checks; promoting breastfeeding; increasing the number of people supported to quit smoking and halting the increase in childhood obesity.

## How our services are changing

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Public Health is a small directorate that secures its services through commissioning. The current contracts through which services are commissioned are predominantly parts of bigger NHS contracts across a variety of providers and secured over different timescales. Through 2013/14 and 2014/15 contracts will be renegotiated and timescales aligned which will ensure opportunities for



efficiencies and market testing are optimised for the future. The new contracts reflect latest practice and population requirements; are more clearly defined, so that we can more easily monitor what is being delivered for our money; and increase requirements for quality monitoring and safeguarding.

Public health is currently funded through a ring fenced grant of £25.264M from central government. We aim to make a significant reduction in our budget in line with other directorates of £1.25M savings in each of 2016/17 and 2017/18 (£2.5m in total). The savings are loaded towards the latter years as we are anticipating that the County Council will be expected to protect the ring-fence until after 2015/16 in line with central government policy. The intention is to make savings through commissioning more efficient services rather than through seeking service reductions. This is possible as contracts used to commission services are being renewed and, once established, can be further reviewed in 2016/17 and 2017/18 when further efficiencies can be sought.

It is possible that as soon as April 2015 we may take on responsibility for commissioning Health Visiting services, so through 2014/15 we will be working closely with the NHS England Thames Valley team to ensure that transition of this service runs smoothly.

## Managing our performance

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The successful delivery of the Council's Corporate Plan and business strategy will be monitored on a quarterly basis by the Performance Scrutiny Committee and Cabinet. Progress will be published on the Council's website.

A series of performance indicators will be used to assess our performance in delivering the priorities set out in this strategy. Performance Indicators are currently being developed by directorates and will be considered by the Performance Scrutiny Committee.

Once agreed directorate performance indicators will form an appendix to this strategy.

# Resources to deliver our priorities

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## Details of Proposed Budget Changes - Public Health

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<b>2013/14 Grant - £25.264m</b>					
15PH1	NS	More efficient contract negotiations			-1,250	-1,250	-2,500
		<b>Total Public Health</b>	<b>0</b>	<b>0</b>	<b>-1,250</b>	<b>-1,250</b>	<b>-2,500</b>

## **Service & Community Impact Assessments**

### **Section 3.7**

1. The Equality Act 2010 imposes a duty on local authorities that, when making decisions of a strategic nature, decision makers must exercise 'due regard to the need to eliminate unlawful discrimination... advance equality of opportunity... and foster good relations.' Oxfordshire's Equality Policy 2012-2017 sets out how the Council is approaching its responsibilities for ensuring that all residents in Oxfordshire have fair access to services and equal life chances.
2. Significant changes will be made to services to find the level of savings required over the medium term. These changes may have an impact on communities and particular groups defined in equalities legislation due to characteristics such as age, gender, and ethnicity, or the groups we additionally believe should be specifically taken into account - deprivation, and geography (rural or urban). While it will not be possible to avoid such impacts entirely given the scale of the financial challenge, we wish to ensure that they have been considered in developing proposals, and mitigating measures put forward where possible.
3. Initial Service & Community Impact Assessments (SCIAs) have been completed for all changes to the budget. A number of individual proposals are at an early stage, and more detailed SCIAs will be produced as they develop. Similarly, SCIA documents from previous years' budgets, or for policy proposals falling outside the annual budget cycle, will be updated where necessary as proposals develop.
4. Key issues arising from the initial assessments, including potential cumulative impact of the budget proposals were reported to the Performance Scrutiny Committee on 16 December 2013. SCIA documents for individual proposals are available on the website at [Service and Community Impact Assessments \(SCIAs\) 2013/14 | Oxfordshire County Council](#).

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# Section 4

# Chief Finance Officer's Statutory Report

## **Local Government Act 2003: Section 25 Report by the Chief Finance Officer**

### **Introduction**

1. Section 25 of the Local Government Finance Act 2003 requires that when a local authority is agreeing its annual budget and council tax precept, the Chief Finance Officer must report to it on the following matters:
  - The robustness of the estimates made for the purposes of the calculations
  - The adequacy of the proposed financial reserves
2. The Council is required to have due regard to this report when making decisions on the budget.
3. In expressing my opinion I have considered the financial management arrangements and control frameworks that are in place, the level of total reserves, the budget assumptions, the adequacy of the Service & Resource Planning process and the financial risks facing the Council.
4. The report is the culmination of the Service & Resource Planning process which commenced in May 2013 in which detailed work has taken place with Councillors, the County Council Management Team (CCMT) and Deputy Directors.
5. Section 25 concentrates primarily on the uncertainty within the budget year rather than the greater uncertainties in future years. However, future uncertainties, particularly around the continuing reductions in funding after 2015/16 and the increasing pressures in demand driven services also inform the need for reserves and balances in the medium term.

### **Financial management arrangements and control frameworks**

6. The Council received an unqualified opinion on both the accounts for the Authority and the Pension Fund for 2012/13. In respect of securing value for money, the conclusions are based on whether the organisation has proper arrangements in place for securing financial resilience and for challenging how it secures economy efficiency and effectiveness. The Council received an unqualified value for money conclusion for 2012/13.
7. The Council has strong governance arrangements in place and a robust assurance process that requires a statement at the year end from the 'corporate lead officer' for various key control areas. The Chief Finance Officer has responsibility for ensuring that an effective system of internal control is maintained; to provide an assessment of the current position across the whole council and identifying areas for improvement where appropriate.

- Areas for improvement are reported to Audit & Governance Committee and monitored in year through the Corporate Governance Assurance Group.
8. All Officers and Members are required to work within an embedded framework of pre-existing financial management arrangements and structures. The Council has a robust system of budget monitoring and control and the Council's track record for budget management over recent years has been good. Mandatory refresher training for all cost centre managers on financial management roles and responsibilities took place last summer to reinforce key messages and ensure we maintain high levels of awareness.
- Level of total reserves**
9. As well as holding a contingency budget to enable those more volatile budgets to be managed, general balances are also held for unforeseen spending requirements such as responding to the recent floods. The level of balances held is based on an annual risk assessment which is included in Section 2.7.1 of this report.
10. A further consideration in setting a prudent level of balances and setting a robust budget is the underlying trend of under/over spending against the budget each year. The Council has not been in a position of overall overspend at the year-end for many years. However, as budgets are reduced more and more, the flexibility to manage pressures arising in one area against underspends elsewhere will become increasingly more difficult.
11. The Financial Monitoring report for Cabinet in February 2014 sets out a forecast overspend, based on nine months of actual expenditure of £3m. It is expected that management action will reduce the forecast overspend further by the end of the 2013/14 financial year but requests for supplementary estimates to meet some of the pressures in both children's and adults' social care have been requested.
12. Earmarked reserves are also held for specific planned purposes. With decreasing base budgets associated with significant funding reductions, resources are being set aside to help manage change projects which operate over more than one financial year. These include reserves such as those for the Thriving Families programme, the Asset Rationalisation Programme and for the costs of supporting schools converting to academies. At the end of 2012/13 earmarked reserves were £136m. By the end of 2013/14 they will be £103m. It is estimated that by the end of 2014/15 they will be significantly reduced at £64m and will drop to an estimated £13m by 2017/18. The expected level of reserves remaining by 2017/18 is adequate for the purposes intended although this will need to be reviewed in light of the 2013/14 outcome and as part of the Services & Resource Planning process for 2015/16.

13. School reserves are expected to be significantly lower at the end of 2013/14 than they were at the end of 2012/13. When schools transfer to academy status any balances also transfer reducing further the amount held by the council. Schools balances are projected to fall from £21m at the end of 2013/14 to £16m by the end of 2014/15.
14. The Budget Reserve enables cash flow movements to be managed over the medium term and ensure the Council can set a balanced budget each year. This need arises as the pressures and savings profile is different over the medium term. In 2014/15 the Council will use £14m from this reserve to achieve a balanced budget. Section 2.3 of this report highlights the expected shortfall in the Budget Reserve by 2015/16. My report to Cabinet in January 2014 set out the need to temporarily use other reserves or other balances such as developer contributions over the medium term to manage the cash flow position, as the council cannot hold a deficit reserve. Any temporary use of other reserves or other balances would need to be replaced in a subsequent year. This position will need to be monitored closely and reviewed as part of the next Service & Resource Planning process to ensure the position is manageable.

#### **Budget Assumptions**

15. The formation of the 2014/15 budget and indicative budgets for the following three years to 2017/18 have allowed for best estimates of the total financial envelope over the medium term taking into account anticipated unavoidable pressures and the savings then required to match the funding available. In forming the estimates various assumptions have been made. The main assumptions together with an assessment of their risk are set out below:
- a) Government grant – revenue support grant is forecast to reduce in line with the decreases seen over the last four years. The MTFP assumes a reduction of 58% by 2017/18 compared to the grant figure for 2013/14. This is in line with the recent statements by the Chancellor and with the figures set out in the Autumn Statement 2013. Top-up grant is assumed to increase in line with the Retail Price Index (RPI).
- b) Council Tax – an increase in Council Tax of 1.99% is proposed for 2014/15 within the referendum limit announced by the Local Government Minister on 5 February 2014. The same increase is proposed for 2015/16 on the basis that the original referendum announcement was for the two years to 2015/16. From 2016/17, the MTFP assumes Council Tax increases of 3.0% each year. Whilst this is higher than the current referendum limit, the timeframe is beyond the next general election and with the economy starting to grow the next government may have a different view on annual council tax increases. The position will need to be reviewed as part of the Service & Resource Planning process next year in light of the latest information.



- c) Non Domestic Rates – Business rates income for 2014/15 is based on the forecasts provided by the District Councils, with future years assuming growth in line with RPI. This is a cautious assumption given the expected growth in the economy. The 2014/15 budget takes account of the £0.2m deficit on collection for 2013/14, the first year of the operation of the business rates retention scheme. No assumptions have been made about surpluses/deficits on collection for future years as these are difficult to predict, particularly with the uncertainty of the impact of appeals.
- d) Council Tax base & surpluses/deficit on collection – the MTFP assumes increases in the taxbase of 0.75% each year. Whilst the increase for 2014/15 was 1.44%, the impact on the future taxbase of the Council Tax Support scheme and Universal Credit are not yet known. Therefore it is prudent to assume a lower increase in future. The position is the same with surpluses/deficits on Council Tax collection, where the actual figure for 2014/15 is £6.9m compared to the budgeted sum of £2.0m.
- e) Inflation – contract inflation is provided for at a maximum of 3% in each year of the MTFP, broadly in line with current RPI. Pay inflation is built in at 1% for 2014/15 and 2015/16 in line with the Chancellor's announcement that there would be a further cap on public sector pay in the 2013 Spending Round. Increases of 2.5% are assumed beyond then. Inflation on income from fees and charges is assumed at 2% broadly in line with CPI. General inflation on non-pay budgets has been assumed as zero in each year of the MTFP and continues with the approach introduced in 2013/14.
- f) Interest Rates – all existing debt is under fixed interest rates so is not subject to interest rate variation and the MTFP assumes an extension of the strategy to borrow internally for prudential borrowing schemes. Prudent returns above the Bank Rate have been assumed for each year of the MTFP with an expectation that the Bank Rate does not start to rise until 2016/17 and then does so slowly.
- g) Capital Programme – the four year capital programme has been developed on the basis of estimates of future capital funding allocations from government grants in addition to use of reserves, capital receipts and S106 funding, with the assumption that the new capital proposals could be met from flexible capital resources available to allocate. New additions to the programme have been based on the previously agreed prioritisation principles. Due to the late and unexpected announcement of significantly reduced education basic need funding for 2015/16 and 2016/17; the proposal to agree a firm programme for 2014/15 and to review during the year the future years' education capital is a sensible approach and gives time to consider how the shortfall in funding should be addressed.

### Service & Resource Planning Process

16. The Service & Resource planning process is well established and the formation of the 2014/15 budget and MTFP has been carried out in conjunction with the formation of new Directorate Business Strategies. A refreshed Corporate Plan will be agreed in April 2014 but the key theme of 'A Thriving Oxfordshire' remains unchanged.
17. There have been a number of enhancements to the process this year in the formulation of budget proposals and the level of challenge which provide a reasonable assurance of their robustness. The key enhancements were:
- Scene setting with Cabinet and CCMT in May 2013
  - Earlier public engagement through Talking Oxfordshire
  - Wider and earlier cross party councillor engagement
  - New Scrutiny Committee structure and process
18. Examination of the budget proposals through the Service & resource Planning process has led to a number of refinements and provides assurance about the robustness of the estimates. Scrutiny of the budget around revenue reductions has also been considered from an equalities perspective.

### Financial Risks

19. Given the reductions in government grant funding, the limitation on the level of Council Tax increases, the growing unavoidable pressures and the scale of savings required, the budget will inevitably contain a degree of risk. The key risks include:
- a) Achievement of savings plan – the Council has a good track record of successfully delivering significant savings with £170m due to be delivered by the end of 2013/14. However with a further £95m of savings to be achieved over the next four years these additional savings could be more difficult to deliver. Unlike previous years' there is only a very limited amount of money in the Efficiency Reserve to pay for redundancies and for the costs of transformation. There is a risk, if these costs cannot be met from within existing budgets that they will need to be the first call against the savings, pushing back the timing of achieving the savings. In addition, as set out in paragraph 14 above, there is a cash flow shortfall based on timing of the savings plans. It will be important to monitor the delivery of the savings carefully during the year and to review the cash flow position as part of the Service & Resource Planning process next year.
- b) Demand led pressures – There are some budgets where client numbers for statutory services are notoriously difficult to control and where a degree of judgment has to be applied to estimate the level of risk to the budget. This year we have seen a significant increase in demand in both children's and

adults' social care. The financial plans assume this peak in demand will tail off but there is a risk it will not. To mitigate these high risks, a contingency budget is built into the MTFP. However, this may not be sufficient to meet all requirements and the demand trends will need to be carefully monitored.

- c) Financial position of Oxfordshire Clinical Commissioning Group (OCCG) – OCCG are currently forecasting a deficit of £6m for 2013/14 and an anticipated shortfall of £27m for 2014/15, although contract negotiations with the NHS providers have not yet been completed. This gives rise to a risk for the council both in relation to the older peoples' pooled budget and the use of the Better Care Fund. Whilst the plans for the Better Care Fund have been agreed in principle between the council and the CCG, it is not additional or new funding. Therefore, given the current financial position of the CCG there is some risk to the assumptions in the budget regarding the resources expected in 2014/15 but more so the further £8m expected in 2015/16. The Chairman and Vice-Chairman of the Health & Wellbeing Board are required to sign off the draft plan by 14 February 2014, with final plans agreed by 4 April 2014. It will be imperative for the council to work with the CCG to support them to overcome their financial challenges and for the Health & Wellbeing Board to monitor progress against the significant financial challenges faced by the CCG over the coming year (as well as the risks of rising demand for social care).
- d) Inflation provision – the budget proposals assume that services can manage the impact of zero inflation on non-pay budgets with the exception of contracts which is provided for at a maximum of 3%. There is a degree of risk in this but given there is a corporate inflation provision from 2015/16 to meet any additional requirements and that the risk assessment of balances for 2014/15 also takes into account an allowance for inflation, I consider the assumptions are reasonable.
- e) Capacity to deliver – over the past few years, the number of staff has been reduced by 30% and the number of senior managers by 40%. Delivering the savings required will be difficult in terms of capacity particularly as the plans are more complex and ambitious. There is also a potential risk around delivery of the capital programme with significant targeted government grant through both the Local Transport Board and the recently announced City Deal which require funding to be spent or committed by April 2015 to secure the grant funding. Other financial implications of the City Deal will need to be confirmed during the financial year once more information is available.
- f) Market Failure –with an increasing amount of work being undertaken either in partnership or through contracts, their financial resilience becomes increasingly important. During 2012/13 several bus contractors went into administration and the immediate action required to ensure a continued

service along with replacement contracts gave rise to additional costs. This risk of market failure continues.

#### **Robustness of the budget**

20. The proposed budget addresses the estimated reduction in funding over the next four years and sets out a plan to ensure that the Council can deliver budgets within estimated available resources. The savings plan will require close monitoring to ensure it is delivered on time. However, it sets a clear direction for the future and places the Council in a sensible position to meet the challenges ahead.
21. There are some risks in the budget largely in relation to certain demand led budgets such as children's social care, which is under pressure in the current financial year. There is also a range of pressures and uncertainties in adult social care, particularly in relation to older people. To help mitigate these risks, a contingency budget of £3m has been built into 2014/15 which will provide some safety-net. With ever tightening resources there is more risk in the budget for 2015/16 and beyond and this will need to be reviewed as part of the next Service & Resource Planning process.
22. The level of the Council's total reserves is sufficient to provide both general balances to manage the impact of unexpected events in line with the risk assessment; and the setting aside of earmarked reserves to meet known or anticipated liabilities.
23. Therefore, I am satisfied that the budget proposals recommended by the Cabinet are robust.

**Lorna Baxter**  
**Chief Finance Officer**

6 February 2014