



# **Business Strategy**

**2012/13 – 2014/15**

**Environment & Economy Directorate**

### Directorate Overview

1. The new Directorate comprising Highways & Transport, Growth & Infrastructure and Oxfordshire Customer Services has an overall gross budget of £157.3m<sup>1</sup> and employs 2201<sup>2</sup> staff. 23 are hosted by the council but externally funded. Over 34% of what the directorate spend is delivered through contractors or with partners.
2. In 2010, the Environment and Economy Business Strategy set out clear proposals for radical change over the period 2010/11 – 2014/15 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. This strategy has held through the straightened financial scenarios initiated by the coalition government which served increasing the planned pace of change to meet new financial targets.

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	6.663	4.614	1.695	12.972

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-9.799	-5.952	-3.303	-19.054
Variations to 2011/12 MTFP Savings	-2.600	-0.254	-0.967	-3.821
<b>Revised Savings</b>	<b>-12.399</b>	<b>-6.206</b>	<b>-4.270</b>	<b>-22.875</b>

3. The Directorate is well on track to deliver the overall strategy and will over-achieve the target set for this financial year.

<sup>1</sup> Before taking out recharges and excluding budget transfers from Children, Education and Families directorate

<sup>2</sup> This figure includes Oxfordshire Customer Services but excludes Business & Skills staff transferring from Children, Education and Families directorate (as per 2011/12 Q2 Establishment Figures).

## Operating Policy Context

4. As in other areas of the council there have been an unprecedented number of government reviews, consultations and policy reviews over the last year from the Department of Business and Skills, Department for Transport, Department for Communities and Local Government and HMT, which impact on the directorate. Highlighting some of the key issues in particular:
  - The National Planning Policy Framework and the Local Government Resources Review signify a major shift in the operating context for the council in both its place shaping contribution to a thriving county and in its relationship with local businesses and the Oxfordshire economy, particularly in the future funding of local services and the priorities of infrastructure delivery. Proposals for the governance of New Homes Bonus incentives and Community Infrastructure Levies are accompanied by significant challenges in the delivery and funding of critical strategic infrastructure.
  - Proposals to re-localise the business rate and retain significant proportions of future growth in the business rate provides very immediate incentives to develop the economic offer within the County and increase the tax base through smart and targeted investment and interventions. This opportunity requires a sustained uplift in our resourcing to support economic growth in our key growth areas through the right physical, electronic and skills infrastructure.
  - Government also envisages key transport priorities and key capital investment decisions to be made through Transport consortia, with significant business direction from the fledgling Local Enterprise Partnerships (LEPs), rather than local Highways Authorities alone or in sub national partnerships.
5. In this emerging paradigm Oxfordshire is well placed, having successfully established a single LEP for Oxfordshire as a defined economic entity with key commercial sectors of national importance based on its tremendous science and technology networks. However, we need to retain sufficient capacity to be proactive and flexible to maximise our advantage in attracting additional funding and investment to deliver our objectives.
6. Over the next 12 months this agenda will continue to play out, in particular in ensuring that we provide infrastructure that supports and enables growth. Leading the preparation of a Strategic Infrastructure Framework for Oxfordshire is a priority for the Council. The infrastructure framework will be a powerful mechanism for maximising our ability to lever in funding from a range of sources, improve the cost-effectiveness of delivery, and align infrastructure funding programmes to support the Oxfordshire economy.

7. This chimes well with the Council's strategic objectives for "a Thriving Oxfordshire". The directorate plays a critical role in this ambition, in particular by
- Working with leading businesses and business networks to create the conditions that support new high value jobs and increased GVA
  - Providing the critical infrastructure necessary for Oxfordshire's economic growth and social development
  - Facilitating the balance between growth and environmental quality
  - Delivering the internal county council infrastructure through Oxfordshire Customer Services and the strategic management of the organisation's property assets.

### **Delivering the Business Strategy**

8. Our Business Strategy also outlines the significant transformation required to align our delivery to the corporate business strategy themes 2011/12 :
- Reshaping management
  - Changing the Way We Work
  - Improving Customer Focus
  - Developing a Customer Service Centre Approach
  - Creating a Strategic Asset Management Strategy
  - Transforming Information, Communication & Technology (ICT)
  - Supporting Community Self-help & Big Society
  - Service & Structure Re-design
9. Our broad approach to delivering the business strategy was established a year ago, and remains a central plank of the overall authority ambition. Specifically our approach is centred around five key areas which we will continue to pursue through these changing times.
- **Generating efficiencies through procurement:** By 2013 we will have re-tendered our key high value contracts in Highways, Waste and Property and Facilities. In each case we have or will be seeking contract efficiencies in excess of 20% and we have or will negotiate shared risk partnering arrangements.
  - **Directorate Transformation & Re-structuring:** The transformation and development of the new models of delivery will continue. As part of the Strategic Management Review, OCS was brought into the Directorate in January 2011, which has enabled us to look more comprehensively at the Council's focus on the customer and the business process re-engineering

necessary to achieve step changes in working practices. This can be seen through the reshaping of the proposed procurement of Property & Facilities services to include the wider consideration of Quest Cleaning Services and Food with Thought. The procurement process has also highlighted that little value will be gained by externalising customer facing services (front of house & reception staff etc) which have already been restructured and could strategically strengthen the customer service centre approach.

The Directorate transformation is establishing leaner operational structures and enabling the delivery of our efficiency targets. The re-structuring of services and the business re-engineering has reduced the number of management layers, the number of senior service managers and the overall staffing numbers. In developing our models it has become apparent that some of the savings allocated to further integration will not be fully realised (**See EE46**) as we are pursuing alternative opportunities associated with the development of the enlarged directorate which may release greater savings yet to be fully worked through. These new operating environments will require significant levels of transitional expertise before the full benefits of the new business model are realised.

- **Prioritisation of our services:** Our focus remains on the delivery of statutory and high political priority services. We will therefore need to develop and maintain the strategic capacity necessary to support leadership by the Council and their partners in maximising the opportunities for economic development and smart growth.
- **Review of Income:** We have further reviewed the opportunity to generate income through our fees and charges. There are opportunities to generate income through management of charges. Additionally, bidding successes for external funding such as Local Sustainable Transport Fund has provided the investment needed to enable greater revenue from our strategic Park & Ride operations. Increasing momentum of schools wishing to become academies provides challenges for maintaining income generation for trading services such as Quest Cleaning Services. It is proposed that services continue to be offered to Academies and potentially free schools, in bespoke packages in order to maintain income levels and thereby unit costs of back office services to the benefit of the Council. The charges made will be subject to review, although many are limited by statute to cost recovery.
- **Strategic management of property:** Effective asset management is a central plank of the County Council's overall business strategy both in terms of its interdependencies with all of the service Directorates and the Council's relationship with local communities. We are on track to deliver the reduction in the revenue cost of the council's non-schools portfolio by 25%, increasing the amount of property that is Fit-for-Purpose and reducing our energy consumption. However, it is by fully adopting the Corporate Landlord approach that we will strategically address our presence in the community and achieve the real community and service benefits of co-location and fully serviced property assets. This will enable us to play a full part in the community self-help and Big Society Programmes being developed by communities and supported by the Council, i.e. asset led

locality reviews are taking advantage of opportunities to improve co-working with other public sector bodies. During 2012/13, due to the success of our strategic approach to capital investment and clear prioritisation on need, there will be opportunities to have a more radical consideration of our office accommodation strategy, which might see significant further rationalisation around key sites.

10. The agreed business strategy for 2011/12 included £14.462m of net savings. As of September 2011, we had already delivered 85% of the savings required for 2011/12 and will overachieve the target set for this financial year. Individual projects to deliver the Business Strategy are being managed well by staff across all areas of the directorate and these projects are achieving both the savings and service changes that we set out last year. We have firm foundations in place to achieve the longer term targets over the period to 2014/15.
11. Performance has been tracked through the Business Strategy Group and we have highlighted those areas where proposals will need to be re-defined or amended as it has become apparent that they will not deliver the target savings. For example, the part-night street lighting project is now closed because the business case does not justify the investment and will be replaced by an alternative proposal to deliver the agreed savings target. Similarly, the Household Waste Recycling Centre Strategy was revised following the public consultation and the associated revenue pressures of approximately £0.300m (from 2015/16).<sup>3</sup>
12. **Changes to the Business Strategy and Medium Term Financial Plan(MTFP)**  
Variations to the MTFP have been identified over the planned period. They are set out in Annex 4 of the main report - Summary of changes to the Business Strategies and MTFP. Following a rigorous reappraisal of all budget lines, the Directorate is confident that the proposed variations considered in each service plan will be sufficient to deliver the overall financial target for the period.

### Uncertainties & Risk

13. In the next year, we face particular challenges in the following areas:
  - Contract Efficiency: Following a successful market testing and procurement process the new integrated Highways contract has significant efficiency targets to meet. VFM and efficiency delivery will be subject of stretching performance measures and comparative benchmarking.

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<sup>3</sup> This is shown as £0.219m in Annex 4 in 2014/15.

## Annex 5e

- Contract inflation pressures: Our contracts have moved away from inflation based on industry indices (such as Baxter) and now operate on the lower RPI. However, the RPI is currently running at approximately 5% which is above the current built in figure.
- Pace and expectation: The corporate asset landlord function and the corporate information technology provider require us to consider both a strategic approach whilst remaining flexible to respond quickly to radical changes in Service directorate business models and the locality agenda places significant tensions on resources and workload planning. Often managers in these areas are juggling competing demands and priorities. Early engagement and clarification of needs is a prerequisite of a successful outcome. Lead-in times for the provision of infrastructure to enable changes of business delivery models and of location should be costed into the service directorates' business plans and realistic delivery timetables should be established if organisation reputation is to be preserved.
- Organisation resilience – the directorate has sought to move quickly and bring forward the new models of delivery early. This has achieved savings ahead of profile however it has become clear that the cultural change requirements require supplementary capacity and expertise to support key management areas through transition before full benefits can be realised in the new operating environment.
- Transport in the Community - access to goods and services in a rural county where key public service are being developed around the personal choice and commissioning agenda is recognised as a priority cross cutting issue. Work has taken place over the year with Growth & Infrastructure Scrutiny Committee and cross scrutiny task groups in “Select panel” mode to develop a draft community transport strategy for consultation. Whilst not represented as a financial target within the business strategy, there are undoubted linkages with a number of policy decisions taken by other directorates, district councils and the health sector that require a comprehensive review of options.

## Growth and Infrastructure

<b>Employees (2011/12 Q2)</b>	429.92fte (473.52 establishment – does <u>not</u> include transfer of Business & Skills from CEF [10.53fte, 16 establishment])
<b>2011/12 Gross Budget (including recharges)</b>	£55.279m ( excl. Business & Skills)

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	4.228	3.593	1.157	8.978

### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-4.182	-3.461	-1.671	-9.314
Variations to 2011/12 MTFP Savings	-1.023	-0.520	-0.421	-1.964
<b>Revised Savings</b>	<b>-5.205</b>	<b>-3.981</b>	<b>-2.092</b>	<b>-11.278</b>

14. The context within which the Growth & Infrastructure service is operating continues to experience changes, some of which are driven by external factors, others internally driven.
15. Through service transformation and prioritisation, and improving our strategic capability the service is moving to a new delivery model. Whilst restructuring of the Sustainable Development Service will be completed by the end of the 2011/12 financial year, changes to the structure of Property & Facilities will be taken forward in light of the outcome of the procurement process for the



Single Service Provider. During the course of the coming year the Leadership Team will invest in developing the capability and culture of the service, in the process addressing concerns highlighted previously by members.

16. The vision for the service is :  
*To lead in the delivery of strategic infrastructure that supports Oxfordshire's ambitions for a thriving economy, delivering services that make the maximum contribution to achieving the Council's corporate objectives*
17. Key areas of the service where changes are most significant are:
  - a. Waste Management
  - b. Property & Facilities
  - c. Infrastructure Planning, including Economic Growth (supporting enterprise and innovation)

### **Update on the Delivery of the Business Strategy**

18. Growth & Infrastructure is on track to deliver its £14.697m savings over the next four years, a third of which (£5.57m) will be delivered by the end of 2011/12. Proposals to achieve the remaining savings have been identified and are in the process of being implemented e.g. procurement of the new Property & Facilities single service provider, or are in the process of being developed e.g. revision of the Joint Municipal Waste Strategy. However, during the course of 2011/12 it has become clear that the service must also respond to additional external pressures which will be managed within the directorate.

### **Waste Management**

19. The Joint Municipal Waste Management Strategy provides the framework for managing waste in Oxfordshire. Responsibility for the strategy rests with the County Council working in partnership with the district and city councils through the Oxfordshire Waste Partnership. The five year review of the strategy is now underway. As part of this the recycling and composting targets against which success is assessed will be reviewed.
20. The success of the strategy is already evident in the increased rates of recycling and composting being achieved – estimates indicate a county wide recycling and composting rate of over 62% this year (**See NS4, NS5 and AS2**). This success is built on the back of investment by the county, district and city councils in waste collection and management systems. The review of the strategy provides the opportunity to adopt even more challenging targets for waste management. With considerable investment already made in waste collection and recycling and composting technology, and the construction of another anaerobic digestion plant to open next year, there will be less need to invest in the next 4 years. Building on the back of this success, and in parallel

with the review of the Joint Municipal Waste Strategy, it is now appropriate to review the operation of the waste incentive payment scheme.

21. The non-statutory waste incentive payment scheme introduced to support the Joint Municipal Waste Management Strategy has clearly had a role to play in its successful implementation. We will need to enter negotiation with the District Councils to revise the recycling targets and baseline to reflect the current level of performance and to address the level of any discretionary incentive payments. In pressing for waste management targets that build upon our existing success and stretch our ambition, we will realise the need for efficiency savings identified as part of the Business Strategy **(NS-C1)**.
22. The County Council as the Waste Disposal Authority has a statutory obligation to provide places for members of the public to deposit their household waste. The enhanced kerbside services already introduced by the district councils have reformed and reshaped waste collection. Every house in Oxfordshire now has a comprehensive kerbside collection scheme including food waste so the need for people to use their household waste recycling centre has reduced.
23. In April 2011 the County Council approved a revised household waste recycling centre strategy. The agreed strategy included changes that arose out of public consultation, specifically the retention of facilities for dealing with residual waste at all household waste recycling centres and retaining a public facility at Redbridge at weekends and on bank holidays. These changes resulted in an additional pressure of approximately £0.300m per annum from 2015/16 **(EE49/EE34)**. This pressure is to be funded within service and the combination of new savings within Growth & Infrastructure supports this approach **(NS4/NS5/NS6)**.
24. Implementation of the agreed strategy is now underway. The facility at Dean Pit has now been closed. Planning permission has been resolved to be granted for the construction of the new facility at Kidlington. The project team for Kidlington are working hard to reduce the cost of the project and ensure value for money and to manage any projected cost increase on the original budget locally.
25. Once the facility at Kidlington has been completed work will begin on refurbishing the existing facility at Redbridge (anticipated spring 2013). Further investigation has found that a minor refurbishment could keep the site open for approximately 15 years and be completed for approximately £0.250m. The County Council is committed to keeping Redbridge open at least at weekends and bank holidays. Soft market testing indicates that this should be possible within the current budget.
26. The Notice to Proceed for the Residual Waste Procurement contract was issued on 15th November 2011. The start of the construction of the project has been delayed as a result of the legal challenges from local action groups. The implication of this delay on the timing of efficiency savings originally identified for 2014/15 **(EE35)** is being assessed.

### Property & Facilities

27. Effective asset management is a central plank of the County Council's overall business strategy both in terms of its interdependencies with all of the service Directorates and the Council's relationship with local communities (as exemplified by its approach to asset transfer as part of the work on the Big Society Fund).
28. The overarching vision remains one of delivering an effectively planned, used and managed property asset that makes the maximum contribution to achieving the Council's corporate objectives, whilst at the same time reducing its cost.
29. The main areas of activity within the strategy's implementation programme include:
  - a) Property & Facilities Procurement – a new Single Service Provider is scheduled to be in place from spring 2012: this will achieve efficiency savings of £0.550m. The organisational structure for Property and Facilities will be changed to reflect the revised operating model that is determined through the procurement dialogue process. Consultation with affected members of staff will take place in good time to enable any revision to the structure to be in place at the start of the new contract.
  - b) Asset Rationalisation – a strategic review of our asset portfolio has led to a programme property disposals. This will deliver the revenue savings of £1.1m in the MTFP; potentially more depending on the outcome of detailed business cases for the major parts of the programme. In the process, this will realise capital receipts of approximately £3.2m. Implementation of the disposal programme will reduce the number of offices up to 40%. This will require funding up front (both capital and revenue), which will subsequently be recovered through the savings and further receipts realised. A self-financed capital proposal has been put forward to increase the allocation in the programme by £1.23m.
  - c) Locality Reviews – a pilot programme of asset led locality reviews has begun through which further opportunities for rationalisation of the asset portfolio will be identified. The pilot programme comprises reviews for Berinsfield, Blackbird Leys, Banbury, Bicester and Didcot. Where appropriate each review takes into account other public sector assets in order to afford a comprehensive picture of the opportunities for co-location that exist. The pilot programme, although yet to be completed, has highlighted the need for additional technical resources. These are required in order to enable the opportunities identified by local members to be explored fully within an acceptable time frame: extension of the pilot programme to the remaining localities will require an enhanced level of technical resources in the short term. **(see NR4)**

- d) Corporate Landlord – from April 2012 Property & Facilities will be responsible for all property related issues, including county-wide facilities management services. This approach fundamentally changes the relationship between Property & Facilities and Directorates, but provides greater opportunities to ensure the council's property assets are focused on core public service delivery.
30. A number of interdependencies across the council will influence the success of delivering this strategy. Changes to the way in which we work and the move towards new models of service delivery for public services will challenge previously held assumptions on asset provision. For example, greater agility in the way members of staff work will reduce the need for desk space potentially providing opportunities for further reduction/consolidation in the property portfolio.
31. Additional resources (both revenue and capital) are being provided to drive forward delivery of the asset rationalisation programme. As a consequence it will be possible to realise additional savings in the corporate property estate **(NS-D1)**.
32. Alongside reviewing what is an appropriate level of presence in local communities through the property led locality reviews, the co-location of public services and alignment of approaches to asset management across the public sector portfolio would undoubtedly lead to further rationalisations. However, in order to take this forward there would need to be a broad agreement across the public sector as to the approach to be adopted, in particular the basis on which costs and savings might be attributed.
33. A number of submissions to the Big Society Fund have involved requests from community groups to make use of County Council owned assets. This has two implications for the Property & Facilities team: firstly experience has shown the need for additional technical resource to support the processing of such submissions. Secondly, an increase in the number of properties being let will result in additional on-going work arising from the need to manage the leases covering the Big Society Fund initiatives.

### Energy Strategy

34. As part of the Corporate Landlord function, from April 2012 all energy bills will be managed by the Property & Facilities team. The over-riding challenge facing the County Council is the need to improve its resilience to increasing energy prices. The County Council's current energy providers have confirmed a 10-15% increase in energy costs for 2012. They are also forecasting a 50% increase in energy prices over the next 5 years. If the Council's energy consumption remains static over this period these gross cost pressures (which include Carbon Tax) would manifest themselves in a £3m increase in energy costs for property and street lighting, and an increase of £4m for schools in their energy bills by 2015/16. There is net pressure for Street Lighting after assuming budgeted inflation increases **(See NP1)**. The corporate energy cost increases should be covered by budget transferred from Directorates as presently the budgets held by directorates are in excess of the estimate outturn position.

35. Existing proposals set out in the current Business Strategy – including the rationalisation of property assets, investment in energy efficiency and installation of renewable energy sources – will offset no more than 20% of the increase in costs of energy (excluding schools). In addition to the direct impact of increased energy costs on our ability to deliver services, it is important to remember that the Council’s overall level of energy determines its liability to pay the Energy Tax (Carbon Reduction Commitment tax).
36. In light of the pressures arising from increased energy costs there will be an on-going need for further capital investment in measures that will reduce our energy consumption. These could be realised through a combination of further reduction in our property asset and/or co-location of services as well as investing in measures that increase energy efficiency and/or increase our use of renewable energy. However, it is difficult to determine the exact programme of works to deliver the required level of cost avoidance across the next five year and not all works may be proven to be capital. Therefore, the financial summary also shows £0.500m revenue funding pressure **(See NP2)**.

### Infrastructure Planning including Economic Growth

37. The success of our economy is fundamental to achieving broader ambitions for Oxfordshire. Without economic success we will lack the ability to generate the wealth that will in turn enable investment to be made more widely in society, and our ability to compete in a global market.
38. The importance of economic development will increase further as and when the proposed restructuring of local government financing sees a significant proportion of any business rates coming back to the local councils. As a result future business growth will become an inexorably linked to the council’s resource strategy.
39. The public sector has a leading role to play in facilitating and supporting sustainable economic growth, primarily by providing leadership in improving the co-ordination of investment to deliver a shared ambition.
40. Oxfordshire’s success in securing support for a Local Enterprise Partnership is helping to redefine the relationship between public and private sectors. There is a need for a paradigm shift: our models of governance and implementation need to be refined further if we are to create a situation in which economic growth is encouraged but not at any cost. The need for such a shift is increasingly reflected in Government policy: for example the National Planning Policy Framework emphasises the importance of the planning system being there to enable and facilitate economic growth.

- 41.** The Oxfordshire Local Enterprise Partnership has quite deliberately avoided the creation of an overly bureaucratic governance structure enabling the partnership to stay focused on key challenges facing the Oxfordshire economy:
- Addressing skills deficiencies –addressed through the creation of the Oxfordshire Skills Board: the Board is responsible for preparing a local statement of needs that in turn will be used to shape the programmes offered by providers;
  - Business Support, including support for inward investment - addressed in two ways: firstly through the active promotion of Oxfordshire as a location for business ('Enterprising Oxfordshire'); secondly through the development of a single portal that provides both prospective and existing businesses with a signpost towards the support that is already available;
  - Securing investment for infrastructure priorities – being driven forward jointly with the Spatial Planning and Infrastructure Partnership, the preparation of an Infrastructure Framework for Oxfordshire is seen as the mechanism for aligning available investment in infrastructure and services.
- 42.** The work of the Local Enterprise Partnership is beginning to demonstrate the added-value that it can bring in support of the Oxfordshire economy. The Partnership's success in securing support for the Science Vale Enterprise Zone provides a further opportunity to implement a new model of delivery: one where a simplified planning system and retention of the financial benefits of growth (represented by the growth in business rates) are brought together to encourage business investment and economic growth.
- 43.** The Growth & Infrastructure service plays a leading role in supporting the work of the Local Enterprise Partnership, primarily by providing the principal administrative and technical support. This has been an important factor to the Partnership's success, enabling rapid progress to be made in establishing the Partnership and in supporting the Partnership's work in its key areas of interest. Government initiatives and announcements continue to emphasise the importance of the Local Enterprise Partnership in shaping investment priorities and decision making at national and local levels.
- 44.** Continuing to support the Local Enterprise Partnership remains a key priority for the Growth & Infrastructure service. Our experience to date has highlighted the potential of the Partnership to play the leading role in realising the opportunities for economic growth in our key spatial priorities – Science Vale UK, Oxford (and its environs) and Eco-Bicester.
- 45.** As the Partnership matures it will be increasingly important to ensure that it is adequately supported by both the private and public sectors. A priority over the next 12 months will be to ensure that our support for the Partnership is reflected by an enhanced level of support from the private sector. Nevertheless it remains in the County Council's interest to continue to actively support the

Partnership and its objectives. Indeed, in the face of on-going economic challenges and the critical role that the Partnership has to play in addressing them, so there is a need for additional technical resources to be made available in support of it **(See NR3)**.

46. In this regard the Growth & Infrastructure service is well placed to provide additional technical support specifically targeted at ensuring the Partnership secures additional funding for investment in business critical infrastructure and services, many of which are provided by the County Council.
47. The Infrastructure Planning team has been established as part of the restructuring process to provide leadership in:
  - Ensuring that strategic infrastructure needs are identified and set out in an infrastructure plan for Oxfordshire that is agreed with the district/city councils;
  - Ensuring that those needs are reflected in the core strategies of local development frameworks prepared by district/city councils;
  - Working with the district/city councils to increase the financial contributions secured from developers towards meeting identified infrastructure needs, working with national delivery agencies to ensure that their investment priorities and plans are aligned with local needs;
  - Providing support for partnerships with external bodies that are focused on facilitating economic.
48. Work on the Strategic Infrastructure Plan for Oxfordshire is being taken forward in partnership with the district and city councils through the Spatial Planning and Infrastructure Partnership. The ambition remains to have an initial, prioritised framework in place by April 2012. The framework will be the mechanism for seeking the commitment of national agencies and other public sector bodies to align their investment programmes in support of the Oxfordshire economy. In addition it will be the common framework that underpins the strategic input into the preparation of more detailed charging schedules at the local level in support of the Community Infrastructure Levy. In summer 2011 the County Council agreed to establish a forward funding mechanism that enables infrastructure to be delivered, taking advantage of the flexibility that exists within the planning obligations secured to date.
49. The transition from the current developer contribution regime (via Section 106) to Community Infrastructure Levy will require careful management if opportunities to secure funding for infrastructure are to be realised. There is a strong likelihood that there will be a degree of overlap between the two systems in the period to 2014. Additional technical resources is required during this transition period as a consequence **(See NR5)**.
50. The availability of the Strategic Infrastructure Framework will enable the Growth and Infrastructure service to focus on ensuring that the preparation of Local Development Frameworks take into account the infrastructure and service needs of the County Council. In this context the need for detailed and extended negotiations in respect of individual planning applications should be reduced. This shift in focus has been a key driver in enabling the restructuring of the planning teams to be taken forward. It will serve to reinforce

the importance of working with the district and city councils through the Spatial Planning and Infrastructure Partnership to reach agreement on investment priorities.

51. We are looking to introduce charges for pre-application advice where we are not the Local Planning Authority. A protocol will be produced before the end of 2011/12 for full implementation from 2012/13 onwards.
52. Superfast broadband is seen by both the public and private sectors as a business critical piece of infrastructure. During the course of the last 12 months the County Council has been providing leadership in the development of a digital strategy for Oxfordshire. Implementation of this strategy will require a combination of central Government (made available through Broadband Delivery UK), County Council and private sector funding. A detailed proposition is being prepared that will set out the business case for the County Council to make a capital investment in support of the delivery of the digital strategy.
53. The new Natural and Historic Environment team will increase awareness of the work we do to protect and enhance our assets. The quality of our natural and historic environment is an integral part of the 'offer' that makes Oxfordshire an attractive place to locate, as well as contributing to the health and wellbeing of its residents. Key components of the business include the provision of development management and policy advice to the County and district councils, delivery via hosted projects and partnerships, and liaison with external groups and local communities. Priorities for the future include improving the profile of the service in the County and districts; delivering against a new planning and policy environment, and ensuring that investment in green infrastructure is made to support Oxfordshire's strategic priorities.

### **Planning & Regulation**

54. Following the restructuring of the Growth and Infrastructure service this function now covers both the County Council's statutory planning functions and those functions relating to the public rights of way network (including the Definitive Map).
55. The new structure provides the opportunity to ensure that the planning team plays a role in ensuring that the planning system is an enabler of sustainable economic growth. With the restructuring of the Growth & Infrastructure service well underway, the focus will be on improving the quality of the service provided, with particular emphasis given to addressing weaknesses associated with the previous structure.
56. Preparation of the Minerals and Waste Local Development Framework continues to be taken forward in accordance with the agreed programme of work. Public consultation on the County Council's preferred strategies has been taking place over the course



of the autumn 2011. The outcome of this consultation will be considered by members over the course of the winter, with the ambition be to seek the approval of the County Council to submit the strategy to the Secretary of State in the first quarter of 2012.

57. The Government continues to delay the publication of detailed regulations and guidance that will enable the County Council to set its own fees for planning applications. In the short term, this limits our ability to generate additional income. However, we have introduced charges for pre-application advice (where the County Council is the Local Planning Authority), and continue to charge for work in relation to archaeological briefs.
58. Notwithstanding the lack of progress by Government we continue to make the necessary preparations that will enable us to put in place our own charging schedule for planning applications once the necessary regulations and guidance are in place. In particular we are looking at how we might use the charging schedule to encourage potential applicants to ensure that they submit good quality applications.
59. The Countryside Access team helps ensure that the countryside and rural economy supports the Council's ambition for a thriving economy, and enabling residents to access the countryside for health and wellbeing in both urban and rural areas. Key aspects of the business include protecting, maintain and develop our assets, strategic & local planning, liaison with communities including landowners and volunteer groups, maintaining the legal record of Public Rights of Way (Definitive Map), and enforcement where problems occur. A key priority for the future is to ensuring the quality of our asset continues to meet public expectations, and continues to support the county priorities to benefit Oxfordshire's public.
60. The public rights of way network is a valuable asset both in terms of its role within the community but also as part of the wider tourist and leisure economy. Efficiency savings identified in the Business Strategy have led to a reduction in the funding available to invest in maintaining the existing network. These reductions have impacted on our ability to support community and voluntary groups at a time when their contribution to helping maintain access to the countryside has increased.
61. A planned programme of capital investment in the rights of way network has been developed in response to these challenges. The benefits of such a programme is two-fold: it enables more cost effective use of our resources, and gives a degree of certainty to community and voluntary groups in planning their works.

### **Business & Skills Bureau**

62. The long term vision for the Business & Skills Bureau is to achieve greater alignment between education/training and the needs of the local economy by coordinating partnerships, providers and employers working in this field.

- 63.** The Business & Skills Bureau will contribute to the Council's aspirations by looking to:
- Increase the number of Oxfordshire residents participating in education or training that will ultimately enable them to become economically active rather than economically dependent;
  - Increase the number of Oxfordshire's employers accessing training for their employees, attempting to remove identified skills gaps, improving Oxfordshire's potential for economic growth
  - Work with the Oxfordshire Local Economic Partnership on skills related matters
  - Facilitate the Oxfordshire Skills Board, to work with all interested partners on skills related matters
  - Developing a Skills Needs Analysis building on the contact the work experience service has with several thousand employers.
- 64.** Recognising the significance of skills in supporting economic development, the Business & Skills Bureau will continue to have a strong working relationship with the Children, Education and Families Directorate. The Bureau will add value undertaking bespoke projects in partnership with other organisations that are designed to impact on the priorities identified around skills. Our role will be to link organisations in three key areas: learners of all ages and skills; education and training providers; and employers, so they can work more effectively together to meet the local skills needs of Oxfordshire's residents and employers.
- 65.** The restructure of the Bureau will realise 70% of the savings target to be met from 2012/13 onwards. The remainder of the savings will be achieved through the redesign of the work experience service to become fully financially sustainable. It is estimated that this will generate a revenue of £0.100m -£0.130m, which would more than offset the further £0.080m required to achieve the full further £0.250m efficiency savings planned from this service area.

## Service Statement

### Highways and Transport

<b>Employees (2011/12 Q2)</b>	330.05 fte (350.75 establishment)
<b>2011/12 Gross Budget (incl. recharges)</b>	£55.885m

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	2.384	1.084	0.361	3.829

#### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-4.128	-2.021	-1.154	-7.303
Variations to 2011/12 MTFP Savings	-1.067	0.366	0.068	-0.633
<b>Revised Savings</b>	<b>-5.195</b>	<b>-1.655</b>	<b>-1.086</b>	<b>-7.936</b>

#### Service Vision

*To be a Leading Transport Authority delivering a high quality, cost effective transport infrastructure and services to our customers.*

66. We deliver all highway and transport services in Oxfordshire including highway maintenance, drainage, flooding, street lighting, bridges, traffic signals, civil enforcement, parking, transport planning, public transport, school buses, special transport, highways development control, travel planning, road safety, transport strategy, major developments, Local Transport Plan, traffic management, streetworks, asset management. The service is also responsible for the delivery of the Council's Highways and Transport Capital Programme.

67. The service is now being delivered through a new ground breaking partnership arrangement, with Atkins, with all staff fully integrated into one organisational structure. This arrangement began in July 2010 and the savings within the E&E Business Strategy rely on the new service being more efficient and effective in its use of resources.(CF & NP-A1)
68. The service is positioned well to deliver. The first year of the contract has seen operational performance improving such that the previous backlog of defect repairs has now been removed. Further work is required to improve the systems that support the integrated service including financial risk management. Financially the service will meet its budget savings target in this area. However the real test is to be able to continue to provide improved operational performance. This will be provided by the operational service standards which will define the quality of service and drive efficiencies.

### **Update on the Delivery of Business Strategy**

#### **Highways Maintenance**

69. We recognise that highways maintenance is one of the most important services for local residents (MORI Poll, Oxfordshire 2010). We have sought to minimise the impact of reductions in service provision by focusing resources on keeping a functional, safe and accessible road network that meets the key requirements of its users.
70. The overall highways maintenance budget was reduced, in 2011/12, in the following areas of provision:
- Carriageway repairs
  - Drainage / Gully emptying
  - Footway repairs
  - Signing and lining
  - Minor improvement schemes
  - Dropped crossings
  - Minor Bridge repairs
  - Noxious weed control
71. This represented a budget reduction spread proportionately across these areas of service but still enabled all essential aspects of these types of maintenance work to be continued.
72. To mitigate the impact of reduced spending, the £1m Area Stewardship Maintenance Fund has been protected and reframed to encourage more effective identification of service needs at a local level. The fund has been ring fenced for highway 'community enhancement projects' which need to be supported by local members. The fund is currently being managed by the

Area Stewards through meetings with local members. Members have had the flexibility to allocate the funds across their area how they wish but with the aim of providing for local needs and priorities.

73. Capital funding for structural highway maintenance was provided as a block allocation for general programmes of work and specifically for major projects at Iffley Road, Oxford and Ruscot Avenue, Banbury. This has enabled significant improvement to be made in the quality of the county's roads. This is most noticeable on the A and B roads. The block allocations enable us to carry out general repairs across the network according to their priority. However, major schemes running into millions would take all of this budget allocation and therefore have been bid for separately within the capital programme. Many of our top priorities are costing more to maintain them over 5 to 10 years than it costs to invest in a permanent repair which is likely to last 50 years. Continued investment following this pattern will result in much improved standard for our roads and greater levels of public satisfaction. A capital proposal has been put forward for consideration to support this approach.

### **Maintenance Response Times**

74. Nationally highway defects are defined into two categories. Category 1 defects are those that require prompt attention because they represent an immediate or imminent danger and Category 2 are all other defects that meet the Council's criteria for remedial attention. In Oxfordshire, Category 2 defects were previously separated into 7 and 28 day responses. Whilst there are no legal standards with which to comply, the national Code of Practice recommends that these categories are addressed within 24 hours and 28 days respectively. The removal of the 7 day response time in 2011 has enabled better planning and utilisation of the workforce helping to drive down costs.
75. This has provided an improved level of service for residents as defects will be planned more effectively and with more certainty for delivery. The backlog in dealing with defects was cleared by October 2011 and any defects now identified are carried out within the specified timescales.

### **Flooding and Drainage**

76. Operational activity to address identified flooding issues are currently completely funded through capital budgets, with the exception of gully cleansing where we are maintaining a similar level of service provision as before the reductions in budget. There is an additional £0.586m which will provide opportunities to improve resilience to flooding in the highest priority areas of the county. Progress has been made through the production of the Preliminary Flood Risk Assessment and plans are now in place to deliver the Local Flood Risk Strategy in line with the Floods and Water Act thus fulfilling the requirements of the Lead Local Flood Authority.

### Street Lighting

77. Street lighting uses around 2% of all electricity generated in the UK, and accounts for 27% of the Council's energy costs. The Council is responsible for approximately 58,000 street lights and has delivered a number of innovative street lighting solutions which have kept our base level energy use below 2005/06 levels, even with growth through new developments.
78. Last year it was agreed that we would move to part-night lighting on 14,000 street lights. It was proposed that we extend this to include an additional 14,000 lights, taking the total number of street lights which will be on part night lighting to 28,000. However due to changes in the way in which the energy tariffs are set there is no longer a feasible business case to support part night lighting as the overnight charge for energy has been reduced to a minimal level. It is therefore recommended that we no longer pursue this route to deliver the saving and the capital allocation for this scheme is returned.
79. The required energy saving will need to be met from elsewhere within the street lighting budget and this will be reflected in reduced investment in the asset as well as developing further plans to reduce energy. Alternative ways of reducing the energy requirement for street lighting will continue to be examined to help reduce this pressure **(NP1)**.
80. A proposal for £0.300m per annum (£1.5m in total) has been made for capital funding to support a significant trial of LED lighting which will initially target a market town locality. This type of lighting is relatively new and requires significant capital investment. However it does result in much reduced levels of energy use. Maintenance costs are still relatively unclear due to the technology only being fairly recently introduced. A proposal for capital funds to support this is included within the Directorate's overall energy strategy capital business case.
81. We have also reduced our overall budget for the repairs and maintenance of street lights by 11%.

### Public Transport Development

82. This year has seen the introduction of the new Oxford Smartzone which enables bus users to access the main operators' services through a single ticket. This is a first outside of London and marks a significant improvement in the public transport offer within Oxfordshire.

83. Oxfordshire has the highest level of passenger transport outside the metropolitan areas and this is a key element in our congestion management strategy. The council's provision of passenger information needs to be rethought as it is the commercial operators who gain the greatest benefits. They are also best placed to deliver up to date quality information to their passengers. We are ceasing to provide the Oxfordshire Public Transport Guide and are reviewing our contribution to the national 'Travel line' public transport information and Control System.
84. We propose to continue to maintain the Real Time Bus Information System but we will not allocate further resources to enhance the system.

### **Bus Subsidy Review**

85. There have been two opportunities during the 2011/12 financial year to review subsidised bus services when a number of existing contracts expire (June & December). The first review has brought about significant reductions in the cost of services without impacting on the quality and breadth of provision. It is anticipated that the December review will be similar. The bus market in Oxfordshire has strengthened this year and there is more competition for services and greater incidence of services becoming commercial which reduces the requirement for council support.
86. A risk to this is the change that has been made to the nationally funded Bus Services Operators Grant (BSOG). Reduction in the level of BSOG (20% reduction by 2014) will put additional financial pressure on bus operators. This may lead to a number of bus routes becoming less commercial. However, Oxfordshire has the highest patronage of any shire county for its bus services and this will help to mitigate this risk. Operators generally within Oxfordshire have strong support for their services and we would anticipate this remaining.

### **Concessionary Fares**

87. The County Council took over the operation of concessionary fares from the district councils this year and government funding was reduced significantly. Whilst the council has continued to support this statutory provision all efforts are being made to reduce the ongoing pressures from this service. The total cost of the service has been running at around £8.2 million (**AS1**) but with government funding of around £4.2 million. The balance has been covered by the County Council through its own resources. Reimbursement levels this year are lower than originally anticipated and as such a saving of £0.300m is proposed by 2013/14 (**NS-A1**). Further work is being carried out to investigate different reimbursement models to operators with the aim of reducing costs but providing greater levels of certainty for budgets. Initial discussions with operators have so far been encouraging.

88. The issuing of concessionary passes has continued to be provided through agreement with the district councils. However this will end shortly and the County Council will take over this service in April 2012. This will be provided through Oxfordshire Customer Services and the current budget for this activity, around £0.450m, will transfer to Customer Services.

### **Transport in the Community**

89. We are currently developing a Community Transport Strategy which will set the direction for County Council funding support and wider community funded provision. This year has seen the district councils planning to reduce funding for Dial a Ride services placing pressure on the County Council, as transport authority, to fund its continuation. Whilst there is no statutory requirement for the county to provide Dial a Ride, a countywide scheme for Dial a Ride is being commissioned but only with the funding that is currently available from the County Council and only for one year pending the outcome of the strategy. This enables the county to continue with some provision until the new strategy is in place which will define whether or not dial a ride is a part of our future plans.
90. Overall the County Council is currently spending in excess of £34 million on public transport related activity and control of this lies within three different Directorates (Social & Community Services (SCS), Environment & Economy (E&E) and Children, Education & Families (CEF). Considerable savings have been achieved across the budgets within CEF and E&E with planned savings also in SCS. To date we have achieved much through better, smarter procurement but in a traditional sense. The use of the Integrated Transport Unit fleet outside of their core operation has also been utilized in recent times to provide services on rural bus routes. This has led to significant reductions in the cost of running these services. However there is still scope to look at new ways of procuring services appropriate to needs of our customers and to review the detail of the service provision to see what other opportunities are available.
91. We now need to look at more innovative way of procuring and arranging transport to maintain services whilst reducing costs. One option is to look at the potential of joining up public transport services within an area and enabling the commercial operators to come forward with ideas on which areas of transport could be packaged together and how we could achieve a more efficient and effective network yet meet the needs of users. Oxfordshire has a wealth of commercial expertise which has been relatively untapped in any areas outside of normal public bus services.
92. An opportunity exists to achieve greater efficiencies through a more corporate approach to the strategic commissioning of services without the traditional ties of a service based approach. Services must retain responsibility for policy and commissioning to ensure that customer and business needs are met particularly those who are legally entitled to receive travel funded by the County Council.



### Controlled Parking Zones (CPZs)

93. When the council introduced permit charges it made a commitment to review the existing and older Controlled Parking Zones to ensure that they met the needs of residents and businesses. We have now completed these reviews and addressed the majority of the concerns raised. Going forward we will no longer fund further whole scale reviews of CPZs, however we will continue to manage the demand for disabled bays and reflect changes required to the controlled parking zones as a result of Section 106 investment/ planning conditions. This has operated well this year and a considerable S106 payment is due which will cover the full costs to enable the provision of the Divinity Road / Magdalen Road CPZ.

### Reintroducing Charging at Park & Ride Sites

94. The five Park and Ride sites currently operating around Oxford remain one of the largest provisions of Park and Ride in the country, offering 4,870 spaces to commuters. During the morning peak, over one in five cars bound for Oxford uses Park and Ride and annually Park and Ride is keeping more than a million cars out of Oxford's historic city.
95. After putting the county on notice Oxford City Council has taken back their three sites, Pear Tree, Redbridge and Seacourt. Their new operation started on 1<sup>st</sup> October 2011 and includes charging £1.50 per vehicle.
96. The county council continues to operate the other two sites, Thornhill and Water Eaton and we have been able to maintain free parking for the majority of users due to the handing back of the other sites to the City Council, which has saved us £850k per annum in costs. However we propose to introduce a charge by April 2012 for long stay use that will capture journeys to London and the airports. This will raise the required £150k in order to meet the budget requirements of the Medium Term Financial Plan.
97. The council was successful in securing £5 million of investment through the Local Sustainable Transport Fund which will enable the expansion of Thornhill Park and Ride to take place (**see NS1&2**). We also intend to introduce permanent facilities for coffee and food at the two county sites as part of the expansion proposals at Thornhill and the creation of a new rail station at Water Eaton. It is proposed to introduce a trial at Thornhill this year.

### Reintroducing on Street Charges

- 98.** In the current economic climate it is no longer feasible for the council to provide free on street parking in Oxford on Sundays and evenings. The council has reintroduced these charges recently and we anticipate this will raise the required £600k in the Medium Term Financial Plan. **(see NS1&2)**

### **Road Safety**

- 99.** The responsibility for road safety education activities was transferred to Community Safety where it links in well with the Fire Service. As part of this transfer Community safety are reviewing the provision of the Footsteps child pedestrian safety programme in schools, the Council's Cycle Training Programme in primary schools, and the Theatre in Education project.

### **Staffing within the Service**

- 100.** A further senior restructuring is underway in the service to enable a sharper focus to be placed upon Asset management. This has required some movement of functions to different areas of management. Minor savings will result from this and help to achieve the planned savings on staffing identified in the MTFP. **(EE1/ EE2)**
- 101.** Where we have appropriate skills in-house we have also reduced spending on consultants. This provides better utilisation of in-house staff whilst retaining the key skills and knowledge to ensure that the authority is fit for purpose in supporting the growth agenda, developer funding and other future investment. Only those areas of technical specialism are procured through consultants. This has operated well in 2011 and in particular the Transport Planning teams have undertaken more operational work themselves.

## Service Statement

### Oxfordshire Customer Services

<b>Directorate/Service</b>	<b>Oxfordshire Customer Services</b>
<b>2011/12 Gross Budget (incl. recharges)</b>	£40.885m
<b>Employees (2011/12 (Q2))</b>	623.85 fte (696.15 fte establishment)

Year on Year changes as per 2011/12 – 2015/16 MTFP	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Previously Agreed Pressures and Funding	0.051	-0.063	0.177	0.165

#### Variations to MTFP Savings

Year on Year	2012/13 £m	2013/14 £m	2014/15	Total
Previously Agreed Savings	-1.489	-0.470	-0.478	-2.437
Variations to 2011/12 MTFP Savings	-0.510	-0.100	-0.614	-1.224
<b>Revised Savings</b>	<b>-1.999</b>	<b>-0.570</b>	<b>-1.092</b>	<b>3.661</b>

#### Service Vision

**102.** Oxfordshire Customer Services (OCS) was formed in late 2010, when the Customer Contact Centre, ICT, Procurement and Adult Learning formally merged with Shared Services. All of these services were incorporated with the Environment and Economy directorate in January 2011 to form a new customer focussed directorate with a sharper commercial edge. The vision for OCS is

*“to provide a high quality, cost effective support service that has a reputation for excellent customer service whilst reducing the cost per transaction.”*

**103.** There are currently four key aspects to delivering the Vision:

- Services to customers are being developed using a Customer Service Centre model with a view to answering queries quickly at the first point of contact wherever possible, i.e. the customer journey will be shorter and sharper. The model will adopt a layered approach with centres of professional expertise to support the Customer Service Centre where necessary.
- Resources are being directed towards improving internal processes and procedures, including automating those processes wherever beneficial. A conscious decision has been taken to direct limited resources in this way before considering potential strategic partnering options with other public sector bodies.
- A fundamental review of the structure of HR is being undertaken in light of the Adult Learning function joining the service and a strategic review of the operation of the Council's Health & Safety function.
- Investment in the ICT Infrastructure in Oxfordshire is a key pressure that will need to be addressed. Facilitating the delivery of Digital Oxfordshire and its linkages with the future of the Oxfordshire Community Network and the requirements of the Public Sector Network

### **Update on the Delivery of Business Strategy**

**104.** Overall **Oxfordshire Customer Services** is confident of delivering the 2011/12 savings targets. Of the £2.1m target savings, £1.6m has been delivered and the balance is on track to be delivered by March 2012.

**105.** The total **OCS** savings target for the four years of the revised Business Strategy is £4.5m. Of this £3.6m is planned for delivery in 2011/12 and 2012/13. This leaves £0.9m to be delivered in 2013/14 and 2014/15. Proposals to achieve these savings have been identified. However, in some cases, predominantly **HR** and **Finance**, they are dependent upon the predicted reductions in the OCC workforce. There is ambition and potential scope to go beyond these targets and deliver additional savings.

**106.** To deliver the **Vision** the following programmes and projects are progressing:

- Customer Services Programme – commenced in early 2010, this programme offers directorates the opportunity to improve access to services and service delivery by transferring customer facing services into the Customer Service Centre. In broad terms, the Programme is progressing well. However as the programme runs over several years, the plans are constantly adjusted to reflect changing circumstances and environment. Amongst the aims of the programme are reducing the number of publicised contact routes; one place of contact for related customer enquiries; and a focus on first time resolution of all contacts; and bringing services together to improve access, consistency and reputation. In doing this it is hoped to align with the Council's key Business Strategy aim ... *'to be more joined up across the Council and create strong internal partnerships'*:

- HR and Finance Services – the Customer Service Centre model is being explored for HR and Finance Services. The intention is to develop a Business Case by the end of 2011 with the expectation that this will deliver better customer service and savings over and above those currently assumed within this business strategy.
- Improving Internal Processes and Procedures – in parallel with the extending the Customer Services Centre by the inclusion of HR and Finance, there is a programme of improvements to end to end processes in these services, potentially including Manager Self Service (MSS) and Employee Self Service (ESS).
- Partnering – an opportunity to partner ICT with Hampshire has been explored with a view to deliver savings to both authorities. Other opportunities to partner with others will be considered as and when appropriate. The opportunity to form a strategic partnership with another local authority has been shelved for the time being. It was felt that OCS efforts should be directed towards developing the Customer Service Centre and Improving Internal Processes and Procedures.
- Adult Learning and Learning & Development – a review is in progress to improve how the services are organised by bringing them together. This includes reviewing management and admin structures and the separation of the commissioning activity.
- Health & Safety – a review of how H&S is managed across the Council has been completed and the recommendations are being put in place. These include managers carrying out self-evaluation of H&S in their areas and thereby increasing ownership, with the H&S Team in OCS fulfilling an audit role. Monitoring of schools will continue but the schools will be consulted over the future of H&S provision.
- Procurement – proposals are being developed for three separate but linked services: a transactional procure to pay hub, based in OCS; a purchasing and contracts management hub for care services to support joint commissioning across S&CS/CEF; and a purchasing and contracts management hub in E&E Service for all other service areas. A strategic presence in the corporate centre is also under consideration.
- ICT – the ICT strategy provides ICT priorities and objectives over the next three years. Key elements include roll out of Windows 7 & Office 2010 and delivery of a new public website. The former is a key enabler for New Ways of Working.

- Services to Schools – There are two streams of work: preparing services to be able to provide for schools converting to academies and the overall improvements to the QBU to enable it to a more competitive, proactive business model.

### Variations to the medium term financial plan

- 107. Telephony Strategy** – by exploiting existing technologies and market opportunities, it is proposed that the Council adopts a mixed economy telephony option by reducing reliance on fixed line desk based telephony in favour of greater use of mobile and soft phones. This would be a cross council invest to save project that contributes substantially to New Ways of Working.
108. There is potential to save up to £600k per annum by 2014/15 (**NS-E1**). Given full commitment and the availability of resources to implement the programme, some savings could be phased in earlier. Invest to save resources of £498k would be required, mainly from the Efficiency Reserve.
- 109.** Extending the **customer service centre** to HR and Finance has the potential to generate additional savings not included in the Business Strategy. Work is currently in progress to gather evidence prior to developing a high level business case which should give a broad indication of the potential savings which could be generated. The business case should be completed by the end of the year. At this point in time, the expectation is that savings of £0.400m could be delivered by 2014/15 (**NS-F1**).
- 110.** There are risks associated with doing this, including potential double-counting with the existing savings within the MTFP, staff morale and the ability to deliver the same level of service. Investment will be required to resource the work. This will be quantified in the business case and will be funded from the OCS investment fund if possible. It may be that a bid to the Council's efficiency reserve will be required.
- 111. Procurement** – Our Transformation strategy demands a step change in performance and commercial aspects of both commissioning of services and purchasing & contracts management are interdependent parts of this strategy. The Localism agenda and the opportunity to partner across public sector to better address the wider needs of Oxfordshire are core challenges.
- 112.** A commercially astute response to evolving government policy is demanded and this response can ensure we are equipped with a key capability to do things differently and better in the longer term. It is not just about savings, and whilst there has been very successful delivery of efficiencies through a range of customer facing groups, we can bring benefits to communities through greater levels of collaboration and commercially sound longer term planning. Reviewing the structure of procurement function as set out on page 4 above will help to deliver this.

- 113.** In practical terms, the procurement function will operate in support of the front line services in helping them deliver savings that will form part of their Business Strategies.
- 114. Connecting Oxfordshire** - The Council has its own private network, the Oxfordshire Community Network (OCN) established in 2002 which provides network access for voice and data services to most of the Councils buildings and secure internet access for 100% of schools and most of the District Councils. The Council is faced with challenges to the OCN which currently is essential for the conduct of everyday business. The future of the OCN can be managed in its own right but will require additional investment of £5.1 Million
- 115.** Even if the Council follows this path there is expected to be a loss of income from schools pursuing other solutions that would be beneficial for them. The expectation is that income loss from schools would increase from £0.172m in 2013/14 to £0.545m in 2016/17 (**see NP7**).
- 116.** However, the Council could address the future of the OCN through focusing all investment in Oxfordshire Online. In this context, the investment required from the Council will be £10 Million, i.e. £4.9m more than required by OCN. However, we estimate that a reduced revenue cost of £0.564m in 2014/15 rising to £1.4m in 2016/17 could be achieved (**see NS7**). This investment combined with the existing grant funding of £3.85m will trigger match funding from a Network Provider of £13.85m enabling both OCN and OxOnline ambitions to be met.
- 117. Public Service Network (PSN) Requirements** - The PSN is designed to change the way government organisations buy and use voice and data networks by creating a virtual private network for the public sector. It aims to make savings of £500m, worth around a third of the £1.6bn the public sector currently spends on network services.
- 118.** The PSN will include elements such as information security and assurance, green ICT and international alignment and will provide a foundation for moving towards unified communications across the 600 organisations and 5.5 million users in the public sector.
- 119.** This could be seen as the successor to Government Connect, which under the previous Government meant that most Local Authorities had to make considerable changes and investments to meet security stipulations for the Code of Connection.
- 120.** There is considerable uncertainty about how far Local Authorities will be mandated or indeed to the extent of the security upgrade the programme seems to imply. Our external security Advisers, Hytec are currently advising that for Oxfordshire County Council to implement PSN could mean additional one off costs of £250k and an additional annual revenue cost of £0.020m -£0.050m.

However, clarity on costs and the mandatory nature or not will not become clear until Autumn 2011. Given the current scrutiny on the major public sector ICT initiatives of the last decade the position is unclear.

- 121.** There are clear links between the requirements of PSN and Connecting Oxfordshire. If the investment is made in Connecting Oxfordshire, as outlined above, then this pressure will have been addressed and further investment would not be required.