# LGA Corporate Peer Challenge – Progress Review

Oxford City Council

**Tuesday 9th April 2024**

Feedback

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# 1. Introduction

The council undertook an LGA Corporate Peer Challenge (CPC) during July 2023 and promptly published the [full report](#) with an [action plan](#).

The Progress Review is an integral part of the CPC process. Taking place approximately ten months after the CPC, it is designed to provide space for the council's senior leadership to:

- Update peers on the early progress made and to receive feedback on this including how the action plan aligns to the CPC's recommendations

- Consider peers' reflections on any new opportunities or challenges that may have arisen since the peer team were 'on-site' including any further support needs

- Discuss any early impact or learning from the progress made to date

The LGA would like to thank Oxford City Council for their commitment to sector led improvement. This Progress Review was the next step in an ongoing, open and close relationship that the council has with LGA sector support.

# 2. Summary of the approach

The Progress Review at Oxford City Council took place on Tuesday 9th April 2024.

The Progress Review focussed on each of the recommendations from the Corporate Peer Challenge, under the following theme headings:

- **Local priorities and outcomes**
  - Recommendation 1 – Co-design shared outcomes
  - Recommendation 2 - Prioritisation
- **Project and programme management**
  - Recommendation 3 - Corporate centre / Programme management office
  - Recommendation 4 – Performance management
- **Place leadership**
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- **Organisation leadership**

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- o Recommendation 8 - Corporate Management Team (CMT) and Cabinet
- **Governance and culture**
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- **Financial planning and management**
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- **Capacity for improvement**
  - o Recommendation 7 – Hybrid working / IT infrastructure

For this Progress Review, the following members of the original CPC team were involved:

- Mark Davies, Chief Executive, Lancaster City Council
- Alan Waters, Former Leader, Norwich City Council
- Tracie Langley, Chief Operating Officer and s.151 Officer, Cornwall Council
- Harry Parker, Peer Challenge Manager, Local Government Association

# 3. Progress Review - Feedback

Following Oxford City Council's CPC in July 2023, the council promptly published the report and developed an action plan in response to the peer review. Internal mechanisms were established to monitor progress of delivering the action plan, with periodic updates taken to Cabinet and the Corporate Management Team (CMT). It was clear to the peer team that the council have positively engaged in the CPC process; taken onboard the peer review findings and have been thoughtful about the impact of the recommendations.

Since the CPC there has been considerable change at Oxford City Council. The council has moved to no overall control, following the resignation of 10 members from the ruling Labour Group, with these members now sitting as Independent councillors. Despite the move to no overall control, the Labour Group has formed a minority administration and continued its programme of activity.

Work has continued throughout the year, progressing the authority's priority areas, such as around addressing Oxford's housing supply shortage. The peer team heard

about the ongoing work to deliver 1,600 new social and affordable homes through the council's company OX Place and in partnership with other housing associations.

The peer team felt that the council should be commended for piloting a Regulator for Social Housing (RSH) inspection. In doing so the council demonstrated proactive leadership within the sector and a dedication to enhancing standards as a corporate landlord. The exercise has formed a critical part of shaping the transformation of the council's landlord services and the council is in the process of implementing significant changes to service delivery and governance to ensure full compliance with the new standards for social housing. A comprehensive action plan is in development, which will need to be monitored carefully and have open communication with tenants about the changes which are going to be delivered.

For a district council Oxford's housing stock of more than 8,000 is quite large. The council commissioned a review of its plan for the Housing Revenue Account (HRA). Similar to many other councils Oxford's HRA is under considerable pressure with the demand for new social housing very high alongside the need for estate improvements in areas such as retrofit, particularly acute if the council is to achieve its stated ambition of all of the council housing stock to be energy performance certificate (EPC) rated C as a minimum by 2030.

As the commissioned review stated - given the pressure on the HRA - delivering further retrofit and meeting decency standards alongside the purchasing of new social housing units through OX Place and other developers beyond the existing planned programme would be unaffordable in future years. This therefore means a process of prioritising HRA expenditure will be needed. This also may have implications for the current business and funding model of OX Place. It is welcomed that a review has been commissioned into the future funding and delivery model of OX Place with a report due shortly. A variety of considerations should be looked at including approaches other authorities have adopted such as establishing housing companies as a registered provider.

Action planning is underway in response to the RSH pilot and the HRA reviews that have been conducted. These should be taken through the appropriate formal governance structures within the council, ensuring member oversight and ownership.

In the last year the council has experienced a rapid increase in demand for

temporary accommodation. The approximate average in the past year of households presenting as homeless was 220, which is up from an average of 100 in the previous year. This trend is forecast to continue with the number of households in temporary accommodation in July 2024 projected to be 315. This significant increase has meant that the council has had to move swiftly to introduce mitigations such as the purchasing and leasing of additional temporary accommodation, an increased use of hotels and a reallocation of some of the council's existing stock as temporary housing.

These actions have been partly successful in reducing the cost burden. During the 2023/24 financial year, if the actions were not taken an additional £2m cost would have been borne. Despite the measures undertaken, the council continues to forecast a £3m annual pressure on temporary accommodation alone. Without additional support and/or legislative change this could quickly develop into an unsustainable challenge with this pressure alone equivalent to 12.5 per cent of the council's annual net budget.

The council is well aware of the pressure it faces regarding temporary accommodation and homelessness and has articulated this challenge strongly in its lobbying efforts of central government.

As mentioned during the CPC, Oxford City Council is a particularly ambitious district council, one which is performing well. The council's successes have been recognised externally, with its shortlisting for four of the *2024 Local Government Chronicle Awards* including for *Council of the Year*.

**Local priorities and outcomes**

| No. | Recommendation – Co-design shared outcomes |
|-----|---------------------------------------------|
| 1 | Convene the city's anchor institutions to work together in developing shared outcomes and collectively drive how these are delivered and procured. |

The council have taken some positive steps, along with partners, to communicate collective visions for the city. A good example of this was in January 2024 the Oxford West End website was launched which seeks to communicate and update residents on the regeneration in the west end part of the city centre.

Following discussions with Oxford University Hospitals NHS Foundation Trust (OUH) and Oxfordshire County Council, the Anchor Network was launched in February 2024 with an initial focus on procurement, employment and climate action. The peer team welcomed this development, with a commitment to progress shared priorities, utilising other public sector partners' expertise and resources. A particular area the Leader of the Council stressed to the peer team that she has been lobbying through this network is expanding the number of organisations paying the Oxford Living Wage. Since the CPC, steady progress has been made with more than 130 local employers participating in the scheme by paying the Oxford Living Wage.

Efforts have been taken to further collaboration between anchor institutions; the council is participating in a co-location pilot with OUH at the Leys Pool and Leisure Centre. This is a positive step in providing a rounded offer for residents in a public sector building. The peer team heard of further opportunities in the pipeline for co-locations, particularly in areas like the community hubs. A genuine success marker for the council would be if capital investment could be secured from key partners for similar shared purpose spaces.

There remains scope to go further, which the council acknowledges with the ambition described to the peer team to *"convene more; deliver less."* Given the esteem Oxford City Council is held in by partners, the council is well positioned to push for this and should continue its efforts in this space.

| No. | Recommendation – Prioritisation |
|-----|--------------------------------|
| 2 | Match the council's ambitious plans to the resources required for their delivery. Be deliberate about adding and removing projects when something new is added. Strategically sequence the council's projects. Look to upskill and agilely move around staff to resource priorities. |

The council's Corporate Strategy is up for renewal, during the Progress Review the peer team heard described to them positive examples of delivery under each priority area from the *Corporate Strategy 2020 – 2024*. This is impressive, particularly in sustaining momentum despite the council moving to no overall control in October 2023.

A draft *Corporate Strategy 2024 – 2028* has been developed with the priority areas

remaining unchanged. The peer team heard of measures taken to ensure alignment to the *Oxford 2050 Vision* and the council's *Medium-term Financial Strategy* (MTFS). This draft strategy is scheduled to be taken to the July Cabinet and the July Council meeting. Whilst implementing a new Corporate Strategy promptly after the election would be helpful for plotting delivery in the coming years, the peer team would emphasise the importance of all members recognising and understanding the Corporate Strategy along with committing to its delivery. Consideration should be given to when the optimum time would be to take the new Corporate Strategy through the council's governance system. If there is a change of administration following the election, the peer team would encourage the council to delay bringing forward the new strategy.

The council has adopted a more robust approach towards halting or reprofiling projects when capacity requirements necessitate reprioritisation. The council provided several examples of projects which have been paused due to emerging issues being prioritised. These include the Cave Street redevelopment and phase two of the Town Hall project. The council have also introduced a dedicated prioritisation programme for all the council ICT projects due to resource constraints.

The peer team welcomed the prioritisation which has been undertaken, with the council appropriately pausing and sequencing projects aligned with the council's resources. It was explained to the peer team that there is an understanding of the need to deprioritise where necessary. Given the council's level of ambition it will need to remain conscious of capacity constraints to avoid the risk of overloading the organisation and not delivering priority areas to the desired standard. Prioritisation will remain an iterative process and due to ongoing constrained resources when emerging issues arise certain programmes or areas will need to be deprioritised.

**Project and programme management**

| No. | Recommendation – Corporate centre / Programme management office |
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| 3 | Ensure there is corporate control on the many projects the council is progressing. Consider making permanent the current PMO structure and invest in the council's project management specialists. Look to upskill and equip staff with the necessary training for performance and project management. A team based within the corporate centre of the organisation |

| | should oversee the council's multiple projects including the fit for the future change projects, savings programme, capital programme and the IT improvements. This will help the council in maintaining a corporate grip on project progress and see developments in the round. |
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The council has established a Project Management Office (PMO) to oversee the delivery of projects within the council's capital programme. Senior officers assured the peer team that new capital projects are now subject to greater rigour with more time and resources spent on establishing the feasibility and outline business case before a bid is made through Cabinet and Council for budget approval of funds to carry out the project.

Feedback on the capital PMO was positive. Looking to build on these principles a small corporate PMO was built into the budget for 2024/25 and the MTFS which will oversee the council's change programme, the planned for community services review and will lead on the development and rollout of project management training across the organisation in the summer of 2024.

As the peer team discussed with the council once the corporate PMO is established there will be scope for this team to develop beyond a dedicated project management remit. Once developed, and in line with sector best practice, the council can utilise these specialists to strategically manage the council's risk framework. In doing so, providing greater assurance for the council that risks are appropriately monitored and mitigated.

| No. | Recommendation – Performance management |
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| 4 | The council should refresh its performance management framework in line with the new Council Strategy. This framework should be linked to outcomes. The council should look to use data more intelligently to improve service quality. A consistent performance and data-driven culture needs to be embedded. |

In line with the development of the draft *Corporate Strategy 2024 – 2028* a suite of key performance indicators (KPI) have been developed; this follows a full review of the existing KPIs from the *Corporate Strategy 2020 – 2024*. The council takes

quarterly integrated performance reports to Cabinet covering the financial, corporate performance and corporate risk positions of the council. The peer team heard described to them a commitment to effectively manage corporate performance, utilising information and data which is available. Positively, the council has commissioned a Power BI dashboard drawing on over 30 data sets with the objective of simplifying data sets for easier read across to drive decision making. This development is being overseen by the business intelligence unit. Whilst this team can develop a variety of helpful tools and widgets, to make a material difference this performance information needs to be owned and used corporately by the CMT and senior members. The peer team heard that more is still to be done for the council's performance information to be routinely used as a strategic driver of policy development.

**Place leadership**

| No. | Recommendation – Communicating the regeneration |
|-----|-------------------------------------------------|
| 5   | The council should continue and go further with its inclusive economy campaign. Seeking to inform and demonstrate how the exciting regeneration projects can benefit all local residents. |

The council explained to the peer team its efforts to upweight its inclusive economy campaigning to better communicate the regeneration and development work across the city. The council is currently reviewing the work programme of localities officers to support major development schemes, and regeneration objectives. These community-level based staff can play an important role in explaining the benefits of the regeneration and development for the city and residents.

During the Progress Review it was commented that since the CPC, the council has made a concerted effort to improve internal engagement on major planning pre-applications which are in the process of being brought forward. Monthly meetings with stakeholders from across the council have been established, this earlier engagement is positive and is a helpful step in breaking down siloes and helping inform wider conversations.

During the CPC, the peer team encouraged the council through the Future

Oxfordshire Partnership (FOP) to develop a place narrative for the city and county. The peer team heard that the cross-organisational work on this is ongoing with plans for a strategic economic plan, a new destination management plan and local skills improvement plan in development.

A positive regeneration story was shared with the peer team, with the council looking to undertake an inventive approach in utilising developer contributions to address skills shortages. The council is running a pilot, initially using UK Shared Prosperity funds, to establish processes to utilise developers' Section 106 contributions from the West End development to fund skills training at the local further education college. In doing so demonstrating a holistic approach, using developer contributions to address skill shortages and provide residents funded training opportunities. The peer team felt this was an innovative approach and if successful could provide an example of best practice for the local government sector.

**Organisational leadership**

| No. | Recommendation – Organisational structure |
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| 6 | When looking at the organisational structure the council should have an outcome focused mindset, using its data to drive policy and performance. The council should use its resources flexibly to allow for agility in serving the delivery of projects. Recruitment, retention and progression should be at the forefront when considering an organisational structure. |

Within the council's MTFS there is a savings target of £1.4m for a reduction in management costs. To date £400k has been delivered and a senior management restructure is in development, with the objective of aligning the new structure to intended outcomes in a sustainable manner.

The council updated the peer team on the introduction of the aspiring managers leadership programme which has been brought in to look to develop and retain the talent within the organisation. Programmes like this reflect good practice, and the peer team would encourage the council to continue to invest in similar organisational development programmes. Other councils have introduced dedicated developing diverse leaders' programmes, and this may be something the council wishes to

consider assisting the council in meeting its ongoing target of its workforce at all levels being representative of the communities it serves.

| No. | Recommendation – Corporate Management Team (CMT) and Cabinet |
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| 8 | Forward plan meetings between the CMT and Cabinet to co-design policy and keep all Cabinet members informed of projects across the council. |

The council have organised monthly CMT and Cabinet briefing meetings, the feedback from these has been positive with working relationships cited as 'being in a good place'. With these regular meetings being programmed, the peer team heard that the breadth of the Cabinet now has an improved visibility of work from across the council, helping them to identify interdependencies and foresee emerging issues and opportunities.

Following the council's move to no overall control, regular briefings have been established for all group leaders. It is understood that this development has been widely welcomed. Whatever the outcome of the May election, the peer team encourage the council to continue with these regular meetings with the intention of fostering a greater understanding of current and upcoming projects and programmes.

**Governance and culture**

Later in 2024, the council is planning on carrying out a governance and constitution review, including looking at the existing governance arrangements with the wholly owned companies. This sounds like a positive exercise, as does the work which was explained to the peer team that had been undertaken to audit current arrangements utilising the Local Partnerships publication on local authority companies' best practice with governance improvements planned for post-election.

As was mentioned during the CPC, the council should continue to assist members and officers when they're acting in a shareholder capacity. Dedicated training should be provided to support them in having an adequate understanding of each other's roles and responsibilities ensuring Companies Act compliance. Effort should also be taken to explain the company models to the new members that are elected in May 2024.

| No. | Recommendation – Member development |
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| 9 | In preparing for the May 2024 member induction process, the council needs to strengthen its training provision for new and existing members. Training should also be developed for new and existing Cabinet members. An annual Cabinet development day should be considered. In strengthening the member development programme, the council is building capacity and expertise for the future. |
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To inform a strengthened member development programme feedback was sought on the existing process, with a fuller audit of support and dedicated canvassing of training requests planned for post-election. The peer team were updated by the council on improvements made to member training since the CPC, these include standard items on the weekly members' briefing email promoting training and [development programmes provided by the LGA](#) and the [Local Government Information Unit](#) (LGiU).

In planning for May 2024 election and the subsequent member induction programme, a member prospectus has been developed which includes both a mandatory and optional training plan. A market stall event for members to meet with officers from across the council is planned. Key service areas such as housing, finance and communities will be present as will representatives from the council's companies, OX Place and Oxford Direct Services (ODS).

Member training provision by its nature should be an iterative process. At present ownership for this training sits under the Standards Committee; the peer team feel the council should consider establishing a dedicated member working group on training and development to provide greater focus to oversee and influence the offer.

The council has commissioned and is due to roll out post-election a new member casework system. The development of a new system has been sought after by members and provides an opportunity for the organisation to reset and establish an improved process for responding to member enquiries. It will be important when implementing this new system sufficient training is provided for both members and officers. Specific training for officers focused on providing good quality responses to appropriate requests may be something the council wishes to consider.

**Financial planning and management**

Oxford City Council continues to have a good record of financial management and managing its budget. At quarter three for 2023/24 the council was reporting a relatively healthy position on the in-year £27.8m revenue budget, with a small overspend forecast of £474k after the planned use of general fund reserves (£1.3m). This position does not include the expected dividend payment of £4m from ODS.

The council did well to set its budget for 2024/25 and a balanced four-year MTFS. To do this as a minority administration is impressive, with the Liberal Democrats group supporting the adoption of this budget. This speaks to the healthy cross-party working in the council.

The four-year MTFS was set with a significant (£7m) contribution from reserves. During discussions as part of the Progress Review it was clear to the peer team the council is using these reserves in a prudent manner, with a well evidenced plan behind their use. Similarly, to many councils, reserves are being needed to be spent to deliver balanced budgets, this will though need to be closely monitored as it is not a sustainable strategy to routinely draw down on depleting funds.

| No. | Recommendation – The Oxford Model |
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| 10 | • As with any model of delivery it is important the council regularly and systematically assures itself it is getting value for money, quality of service and achievement of its intended outcomes. The council should look to benchmark itself with other councils with wholly owned companies and consider an independent review to gain assurance on value for money and service quality.<br><br>• Ensure there is an alignment between the Council Strategy and the business plans of the wholly owned companies.<br><br>• The council should strengthen its client arrangements. This would then act as a mechanism to prevent the escalation of operational matters to the shareholder.<br><br>• The council should deliver communications and dedicated training for all staff on the reasons for and the intended benefits of the Oxford Model. This will strengthen the organisation's understanding of the approach the council has taken. |

The council has responded to the recommendation to strengthen its clienting arrangements. A review was carried out on the existing commissioning and clienting arrangements which was due to report at the end of March 2024. To enhance capabilities for commissioning and client management the council has created a dedicated manager post. This post-holder will lead on the development and implementation of strengthened arrangements, providing improved contract grip for the council as well as a focus on developing productive relationships with contractors and suppliers.

At the January Cabinet the letting of a new long-term leisure contract was approved. This was a significant decision for the council and poses an opportunity for an improved leisure offering for residents. It is hoped the strengthened contract management processes the council are putting in place will enable this relationship with a new contractor to start productively and help to ensure performance is effectively managed.

The council has committed to undertaking two comprehensive reviews: on community services and on Oxford Direct Services (ODS). These reviews are important, and it appears a measured and sensible approach to undertake them. The financial imperative behind both reviews is well understood. The community services review is looking to deliver £800k savings and the ODS review £600k savings both by the end of 2025/26. It is positive the council have brought in an experienced director-level officer to oversee both reviews. It is important there is alignment and read across from both reviews and that they are delivered in a timely manner.

The need to deliver a significant level of savings is a clear motivator behind the reviews, as is the acknowledgement that the conditions and operating environment from when the company was set up is now very different, with expectations and requirements evolving. This company review is a helpful vehicle to pick these up.

Whilst it is crucial ODS retains its commercial independence – the council through its contract and performance management frameworks – can require demonstration from the company that it is achieving the necessary value for money and productivity outputs – whilst maintaining alignment with the council's priorities.

When speaking to the peer team there was an acknowledgement and a pride that Oxford City Council provides a lot of services other district councils do not. Given the level of ambition the council has, it has often stepped into the space of directly delivering, sometimes in areas which are not exclusively a district council's responsibility. A range of discretionary services and community grants are still awarded which will need to be reviewed as to whether they are both affordable and are significantly contributing to the delivery of the council's priorities.

**Capacity for improvement**

| No. | Recommendation – Hybrid working / IT infrastructure |
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| 7 | The council's IT systems need to be improved; this is particularly important now most staff are remotely based. The council should look to put on more in-person events and team meetings, providing reasons for staff to come into the office. The team principles for hybrid working are important and should be refreshed and emphasised regularly |

Following strategic decisions taken regarding the council's estate footprint, Oxford City Council has embraced remote working for staff. Most staff are remotely based, with a hybrid working option available at the Town Hall. This narrative around remote working appears to be well understood by staff and members and is aligned to the council's asset and IT strategy. The peer team heard during the Progress Review some of the benefits for the council of embracing default remote working, with positive examples provided regarding recruitment and retention.

Whilst remote working has become routine for officers, the council remains aware of the positives of in person events and meetings. Updated guidance has been provided to managers encouraging a regular cycle of in person team meetings as well as maintaining a rolling programme to refresh all teams' 'Team Principles' which set out their working preferences.

The council has a staff conference planned over two days in April 2024, bringing together c.650 staff face-to-face, updating staff on recent developments, planning for the May 2024 elections and generally promoting collaborative working across all service areas.

Since the CPC, the council has successfully implemented IT improvements such as stronger Wi-Fi connectivity and enhanced digital room capabilities within the Town Hall. The council's IT infrastructure is even more important given how remote focused the council are. Capital investment has been budgeted for to continue to make system improvements throughout the year.

# 4. Final thoughts and next steps

The LGA would like to thank Oxford City Council for undertaking an LGA CPC Progress Review.

We appreciate that senior managerial and political leadership will want to reflect on these findings and suggestions in order to determine how the organisation wishes to take things forward.

Under the umbrella of LGA sector-led improvement, there is an on-going offer of support to councils. The LGA is well placed to provide additional support, advice and guidance on a number of the areas identified for development and improvement and we would be happy to discuss this.

Will Brooks, Principal Adviser for the South East, is the main contact between the council and the Local Government Association. Will is available to discuss any further support the council requires – william.brooks@local.gov.uk.