

Councils' as a Social Enterprise

Peter Sloman

Chief Executive
Oxford City Council



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Oxford

- Population 151,000
- Progressive political tradition
- 20% plus minority ethnic communities
- Two Universities - 30,000 students
- Large Teaching Hospital
- Car production - BMW Mini Plant
- Large science/research economy
- High levels of economic and social inequality
- History of trade union activism from manufacturing past



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Oxford City Council 2007-2015 Approach to Transformation

- **Employee relationships key to coping with changing context for public services**
- **Taking the opposite approach from sector**
 - Cutting jobs/protecting jobs
 - Cutting services/redesigning services
 - Externalisation/in sourcing work
 - Commoditisation/customer and community focus
 - Command and control/value led



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Fundamental Service Review – 20:20

- Service by Service:
 - Starting with poor value for money
 - Poor performance
 - Strategically important
- 20% quality/performance improvement
- 20% cost reduction
- Involving workforce
- Based on a clear deal
 - Good job security/rewards compared to market
 - First class productivity and engagement
 - Sharing rewards



Council's Values



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Sharing Rewards: Partnership Payment

- Pay freeze two years, then 1.5% a year
- Performance conditional contractual increments in pay grades
- £400 annual partnership payments - subject to:
 - Efficiency improvement
 - Appraisal targets
 - Attendance
- Result: 25% cost reduction - 90% performance targets met
- Halved sickness - 14 days to 7 days
- Workforce reduction through natural turnover



Raising Revenue by Trading

- Repairs maintenance
- Waste Management
- Engineering
- Ground maintenance

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Outcomes

- 40% cost reduction
- Service improvements
- Higher productivity
- High public satisfaction
- External recognition

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Conclusion

- Productivity improvement is key to prospering with shrinking resources
- Employee partnership in service transformation
- Privatisation does not have to be the answer
- In-sourcing and trading
- Becoming more entrepreneurial for a social purpose

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