

Oxford City Council: Productivity return for DLUHC

Oxford City Council funding streams have changed significantly during the decade of austerity. In 2013-14 Revenue Support Grant was approximately £6.5 million and by 2019 this had reduced to zero before coming back to its present level of £0.197 million. With funding reductions so severe the Council has had to find alternative ways to continue to fund its services, generating over £13 million of efficiencies over the same period and using the Oxford Model to generate dividend returns of £9 million from our wholly owned companies over this period with a further £21 million forecast over the coming four years. Gross income in 2024-25 is estimated at around £80million with 10% of this generated from our companies, 35% from council tax and business rates and the remainder (55%) from rental income from leaseholder properties, fees and charges from services and investment returns.

1. How we have transformed the way we design and deliver services to make better use of resources.

The Oxford Model and diversified income streams

The Council has established two wholly owned companies to deliver services and financial returns back to the council. One is a housing development company to deliver social, market and shared ownership dwellings for the residents of Oxford, reducing our waiting lists and providing affordable housing. The other a teckal company to deliver key services for the council in terms of housing repairs, waste, recycling and car parks management. This company also has a trading arm delivering services to external organisations for financial return.

The Council has established an award-winning country-wide fraud instigation team to provide fraud investigation services to Oxford Council and other local authorities and registered providers on housing sub-lets, business rates, council tax, single person discounts and corporate fraud.

The Council has introduced the first all-city selective licensing scheme. The scheme is self-funding, ensuring licence fees pay for enforcement work to bring about improvements in the private rented sector.

Operating model reviews, driving efficiencies and service improvements

The Council will have realised £6.5 m worth of savings from efficiencies and organisational reviews by year 4 of the Medium-Term Financial Plan. This has been done through initiatives such as:

- Layers and Spans reviews of our staffing structures to reduce the number of managers in the authority putting decision making on the front line
- Re-organisation and restructure of our Housing Needs Service.
- Redeveloping some of our Community Centre sites to provide more inclusive, accessible centres for citizens and utilising excess space on the sites for housing.
- Strategic review of the Housing Revenues Account business plan, refreshed asset management strategy and production of a renewed 5-year capital programme to drive efficiency.
- End to end process reviews, maximising use of digital and automation to encourage citizens to self-serve, including use of behavioural insights to improve Citizen Experience, manage demand and drive channel shift. In 23/24 there have been over 3,400 officer hours saved with an estimated 4,500 hours planned in 24/25.

Rationalisation of premises

The Council is now operating from fewer buildings (reduced from five to one) making sure those we keep are used to their full capacity providing a more efficient property footprint that is supported by flexible working. This has realised an estimated £1.4 m per annum revenue savings.

Technology

The Council's Digital and Technology Strategy aims to rationalise systems where possible, has a programme of work to move all applications to a cloud-based environment and a prioritised programme of ICT projects to deliver its corporate aims.

The Council is using robotic process automation to eliminate waste in processing and Power BI reporting to improve

data led decision-making and to ensure data is used to inform service design.

The Council is continually reviewing and improving its systems, for example we have recently reviewed and relaunched our website; we have a new software system for Freedom of Information and Data Subject Access Requests that has improved our response rate to 98%, and a new GIS system will be used to embed the government's digital transformation agenda.

New approaches to procurement and partnerships

The Council has increased evaluation of social value in procurement to 10% which was used in the procurement of a new leisure contract. The Council has also established a dynamic purchasing system procurement framework to deliver EV infrastructure and consultancy services to enable other local authorities to access Government EV funding in the most economical way.

Partnership working remains an integral part of how we work. Key developments over the last couple of years have included:

- Our Home Improvement Agency has partnered with South and Vale Council to deliver this function.
- Further integration with local NHS Integrated Care Partnership and funding to support partnership working and co-location of services
- A County-wide Rough Sleeping Alliance to pool budget arrangements across the five District Councils, County Council and Integrated Care Board to drive efficiency and co-ordination of services for people who are rough sleeping.

Recruiting, retaining and developing talented people

The City Council's People Programme is delivering management training, digital skills training, an aspiring managers programme and a leadership development programme. There have been over 750 staff attendances to these sessions. The Council has introduced a Change Agents network to support the identification and delivery of change, which is also a development opportunity for network members.

The City Council is not part of the national pay arrangements and has recently agreed a local pay deal for the next two years through collective bargaining with its unions.

Regular pulse surveys and annual staff surveys are in place to measure how the organisation is performing. Resulting action planning is driving a culture of engagement and high performance. Most recent results show an 83% engagement satisfaction score.

Introduction of preventative approaches

The Council has moved to a Locality working model, where multi-disciplinary and virtual teams have been established in the four quadrants of the city, to connect citizens with community-based solutions, prevent people from falling into crisis through early intervention, and to cut out duplication across Council services.

Furthermore, the Council is coordinating and participating in networks to share and target resources, jointly fundraise and reduce duplication. For example, a Big Ideas network, Health Inequalities Forum, Interfaith Partnership, and Active Lifestyles Commissioning group, to name a few. The Council has introduced a number of initiatives as preventative approaches. These include:

- New leisure contract working with the health and voluntary sectors to take a preventative approach to health and wellbeing.
- Set up and delivering the new Community Impact Fund including funding for Advice Centres, prevention of Homelessness and Rough Sleeping, Big Ideas and small and medium grants
- Use of Housing Social Fund, to relieve financial pressures in relation to council tax, topping up discretionary housing payments and other cost of living payments to fund food banks

- Introduced an Out of Hospital Programme, working across Housing, Adult Social Care, OUH and Oxford Health, to collaborate to agreed mutually beneficial outcomes

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2. How we plan to take advantage of technology and make better use of data to improve decision making, service design and use of resources.

The Council will continue with its approach to system rationalization and moving all of its systems to a cloud environment. The Council will also continue to develop and introduce further online, self-service application forms and payment solutions. The Council will continue to use review its processes incorporating the use of Robotic Process Automation (RPA) as appropriate in areas such as Revenues and Benefits, considered 'exemplary' in a recent DWP review and extending the use of Power BI reports to improve data led decision-making and to ensure data is used to inform service design.

The Council's Planning system will be reviewed and replaced with a digital planning system. A new asset management system is also being sourced to cover planned and detailed construction and compliance data. This solution will facilitate improved performance measurement for assets to include income and void management.

The Council has also started to develop a policy regarding the implementation of Artificial Intelligence (AI) tool. The aim will be to support services to safely, appropriately, and effectively utilise AI-driven assistance to reduce cost and to enable better accessibility to services for residents.

The Council has established a Business Intelligence Unit to drive a data driven approach. This provides capability to overlay external data (Census for example), with Council data and other insight.

Most services across the Council already share data and information with a third-party or partner through collaborative working when appropriate to do so and with necessary safeguards in place. Examples include the County Council, GP Surgeries and other NHS Departments, advice agencies, and the emergency services. The Council's publication scheme will be updated to include a broader range of information to reduce the number of FOIs received. A disclosure log has recently been published on the Council's website and will be updated and developed as FOI requests are responded to.

3. Our plans to reduce wasteful spend within our organisation and systems.

We do not accept the premise that there is wasteful spend; we need to strive for continued efficiency and in some cases will have to reduce services because of inadequate funding.

The council will have realised £6.5 m worth of savings from efficiencies and organisational reviews by year 4 of the Medium-Term Financial Plan. Savings are identified through a range of techniques including service reviews, analysis of customer insight and other data. This is achieved through a robust budget process incorporating a service review methodology. Delivery is monitored by programme boards and robust budget monitoring that ultimately report to the Council's Corporate Management team. The savings will be achieved through a range of actions including:

- Review of the commissioning functions of Oxford Direct Services.
- The Council will potentially take back leased out, serviced offices, for additional revenue.
- Pay and grading review.
- Further process reviews, digitisation and automation within our services

We are also seeking to better optimise our Leisure Service contract, moving away from traditional centres and moving towards offering broader community activities and support through Active Wellbeing Hubs.

The Council spends 0.16% of its pay bill on Trade Union facility time. The Council employs a single resource for EDI related matters. The Council engages both agency staff and consultants to cover sickness, maternity leave, or vacant roles that are difficult to recruit. The Council is committed to reducing agency expenditure.

There is a suite of key performance indicators measuring our corporate objective to be a “well-run council”. These include percentage of channel shift to online forms; Oxford residents’ satisfaction with City Council services; and the efficiencies planned for delivery against our medium-term financial plan. These indicators are part of a formal performance report to Cabinet every quarter.

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4. The barriers preventing progress that the Government can help to reduce or remove.

Single Year Financial Awards

A major barrier to progress is lack of information about future income and obligations, such as future Council Tax referendum limits, the New Homes Bonus and the future direction of business rates retention. Government could help to reduce this barrier by agreeing multi-year finance settlements and providing clarity of direction, to enable local authorities to plan for the longer term.

Lack of Co-ordination between Government departments

In some instances, greater clarity of direction requires closer co-ordination between government departments – for example, co-ordination of house building and supply; and co-ordination between DLUHC and the Home Office on the issue of migration, the closure of hotels and the impact on temporary accommodation for homeless people.

Short term timescales for funding bids and their delivery

Applications for funding are usually in-year with delivery expected immediately afterwards. This timetable is often unrealistic and compromises best value for money and the delivery of the best outcomes. Government could enable better planning to achieve the best outcomes by creating a longer-term programme of funding bids and funding themes. This should include more realistic timescales for grant submissions and realistic deadlines for delivery and demonstrating impact to enable more effective programmes of work, better planning for delivery, and collaboration with wider partnerships. Examples include homelessness prevention grants, Social Housing Decarb Fund, UK shared prosperity fund, Single Homelessness Accommodation Programme (SHAP) Levelling Up Fund

Funding and Regulation Constraints

Whilst the council’s finances are currently stable, we have looming pressures especially in relation to homelessness and temporary accommodation costs. We are already using around £6.5 million of our reserves over the coming five years to balance our Medium-Term Financial Plan but without additional resources we may need to consider reducing services in order to ensure that we keep in a balanced financial position for the remainder of our general fund services.

Greater freedom is required to spend ringfenced grants and income, allowing more local decision making. More freedom to manage Housing Revenue Accounts by enabling the Council to set Council house rents as we see fit, based on the financial business plans as opposed to arbitrarily capping rent increases at CPI plus 1%. Allowing the council to move council house rents towards formula would provide additional investment and enable us to maintain and improve services for tenants. Providing more targeted resources to assist us in meeting 2040 net zero carbon reduction targets, without which it will be challenging to meet for our council dwelling stock.

Challenges around data sharing and protection

A standardised data sharing agreement for all public services could support better collaboration. More specifically, DWP data could be shared to support automated and efficient processing in areas such as blue badges and benefits.

A finalised version of Data Protection Act would be helpful. In addition, an updated Freedom of Information Act that recognises recent technological developments and capabilities would also be useful.

Legislation and Regulation Constraints

Examples of legislative and regulatory changes that would help remove barriers to productivity include:

- Amendments to legislation for the introduction of selective licensing schemes, to allow the same regime as HMO licensing, where the Local Authority can make the decision to review. This would reduce resource requirements and cost.
- Allowing e-sealing to bring the public sector in line with the private sector.
- Review of the recent changes to the qualifications required for surveyors working in Building Control, to enable Local Authorities to reach the staff levels required.
- Review of the timescales given to respond to and demonstrate the impact of legislative changes, especially in relation to property licensing.
- More flexible procurement regulations to streamline the acquisition of new technologies and reduce bureaucratic delays, and a review of the number and complexity of procurement frameworks in operation would be helpful.

Investment in and adoption of new ICT solutions

There are common systems and software used by Local Authorities, and these costs are escalating each year. Government negotiated contracts with these suppliers that reduce licensing and maintenance costs that each local authority can utilize would be beneficial.

There are budget constraints that can limit the Council's ability to invest in new ICT initiatives. So more technology grants and innovation funds to bid for would be helpful.

Without the proper training and support, employees can struggle to adopt new ICT tools effectively. Government support for workforce development programs that provide training and upskilling opportunities for local authority staff in new technologies would help address this.

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