



Draft Version 3

Cherwell District Council Cost Based Service Review

December 2024

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Executive summary

Context

As with many councils, there are financial pressures that Cherwell District Council (“CDC”, “Cherwell”, “the Council”) needs to address, not only regarding inflation and the cost-of-living crisis, but pressures on funding as well as its desires to achieve an ambitious district improvement programme.

The Corporate Leadership Team identified a need to undertake a comprehensive review to enable the Council to address a range of pressing matters, including:

- The need to develop a compelling Vision and robust Strategy
- Exploring options around how best to transform current ways of working to improve service effectiveness and set the conditions for growth without the need to increase staffing numbers
- Uplifting capability to meet changing requirements (e.g., Zero Based Budgeting “ZBB” skills and experience)
- Developing an understanding of how the organisation’s culture can be enhanced to best enable changing requirements, as well as improving collective values-based behaviours
- Developing a clear understand of available service level options (including risks and impacts) should the Council need to reprioritise its budget allocations.

Addressing these matters directly would enable members to make far more informed choices through the MTFP, Budget and Annual Planning Process for 2025/26 and beyond. It would also enable them to understand where best to focus transformation effort in the Council to achieve improvements for the residents, communities and businesses of Cherwell.

In July 2024, CDC undertook a competitive tendering process to commission a cost-based service review, engaging PA Consulting to:

1. Facilitate a comprehensive evaluation of current services provided, costs, and efficiency options to clearly understand the risks and impact of changes in levels of funding.
2. Provide insights to inform its ongoing transformation journey.
3. Provide supporting financial data to inform the annual budget setting process.
4. Potentially provide further support to help the Council to implement the outputs of the review.

Concurrently, the Council commissioned support to develop a refreshed Vision and Strategy. This was to make sure it had the right ‘building blocks’ in place to shape the development of a target operating model and comprehensive transformation programme, after the conclusion of the cost-based service review. Both sets of outputs have been developed interdependently to ensure alignment¹.

Financial sustainability consideration

The cost-based service review is separate from the Council’s “Mid-term Financial Planning” (MTFP) and budgeting process, but its outputs provide options to inform future decisions for FY2025/26, FY2026/27 and FY2027/28².

¹ While this report refers to the Vision and Strategy, they are not a PA Consulting deliverable.

² Also referred to as Year 1, Year 2 and Year 3 respectively.

Potential effectiveness and efficiency and service level options that have been generated through this review, will be considered through the annual MTFs, budget and planning process. This will include consultation and member decision wherever it is required.

A key focus for the review was the Council’s identified worst case scenario budget position for FY2026/27, which reflected a potential gap of £8.378m, and how it might be met should it materialise.

At the end of the 17-week review, the Council had identified options to meet the potential gap, totalling c. £11.1m, with material scope to increase this through further transformation work. These options were made up of c.£8.6m of realisable potential savings via improved service effectiveness and service level saving, plus, an additional £2.4m of income for FY2025/26.

1. Operational and transformational efficiency savings of c.£4.1m³ (options identified during Phase 2 of the cost-based service review).
2. Service level choices of up to c.£4.5m (options identified during Phase 3 of the cost-based service review).
3. Additional income of c.£2.4m (options identified during cost-based service review).

Noting there is high confidence that further transformational opportunities discussed during the review, will provide more options for financial savings, as they are developed during the design and implementation of transformational change. Further income opportunities will also be identified during the MTFP cycles for FY2026/27 and FY2027/28.

The Council now has a range of options to consider in meeting the £8.378m budget gap across FY2025/26 and FY2026/27 should it materialise:

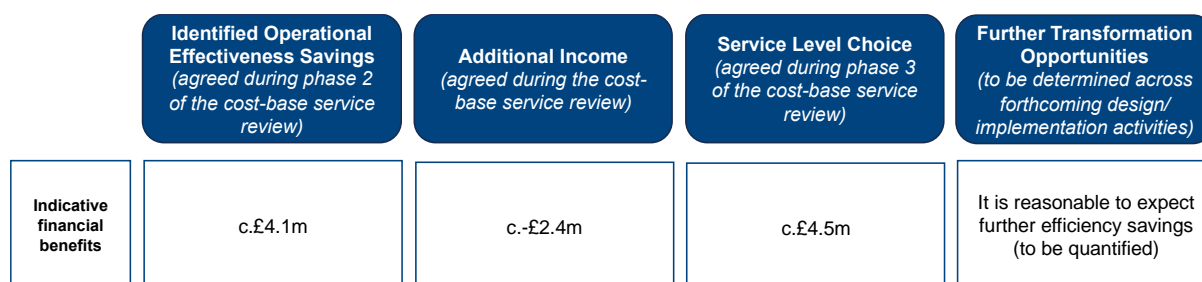


Figure 1⁴: Breakdown of potential savings and income options to help meet the worst-case budgetary position of FY2026/27

Purpose of this report

This report formally documents the cost-based service review process, providing the Council with a record of decisions made.

Its purpose is to outline the approach, record staff and non-staff cost savings and document decisions made by the Panel⁵ (a select group of senior officers⁶ with delegated responsibility to oversee the end-to-end review process).

³ Each effectiveness opportunity was supported by a breakdown of relevant information (e.g., rationale, risks, assumptions, indicative staff and non-staff savings, interdependencies, enabling activities and earliest implementation date) to enable informed decision making.

⁴ Noting that this is a conservative savings forecast based on the options explored. As this is not a case for change/ business case, non-financial savings have not been considered, nor have implementation costs. Income is shown as a negative amount.

⁵ Central to the process were the end-of-phase Panel sessions (see Section 3.4). The purpose of those sessions was to review, and ‘challenge’. The Panel’s role was to confirm proposals were credible, implementation of them was achievable, the risks were appropriately assessed, and the potential benefits realistic.

⁶ Panel membership: Stephen Hinds (Corporate Director - Resources & Transformation), Ian Boll (Corporate Director – Communities), Michael Furness (Assistant Director - Finance & Section 151), Shona Ware (Assistant Director - Customer

Additionally, this report includes links to supporting documentation (e.g., working documents, briefing presentations, decisions, and actions) developed during the review process.

Project scope

All service areas were deemed in-scope. Due to the breadth of activities covered by Environment, a decision was taken to split it in two service areas⁷:

1. Environment (“Env”)
2. Growth & Economy (“G&E”)
3. Planning & Development (P&D”)
4. Regulatory Services (“Reg”)
5. Housing & Wellbeing (“H&W”)
6. Customer Focus (“CF”)
7. Digital & Innovation (“D&I”)
8. Finance (“Finance”)
9. Human Resources (“HR”)
10. Law and Governance (“L&G”)
11. Property Services (“Property”)

Chosen approach

The Council wanted to undertake a process that provided a services-based breakdown of the organisation. The methodology gave panel members an evidenced understanding of how the Council delivered its services, the actual cost of ‘doing business’ and offered panel members valuable insights to inform decision making (including associated risks and impacts) across the three phased approach (described below):

- **Phase 1.** Created a services catalogue and costed baseline for all service areas. Quantitatively defined service outputs and outcomes, allocated staff effort and budgets to provide a clear view of current services and their delivery costs.
- **Phase 2.** Identified potential changes to the cost baselines relating to⁸:
 - Demand Changes. These related to decisions outside of the budget holder’s control that will drive movement in the baseline data (agreed as part of Phase 1).
 - Effectiveness Changes – efficiencies in the way current service levels are provided. These included:
 - Service area specific effectiveness changes (e.g., HR only).
 - Common effectiveness changes (e.g., same action relating to two or more service areas commonly relating to non-staff cost reductions such as printing).
 - Cross-cutting effectiveness opportunities that have dependencies with one or more additional service areas.
- **Phase 3.** Considered a range of service levels that could be provided. Provided insights to inform where to prioritise to ensure resources are best aligned to the strategic priorities.

In addition to panel members (see Footnote 5), the many other CDC were directly involved in delivery of the process. This division of effort ensured the review was **not** ‘done to’ the organisation and helped foster a culture of ownership.

Focus), Shiraz Sheikh (Assistant Director - Law, Governance & Monitoring Officer), Claire Cox (Assistant Director, Human Resources & Organisational Development) (non-scoring Panel member).

⁷ Environment 1 (Waste Services, Streetscene, & Fleet Management) and Environment 2 (Landscapes & Climate Action).

⁸ The process considers the three key drivers of cost (demand, effectiveness and levels of service).

Key outputs

The key outputs of the services review were:

1. **Baselined cost-of-delivery and identification of common activities.**
 - a. Provided the Council with an agreed definition of service areas breaking down individual services, their costs and the resources each service used.
 - b. In addition, the Council also completed a common activity analysis exercise to better understand where colleagues prioritised time across the organisation. This analysis helped to identify areas that generated higher than expected levels of effort. It was used to help identify cross-cutting change opportunities that would enable the Council to reduce effort by addressing associated inefficiencies.
2. **Evidence base.** Providing the Council with a bottom-up view of the baseline for in-scope service areas that clearly shows how its cost base directly aligns to service delivery. It is expected that this information will inform the budgeting process going forward into FY2025/26 and beyond⁹.
3. **Identified Demand and Effectiveness Changes.** Detailed option proposals for potential changes to the cost base that can be considered through the Council budget process. As noted in the Approach section, Effectiveness Changes were split into three categories.
4. **Service level options.** Provided the Council with service level scenario options and to identify where CDC could realign current service levels, if it had to respond to possible future financial challenges. These options would help members to make more informed decisions about changes to service levels should that need arise.
5. **Implementation guidance.** Provided a high-level view as to when it is anticipated that identified efficiencies could be realised and wider implementation considerations, subject to budgeting process decisions.
6. **Zero Based Budgeting (“ZBB”).** The Council has successfully delivered this methodology, a variation of ZBB. It now has the tools and skills to integrate it into future transformation, business and financial planning cycles¹⁰.

Customer Journey and Front Line Administration (143.6 FTE 25.3%)											
	Handling Enquiries	Service requests & applications	Appointments	Complex Assessment	Checking Eligibility	Simple rules based assessment	Data entry and records	Invoicing & payments	General admin	Planning workload & staffing	Managing staff
FTE	15.2	14.1	11.0	28.5	10.4	10.3	14.5	12.6	8.0	8.2	10.9
% of Total	2.7%	2.5%	1.9%	5.0%	1.8%	1.8%	2.5%	2.2%	1.4%	1.4%	1.9%
Service Delivery											
	Service Delivery										
FTE	224.8										
% of Total	39.6%										
Strategic and Support (199.8 FTE 35.2%)											
	Strategy & Policy	QA, Performance Management & Improvement	Business Information & Reporting	Governance & Decision Making	Democratic & Member Support	Marketing, PR & External Communications	Partnership Management	Legal & Advisory Services	Internal Communications	IT	Programme & Project Management
FTE	25.8	9.6	7.8	10.3	15.5	4.3	3.3	11.4	1.7	17.4	12.8
% of Total	4.5%	1.7%	1.4%	1.8%	2.7%	0.8%	0.6%	2.0%	0.3%	3.1%	2.3%
	Master Data Management	Health & Safety	HR	Workforce Planning	Management & Supervision	Organisation Design & Development	Financial Management	Payroll Services	Commissioning	Procurement & Contracting	Contract Management
FTE	8.8	6.2	5.7	2.9	8.4	2.1	18.7	0.6	1.4	5.9	3.0
% of Total	1.5%	1.1%	1.0%	0.5%	1.5%	0.4%	3.3%	0.1%	0.2%	1.0%	0.5%
	General Administration	Data Entry & Records	Asset & Investment Management	Stores & Distribution	Property, Estates & Facilities Management						TOTAL
FTE	7.6	5.1	0.8	0.0	2.9						FTE 568.2
% of Total	1.3%	0.9%	0.1%	0.0%	0.5%						

Figure 2: Common activity analysis overview

⁹ Documented within individual service-area workbooks.

¹⁰ The Council should periodically revisit the process during future financial planning cycles. This ensures that planned changes are reflected in an updated services catalogue and baseline, supporting continuous improvement and oversight of identified changes.

Summary baseline position

The main baseline related information is:

- Baseline for all service areas totalled £87m, of which £39.2m was deemed addressable (inclusive of staff and non-staff costs).
- Demand Changes, that were accepted as valid by the Panel, will potentially increase costs by £414k (£98k in FY2025/26 and £316k in FY2026/27).
- On the assumption that all the Effectiveness Change options that were accepted by the Panel as valid, are delivered the Council will potentially be able to realise cost savings of £4.1m over a three year period¹¹ The Drawing of the Line working session (post-Panel 3) considered three potential scenarios. On guidance from Panel, a fourth scenario (titled “Scenario 3b”) was developed showing the service level provision if the Council had to rely completely on reducing operating costs to fully address the target of £8.378m, while maintaining key income generating capabilities (see Section 4.5).
- Potential new income initiatives totalling c.£2.4m have also been identified through this process for FY2025/26¹².

The cost-based service review captured the financial year in which it is expected identified changes could be realised, dependent on the Council’s internal governance processes as well as consultation and member decision wherever it is required.

The charts below, show the potential phasing of the impact on the cost baseline across Years 1 to 3. This can be used as input into the Council’s annual MTFs, budget and planning processes. It is expected that the Council will further develop the information relating to demand and effectiveness changes for Years 2 and 3, increasing the range of potential opportunity presented below.

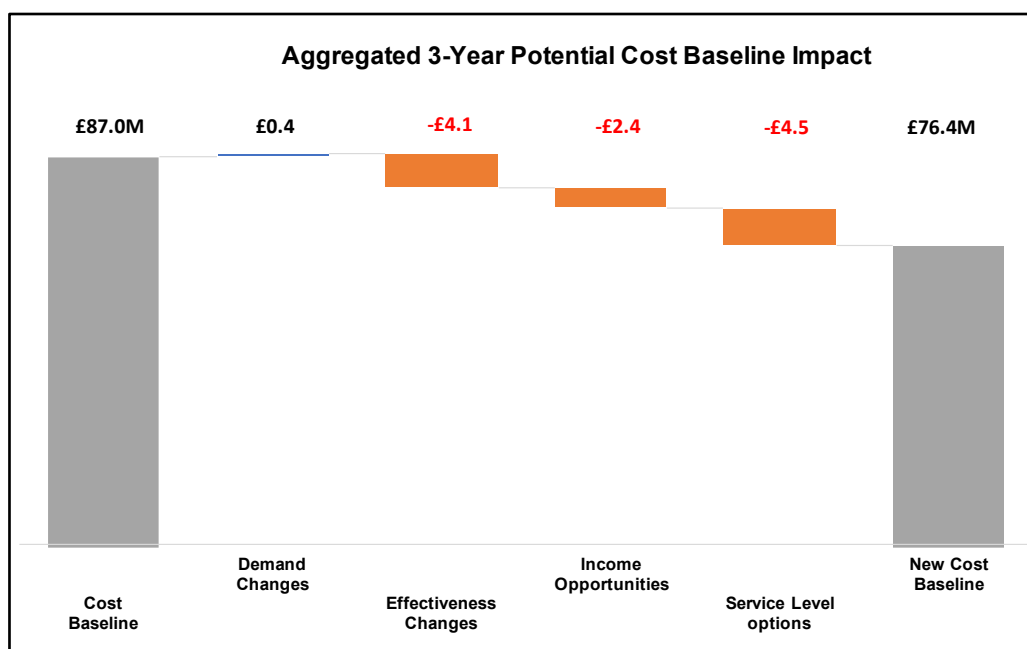


Figure 3: 3-year potential baseline impact dependent on internal governance, consultation and member decisions (as required)

¹¹ As previously stated, the indicative potential savings are deemed to be conservative. There is an expectation that the identified effectiveness changes for Years 2 and 3 will be further developed and added to over year 1 of the transformation programme that is expected to mobilise in early 2025.

¹² Again, noting that further income opportunities are expected to be identified for Years 2 and 3. Likewise, Demand Changes will be revised in forthcoming MTFP cycles.

Transformational opportunity

- Agreeing the Council’s transformation ambition.** The Council’s current operational maturity was assessed to be low. This view was informed by the nature of the service descriptions and effectiveness changes being discussed and comparison with other organisations. The Council has developed a revised Vision and Strategy, it now needs to agree and commit to its transformation ambition:

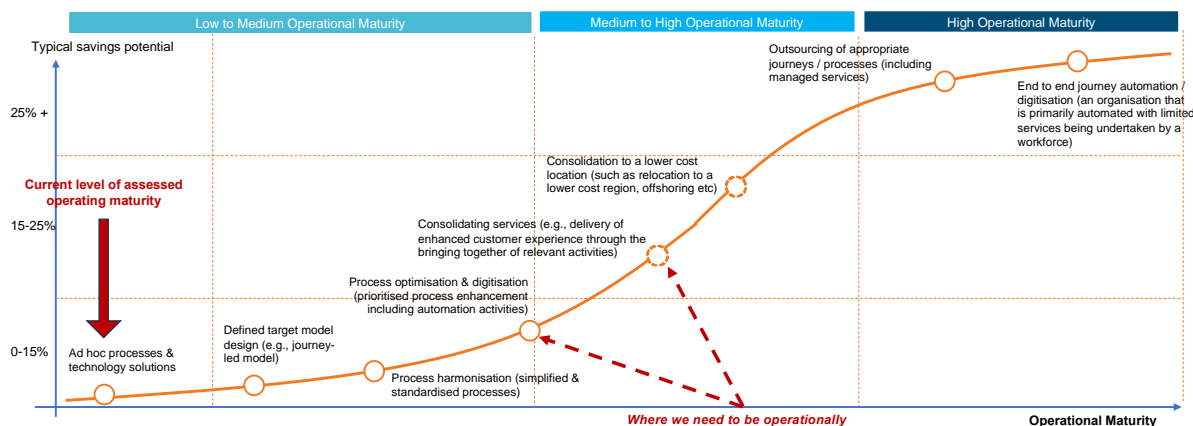


Figure 4: Operating maturity assessment and indicative transformational ambition (see Figure 14 for a larger version)

- Presenting transformation opportunities.** Recurring themes were process inefficiencies and activity duplication (e.g., customer engagement occurring across various teams), presenting significant opportunity to deliver effectiveness gains and realise savings through the simplification and standardisation of processes (including automation) and the consolidation of duplicated effort. This is expected to be a key consideration for the target operating model development as well as the process redesign work (to include automation as required). Below are the 10 transformational themes identified during the second phase of the process:



Figure 5: Presenting operational change & strategic choice themes from Panel 2¹³

¹³ Blue coloured boxes relate to strategic choice themes, and the green relate to operational change themes. See Section 3.8 for more information on presenting transformation opportunities.

1 Introduction and approach

1.1 Objectives and aims

The Council's objective for the cost-based service review was to provide a better understanding of:

1. Current service provision across the organisation, associated costs and presenting opportunities to transform and generate realisable efficiency options.
2. Viable service-level options to help shape the debate on the impact of any future changes in levels of funding.
3. A future operating model for the Council to enable delivery of the refreshed Vision and Strategy¹⁴.
4. The outputs of the review will be used to inform the FY2025/26 MTFP process and beyond.

Through the process, colleagues from across the 11 in-scope service areas were brought together to review and assess how the Council delivered services.

The Council's related aims were to:

- Provide CDC colleagues with the opportunity to put forward ideas and receive considerable skills transfer.
- Embed organisational excellence and a culture of continuous improvement.
- Make the Council more effective so it could give an overall better offer and experience to residents, businesses, and other third parties.
- Create a knowledge base to be able to replicate the approach in future years.

The Corporate Leadership Team (CLT) elected to wait until the baseline was agreed before setting efficiency targets for individual service-areas.

The CLT confirmed an overall target of c.21%, prorated for each service area dependent on budget size, against an addressable spend total of £39.2m¹⁵.

1.2 What is a services review?

The repeatable and structured method that was applied for this review is based on the principles of ZBB that shifts focus from a structural organisational view towards a focus on services delivered.

Firstly, a service catalogue and costed baseline was developed so that resources and costs could be mapped to defined services. The rationale for this was to develop detailed insights across services in terms of outputs as well as effort and cost, not just budget lines. This analysis was supplemented by the completion of a common activity analysis exercise enabling the identification of potential areas of interest in terms of effort expended across the organisation. The service catalogue information was aligned to the activity analysis enabling the Council to make informed decisions on where to prioritise focus regarding potential cross-cutting effectiveness opportunities in the next phase of the review.

Once this information was agreed, the process considered whether there are any known reasons why service demand may change (known as a "Demand Change") over the short-term, and whether efficiencies could be made in the way that services are currently being delivered (known as an "Effectiveness Change"). The process provided the Council with a greater level of insight and understanding with regards to productivity across its service

¹⁴ In parallel the Council has refreshed its vision and strategy in preparation for a council wide transformation programme of work. The outputs of this project dovetailed into this wider undertaking where appropriate.

¹⁵ The addressable spend included third party spend.

areas. This work reinforced the need to adopt an ethos of delivering ‘value for money’ both for the Council itself and its citizens.

The process then considered a range of service levels that could be provided, allowing the Council to be able to consider associated risks and impact should additional efficiencies be required, or investment be provided through the budgeting process. This provided options that could help to align resources to services on a prioritised basis.

The key activities were:

- Detailed descriptions of the services delivered, including who used them, for what purpose, and the value that this gives to the Council (and by extension the Council’s residents).
- Clarification of the baseline budget and allocation of costs to services delivered based on activity.
- Testing hypotheses regarding cost drivers, and identification of Demand and Effectiveness Change options (including cross-cutting) without impacting service levels.
- Consideration of different service levels and their associated costs and risks.

The options developed through the review can be used to inform MTFP, budget and business planning choice involving consultation and member decisions as required.

1.3 Further supporting analysis

The Council undertook further analysis to supplement the cost-based service review as detailed below.

AI contracts review

A diagnostic review of the Council’s top 20 prioritised contracts (representing c.90% of total contracted 3rd party spend) using an AI-based tool. Due to illness of key staff, it has not been possible to complete this review in time to be included in this report – so the findings will be provided to the Council separately.

Common Activity Analysis

The Council also collected quantitative data on how colleagues prioritise time across a set of pre-agreed common activities (Common Activity Framework) that underpin all the services that are delivered.

A top-down exercise was completed by Assistant Directors which involved allocating the approximate percentage of effort across relevant activities in relation to each of their service titles (see output image below).

This information helped to better understand collective work patterns across the Council and informed:

1. Phase 2 (service review) productivity and efficiency opportunities, particularly cross-service areas.
2. Future operating model choices and scale and nature of associated potential benefits.

Steps	Key activities
Discovery & mobilisation	1. Agree priority focus areas and specific contracts 2. Triage hypotheses agreed (to aid AI and human insight testing) 3. Azure environment stood up and access permissions sorted 4. In-scope contract documents uploaded 5. Triage plan agreed and signed up to by all parties
AI insights	1. AI triage analysis completed on 20 prioritised contracts 2. Follow up questions/ issues flagged for further AI analysis &/ or complementary human analysis (HA) 3. Consolidated AI insights provided to PA experts for human analysis & insights
Human insights	1. PA experts complement AI analysis (including testing key issues with CDC contract &/ or business experts as appropriate)
Report findings	1. AI & HA results consolidated into a single draft report 2. Clear options set out for next steps 3. Draft report shared and iterated with CDC experts
Review & next steps	1. Review final report 2. Review meeting held between CDC & PA team to discuss findings and potential next steps

Customer Journey and Front Line Administration (143.6 FTE 25.3%)											
	Handling Enquiries	Service requests & applications	Appointments	Complex Assessment	Checking Eligibility	Simple user based assessment	Data entry and records	Invoicing & payments	General admin	Planning workload & staffing	Managing staff
FTE	15.2	14.1	11.0	28.5	10.4	10.3	14.5	12.6	8.0	8.2	10.9
% of Total	2.7%	2.5%	1.9%	5.0%	1.8%	1.8%	2.5%	2.2%	1.4%	1.4%	1.9%
Service Delivery											
FTE	324.6										
% of Total	58.6%										
Strategic and Support (199.8 FTE 35.2%)											
	Strategy & Policy	QA, Performance, Management & Improvement	Business Information & Reporting	Governance & Decision Making	Democratic & Member Support	Marketing, PR & External Communications	Partnership Management	Legal & Advisory Services	Internal Communications	IT	Programme & Project Management
FTE	25.8	9.6	7.8	10.3	15.5	4.3	3.3	11.4	1.7	17.4	12.8
% of Total	4.5%	1.7%	1.4%	1.8%	2.7%	0.8%	0.6%	2.0%	0.3%	3.1%	2.3%
	Master Data Management	Health & Safety	HR	Workforce Planning	Management & Supervision	Organisation Design & Development	Financial Management	Payroll Services	Commissioning	Procurement & Contracting	Contract Management
FTE	8.8	6.2	5.7	2.9	8.4	2.1	18.7	0.6	1.4	5.9	3.0
% of Total	1.5%	1.1%	1.0%	0.5%	1.5%	0.4%	3.3%	0.1%	0.2%	1.0%	0.5%
	General Administration	Data Entry & Records	Asset & Investment Management	Stores & Distribution	Property, Estates & Facilities Management						TOTAL
FTE	7.6	5.1	0.8	0.0	2.9						568.2
% of Total	1.3%	0.9%	0.1%	0.0%	0.5%						

1.4 Project scope

A decision was taken to split Environment into two separate areas¹⁶ for the purpose of this exercise (as detailed below). Subsequently, the 12 areas were then split into two groups of six services, Communities (1 to 6) and Resources (7 to 12) in line with the current Corporate Directorship structure:

1. Environment 1 (Env 1)
2. Environment 2 (Env 2)
3. Growth & Economy (G&E)
4. Planning & Development (P&D)
5. Regulatory Services (Reg)
6. Housing & Wellbeing (H&W)
7. Customer Focus (CF)
8. Digital & Innovation (D&I)
9. Finance (Finance)¹⁷
10. Human Resources (HR)
11. Law and Governance (L&G)
12. Property Services (Property)

1.5 Key outputs

A primary function of the review was to challenge current thinking. The proposals presented have been developed by representatives from each of the twelve service areas listed above, with senior managers¹⁸ selected to be SLs. Their role was to present outputs to the Panel at the end of each phase. The service areas were also supported by the Finance and HR teams and by members of the Panel. This ensured all opportunities for realisable efficiencies were explored and that decisions, and the resulting budgetary impact is both realistic and bought-in at all levels.

The key outputs of the process were:

1. **Baselining the cost-of-delivery.** Providing the Council with an agreed and explicit view of the services provided by the in-scope services, associated costs, and resources each service consumes.
2. **Creating an evidence base.** Providing the Council with a bottom-up view of the budget for in-scope services that will inform the MTFP process for FY2025/26 and beyond, documented within the workbooks for each service area.
3. **Identifying Demand and Effectiveness Changes.** Detailed proposals for options to change the cost base that could be considered through the Council budget process. These were developed by the SLs and provided a view of the rationale, associated costs, risks, interdependencies, and enablers of each proposal¹⁹.
4. **Providing service level options.** Providing the Council with scenario options to help members to make informed decisions about how resources are best allocated to different services.
5. **Implementation guidance.** A high-level view as to when it is anticipated the identified efficiencies could be realised and any wider implementation considerations.

¹⁶ Due to the scale, diversity and complexity of services undertaken across Environment it was decided to split Waste and Streetscene from the other services.

¹⁷ Noting that the Executive Matters budget was deemed non-addressable spend (i.e., out of scope) for this review.

¹⁸ Each service area was represented by at least one SL. Some service areas employed two or more to ensure consistency across the entire process.

¹⁹ There were three forms of Effectiveness Change. The first related to individual service area change opportunities. The second related to changes that were common across two or more service areas (typically relating to common non staff cost e.g., printing that appeared in all budgets). The third related to cross cutting opportunities affecting two or more service areas.

1.6 Purpose of this report

This report formally documents the process followed and provides a record of the outputs of each of the three phases. Its purpose is to outline the approach taken, document staff and non-staff cost efficiency opportunities and record the views of the Panel. Copies of working documents, analysis and wider themes identified during the review for exploration once the project ends, are stored in the CDC Teams site and referred to where necessary throughout this report.

1.7 Method

The repeatable method used for the review offered a structured and detailed approach to examining cost drivers and their links to services, enabling the Panel to develop a strong set of options. These can be used to inform the budgeting process and to help members better understand the risks and impacts associated with difficult decisions around service levels, if required. The process set the conditions to harness the support of key stakeholders and provided a full understanding of risks and impacts.

SLs and supporting colleagues as well as the broader leadership team were engaged throughout, leading to improved proposals and options that are both realistic and understood at all levels.

1.8 Project timeline

The review started on Monday 8 July 2024 and concluded on Friday 15 November 2024.

Key milestones were:

- **Phase 1 (6-weeks).** The first phase concluded with Panel 1 on 20 August 2024.
- **Phase 2 (7-weeks).** Beginning from the end of Phase 1 and concluding with Panel 2 on 8 and 9 October 2024. The original timetabled Phase completed on 4 October; however, the Panel took the decision to push back the Panel Session to allow more time to prepare the Demand and Effectiveness Change proposals to their fullest capability.
- **Phase 3 (4-weeks).** Beginning from the end of Phase 2 and concluding with Panel 3 on 6 and 7 November 2024.
- **Final Report.** The final report was drafted after Panel 3 and shared with the Panel on 21 November 2024.

1.9 Core delivery team

The Panel consisted of:

- Stephen Hinds, Corporate Director - Resources and Transformation (*SRO and Chair*)
- Ian Boll, Corporate Director – Communities
- Michael Furness, Assistant Director - Finance and Section 151
- Shona Ware, Assistant Director - Customer Focus (*Deputy Chair*)
- Shiraz Sheikh, Assistant Director - Law, Governance and Monitoring Officer
- Claire Cox, Assistant Director, Human Resources and Organisational Development (*non-scoring Panel member*).

1.10 The Panel process and governance

The 'Panel' was central to this methodology. Three Panel sessions were held, one at the end of each phase of the project (referred to as Panels 1, 2 and 3). The purpose of the Panels was to review and challenge proposals submitted by the SLs who were acting as representatives of the different in-scope services.

The Panel's role was to confirm proposals were credible, implementation of them was achievable, the risks were correctly assessed, and the expected benefits are realistic.

Panels 2 and 3 were chaired by Stephen Hinds. Panel 1 was chaired by Shona Ware in Stephen's absence.

The Panel sessions were open to the four review managers and Alex Robinson, providing EA support to the Chair.

Analysis and documentation for the Panel Sessions was developed collaboratively between SLs, their contributing teams, and the review Project Team. The Panel were informed and consulted throughout.

SLs presented findings relating to their areas of responsibility at Panel. As required, they answered clarification questions from the Panel members, whose primary role was to explore the evidence presented, and if appropriate, redirect effort and/ or provide support. The Panel are a key part of the review's governance framework.

The qualitative and quantitative evidence that underpinned the Panel was documented in Excel 'workbooks', alongside supporting presentations and information for evaluation.

To ensure overall governance, and delivery momentum, the process was supplemented by a weekly status report as well as a weekly Project Board, attended by Panel members and PA Consulting. The standing agenda for the Project Board covered:

- Actions from previous meetings
- Progress update
- Risks and issues
- Live lessons learnt
- Communications.

The Panel process is summarised in Figure 6 (below).



Figure 6: Overview of the Panel process

1.11 Panel 1

Panel 1 provided a description of current staff (as full-time equivalents or “FTE”) and non-staff costs; the services being delivered and a costing for each service²⁰.

Service Areas also presented initial thinking of Demand and Effectiveness changes, which the Panel provided a steer on ahead of Phase 2.

- A total of **108** indicative Demand and Effectiveness Changes were presented at Panel 1
- Of which **51** were progressed into Phase 2.

1.12 Panel 2

Using the approved baseline of services (agreed at Panel 1), proposals for Demand and Effectiveness Change options were developed by the SLs and supporting teams on the basis that they maintained current service levels.

Demand Changes were developed based on robust analysis of the drivers of current activity and the quantification of what changes will impact the Council in the future. Effectiveness Changes options were identified different ways to deliver the same level of service, at lower cost. The teams applied analysis of existing processes and data, comparing against good practice and consideration of the drivers of inefficiency. These proposals were presented at Panel 2.

- A total of **24 Demand Changes** and **82 Effectiveness Change options** were presented at Panel 2, including the 51 progressed from Phase 1.
- A total of **16 Demand Changes** and **53 Effectiveness Change options** were agreed as viable at Panel 2.

Demand and Effectiveness Changes requiring further work following Panel 2

In addition to the Demand Changes, several opportunities identified by the SLs required an uplift in resourcing but did not fit the qualification criteria (defined in Section 3.1). These were

²⁰ The baseline consisted of anonymised data that was provided from Payroll and the General Ledger. The Council was the data custodian and therefore responsible for data accuracy etc with PA Consulting performing the role of data processor. Both parties agreed a robust change process to ensure the ability to undertake reconciliation, if required over duration of the review.

not presented at Panel 2. The SLs and supporting teams were instead directed to bring these back as improved service level options at Panel 3.

There were several Effectiveness Change options that either could not be quantified at the time or were dependent on certain events or decisions taking place. These will provide the Council with further opportunity in future years.

All Demand and Effectiveness templates produced are stored on the Council SharePoint . This repository includes the templates that were agreed at Panel 2 as well as those that were not progressed at this time. Further detail on these potential changes can be found in the Panel 2 presentation slides (also on the Council SharePoint).

1.13 Panel 3

Using the viable options for Demand and Effectiveness Changes, new costs were calculated for the current service level. SLs then produced and costed up six different service levels (minimum, intermediate 1, intermediate 2, current, improved 1, and improved 2):

- Minimum was defined as the minimum level of service that fulfils legal and statutory requirements
- Intermediate service levels were step changes in service between minimum and current
- Improved service levels offer up to two levels of investment to increase levels of service above current.

Risks associated with different service levels were defined and scored using the Council's scoring matrix (see Figure 7).

At Panel 3, SLs presented the proposed service levels, with definitions of the services offered, total cost, FTE and, where applicable, income for each plus their risk profile.

Assessing probability

Scale / Level	Descriptor	Description
1 Remote		May only occur in exceptional circumstances (P < 2%)
2 Unlikely		Is unlikely to occur, but could occur at some time (2% < P < 25%)
3 Possible		Fairly likely to occur at some time, or in some circumstances (25% < P < 50%)
4 Probable		Will probably occur at some time, or in most circumstances (50% < P < 75%)
5 Highly		Probable is expected to occur in most circumstances (P > 75%)

Description and definition of the impact of the risk should it occur (these are a guide)

Effect - Service Delivery	Effect – Financial	Effect -Health & Safety	Effect – Environment	Effect – Reputation
5 – Catastrophic				
Catastrophic disruption. Loss of service delivery for more than seven days	Huge financial loss >£1,000,000	Loss of life. Intervention by HSE	Significant local, national and/or international environmental damage	Extensive coverage in the national press and broadsheet editorial, and/or a national TV item
4 – Major				
Major disruption. Serious damage to ability to provide service. Loss of service for more than 48 hours but less than 7 days	Major financial loss >£100,000 - <£1,000,000	Extensive / multiple injuries. Intervention by HSE	Major damage to the local environment	Coverage in national broadsheets, the press, and/or low national TV reporting
3 – Moderate				
Noticeable disruption, some customers would be affected. Loss of service no more than 48 hours	High financial loss >£25,000 - <£100,000	Violence, threat or major injury – medical treatment required. Intervention by HSE	Moderate damage to the local environment	Coverage in the national tabloid press and/or extensive front page coverage in local press/ TV
2 – Minor				
Some disruption to internal business only – no loss of customer service	Medium financial loss >£5,000 - <£25,000	Minor injury – first aid treatment only required	Minor damage to the local environment	Minimal reputation damage. Minimal coverage in the local press
1 – Insignificant				
Insignificant disruption to internal business – no loss of customer service	Low financial loss <£5,000	No injuries	No, or insignificant environmental damage	No reputational damage

	1	2	3	4	5
1	20%	30%	40%	50%	60%
2	30%	40%	50%	60%	70%
3	40%	50%	60%	70%	80%
4	50%	60%	70%	80%	90%
5	60%	70%	80%	90%	100%

Figure 7: Examples of the Council's risk approach which this process applied

2 Phase 1 – establishing the baseline

2.1 Overview and objectives

The purpose of setting the baseline during Phase 1 is to describe in detail the in-scope services delivered by the Council, and their associated costs.

The supporting 'workbook' captured the baseline that was developed comprising budgeted full staff costs, non-staff costs and income alongside actuals for FY2023/24.

The Council's Finance team provided the relevant information and SLs/ contributing team members worked with the combined project team to agree the finalised baseline for the in-scope services.

2.2 Baseline methodology and assumptions

The following principles and assumptions were agreed:

1. Cost shunting. Simply moving activities from one individual service area to another, would not constitute a saving.
2. Budget hierarchy. Data fields were added to the workbook for the cost allocation process (see Section 2.4) to be undertaken accurately.
 - a. For staff cost, the fields were agreed as:
 - i. Service area
 - ii. Team (if applicable)
 - iii. Job title
 - iv. Grade and FTE
 - b. For non-staff cost, the fields were:
 - i. Service area
 - ii. Cost Category
 - c. For income, the fields were:
 - i. Service area
 - ii. Income Category

2.3 Baseline treatments and rules

At the start of the baseline definition process several 'rules' were agreed with Finance to ensure consistency:

- Budget figures for FY2024/25 and actuals for FY2023/24 were to be used for baseline analysis meaning 1st April 2024 will be used as the 'cut-off start date' for this review, unless otherwise agreed through change control.
- Significant staff changes e.g. re-structures, that took place after the cut-off date have been built in as Demand Changes in Phase 2.
- Agency / contractor spend were to be treated as non-staff costs.
- Overtime, bonus payments, callouts were treated as non-staff costs.
- Staff costs are full on costs (i.e., NI, pension etc).
- Vacant posts are budgeted posts that are unfilled.
- Allocation of costs has been done at increments of 5% (5%, 10% ...100%).

2.4 Service definitions

'Services' in this process describe the inputs, activities, outputs, and outcomes achieved across the in-scope Council service areas. SLs agreed and described the complete range of services. Resource captured in the baseline of each service area workbook were then allocated against each of the areas' defined services to give fully costed services.

The service descriptions and allocation of costs enabled the review to gain an understanding of what is delivered for the resources used, by quantifying the volume of work, demand and performance achieved for each service. Services and their costs were developed bottom up by the SLs and supporting teams, with assistance from the combined project team. The Assistant Directors for each of the service areas were involved in the review process. The finalised service titles, descriptions and resource allocations were presented at Panel 1.

2.5 Baseline sign-off – Panel 1 and post Panel 1

Each nominated SL presented their baseline and services to the Panel. All baselines and services were agreed by Panel following discussion and clarification.

The SRO provided direction on prioritisation of areas of interest for each service area after Panel 1 which informed the focus of the Phase 2 work.

2.6 Panel 1 baselines (total cost and income)

Table 1 below shows the Council services baseline (total staff and non-staff costs combined, and income) that were agreed through Panel 1.

2025/26 Budget Baseline	FTE*	Staff costs	Non Staff Cost	Non Staff Income	Net
Service Area					
CF	60	2,613,805	263,263	-249,100	2,627,968
D&I	20	1,004,411	666,909	-60,022	1,611,298
Env 1	167	7,068,302	3,313,388	-6,064,193	4,317,497
Env 2	13	697,415	1,650,814	-958,702	1,389,527
Finance (incl Exec Matters)	60	3,252,894	43,269,887	-30,957,860	15,564,921
G&E	12	833,457	1,416,996	-1,579,000	671,453
H&W	88	3,873,802	3,957,236	-5,799,554	2,031,484
HR	11	606,644	172,209	0	778,854
L&G	26	1,507,914	675,436	-2,965	2,180,384
P&D	71	3,838,430	901,207	-2,990,039	1,749,597
Property	18	1,096,243	2,666,865	-8,400,967	-4,637,858
Reg	27	1,351,763	337,704	-558,651	1,130,816
	573	27,745,079	59,291,913	-57,621,053	29,415,939

*Includes effect of vacancies

Table 1: Overview of Council's costed services

2.7 Decisions and actions from Panel session 1

Actions from Panel 1 were reviewed by the Project Team and ratified by Panel.

3 Phase 2 – Demand and Effectiveness Changes

3.1 Overview and objectives

The purpose of Phase 2 was to identify ways to best deliver existing service levels more efficiently and/ or more effectively.

Each SL worked with their teams to identify:

- **Demand Changes.** Quantifiable external factors that were expected to have an impact on the level of demand for services over the next two years.
- **Effectiveness Changes.** Improvement ideas which enable current services to be provided at a reduced cost. Commonly the focus was on policies, process simplification, removal of duplication, analysis of roles and vacancies and increased use of, or improvements to, technology.

In addition, at Panel 2, SLs were given the opportunity to test minimum viable service levels with the Panel, who provided direction as appropriate.

3.2 Information capture

Each Demand and Effectiveness Change was supported with a completed template²¹ that presented all relevant information to allow the Panel members to be able to assess whether individual opportunities were credible in line with the qualification criteria set out in Section 3.1. The templates²² were not meant to replace the need for business cases, were appropriate (e.g., procurement of technology solutions).

3.3 Demand, Effectiveness and additional Income headlines

Figure 8 below provides an overview of potential baseline changes across the next three financial years.

²¹ The standard template structure was revised to meet the Council's MTFP information capture requirements.

²² The template structure was identical for Demand and Effectiveness Changes as well as new Income opportunities.

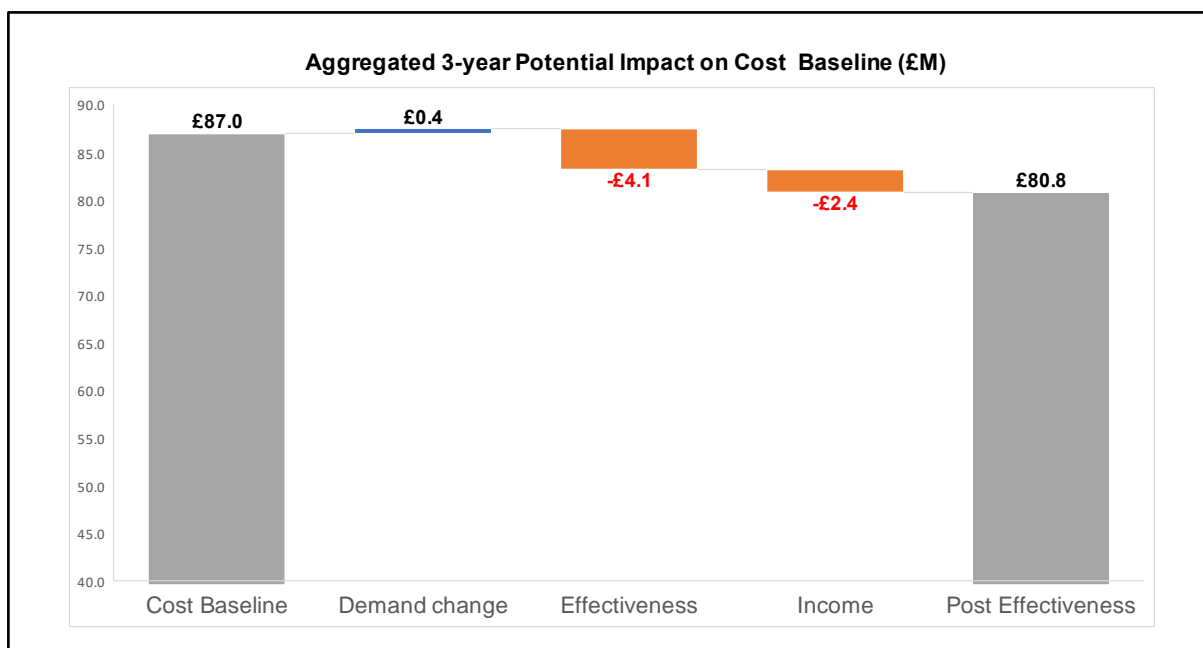


Figure 8: Breakdown of potential impact on the baseline, aggregated across each of the next 3 financial years

3.4 Demand and Effectiveness Changes breakdown against service area savings targets

Table 2 below provides a breakdown of Demand and Effectiveness Changes by service area (including associated income impacts) with performance against allocated c.21% savings targets for FY2025/26 onwards.

CLT noted this level of saving would be a real stretch for many of the service areas, particularly those that had significantly reduced costs over the recent past. There was explicit direction that service areas should return to previous analytical work that had not been progressed (e.g., the Environment report) to help address saving targets.

It should be noted that while the review prioritises transforming an organisation’s cost-base, many service areas were also able to offer additional income, providing the Council with alternate options to address forthcoming budget pressures.

2025/26 to 2027/28 (Cherwell District Council)	Saving Target Aim @ 20%	Demand Asks	Income Generates	Effectiveness Saving	Income Generates	Net	Shortfall to Target	% reached (before imp costs)
Service Area								
Customer Focus	551,000	32,920	0	-278,759	0	-245,839	305,161	45%
Digital Innovation	313,000	10,530	0	-84,584	0	-74,054	238,946	24%
Environment 1	2,527,000	355,490	0	-1,075,081	-175,000	-894,591	1,619,389	36%
Environment 2		43,370	0	-49,990	-6,400	-13,020		
Finance	835,000	7,600	0	-645,000	0	-637,400	197,600	76%
Growth & Economy	159,000	0	0	0	0	0	159,000	0%
Housing & Wellbeing	1,253,000	-336,778	28,472	-447,349	364,256	-391,399	861,601	31%
Human Resources	248,000	127,089	0	-115,738	0	11,351	259,351	-5%
Law & Governance	469,000	73,764	0	-40,000	0	33,764	502,764	-7%
Planning & Development	936,000	138,405	-105,000	-474,385	-314,400	-755,380	180,620	81%
Property	753,000	3,822	0	-751,474	0	-747,652	5,348	99%
Regulatory Services	334,000	34,649	0	-55,039	0	-20,390	313,610	6%
	8,378,000	490,861	-76,528	-4,017,400	-131,544	-3,734,611	4,643,389	45%

Table 2: Demand and Effectiveness Change options across FY2025/26 to FY2027/28 by service area (£k), inclusive of impacted income

3.5 Further supporting Demand Change information²³

Common Demand Changes

A common demand change was applied to all affected Services which had declared and approved uplift based increments for the FY2025/26 FTE remuneration budget.

This impacted total staff budget by c.£170k per annum (pa).

Net Demand Changes²⁴

For FY2025/26 a total of 11 Demand Changes were agreed.

The Demand Changes could result in an additional cost of £523k pa, and an anticipated increase in related income of £77k (excluding the impact of an accounting adjustment for H&W Museum of -c.£348k). No Demand Changes were identified for FY2027/28:

- £446k for FY2025/26 - this is the net position inclusive of the relevant demand related increased income.
- £316k for FY2026/27 - there was no identified demand related income impact.

3.6 Further supporting Effectiveness Change information

The Council identified, and Panel members agreed, staff and non-staff efficiency savings options of c.£4.1m across FY2025/26 to FY2027/28.

3.7 Running additional innovation working sessions to support development of a comprehensive set of Effectiveness Changes²⁵

Fifty three Effectiveness Change options were accepted at Panel 2, with a further nineteen brought back to Panel 3 due to incomplete supporting data (e.g., some had missing indicative staff and/ or non-staff cost savings).

To complement service-area specific support, several additional working sessions were held to ensure the Council could fully explore know 'pain points' that affected organisational performance.

²³ For associated indicative implementation costs for Demand and Effectiveness Changes refer to individual workbooks.

²⁴ Panel also directed that several Demand Changes were to be progressed outside of the process.

²⁵ Where SLs have provided implementation dates for Effectiveness Changes, the majority of these have a 12 to 24-month implementation horizon (savings across FY2025/26 to FY2026/27).

1. **Cross-cutting.** At the start of the second phase two working groups were held with SLs to identify and explore cross-cutting opportunities. This activity generated a total of 64 Effectiveness Changes (see Figure 9).

2. **Process automation.** Several briefings were held with SLs, Assistant Directors and Panel members to discuss process automation. The working sessions were facilitated by a joint presenting team from PA supported by an alliance partner. The sessions included art of the possible case studies to bring to life easily relatable examples so that attendees could relate that information to their own areas to consider how automation could enhance the effectiveness of their services.

Service Area	Number of allocated cross-cutting ECs
Environment 1	1
Environment 2	2
H&W	1
P&D	2
G&E	1
Regulatory	0
HR	8
L&G	11
Finance	1
Property	0
D&I	11
Customer Focus	12
All	14
Total	64

Figure 9: Potential cross cutting Effectiveness Changes

Figure 10 details some high-level recommendations from the sessions. Below are a few observations from the review:

- a. There was limited common understanding of the Council's processes.
- b. Process redesign of the Council's core processes has the potential to deliver significant return and enable the realisation of efficiencies beyond those identified in the review.
- c. While the Council is in the late stages of procuring some limited RPA capability, time spent understanding the Council's wider requirements is required if it is to get the 'best bang for its buck'.
- d. At present, there is limited insight into which technologies best fit the organisation's needs and where it should prioritise efforts.

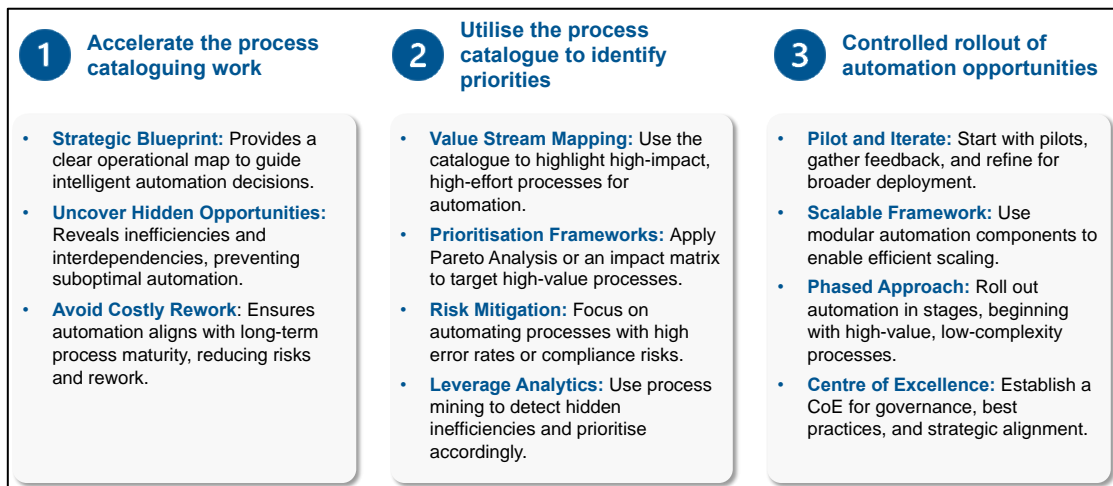


Figure 10: Potential cross cutting Effectiveness Changes

3. **Customer operations transformation.** A working session with the Customer Focus team highlighted a range of effectiveness and efficiency opportunities. It is anticipated that this will be a focus area for the target operating model as the scale of potential transformation is material for the Council.

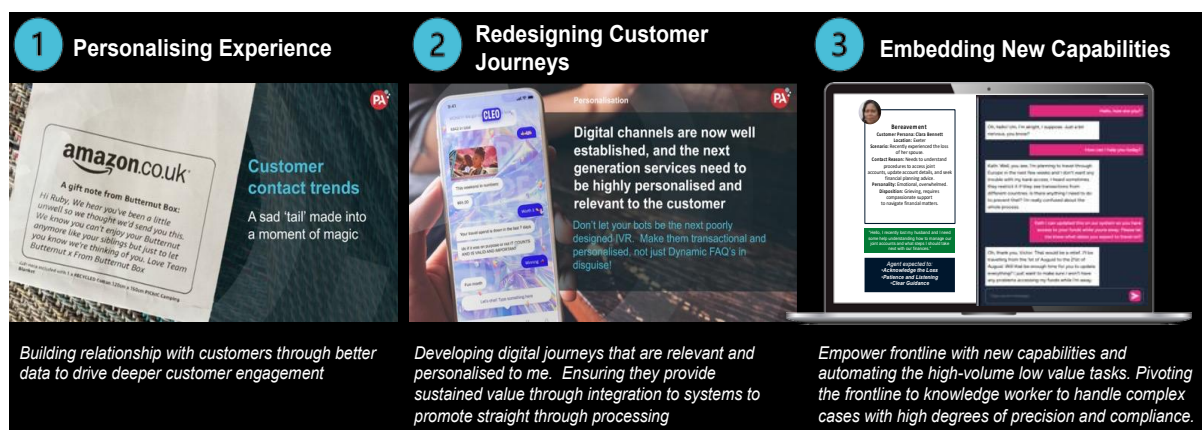


Figure 11: Customer operations – a presenting area for transformation

4. **Alternative service delivery model options.** The fourth additional working session considered presenting opportunities for moving services to alternative service delivery models (e.g., hubs, arm's length organisations, managed services, shared services, outsourcing etc). Overall, there was little appetite from workshop attendees to explore these options. That said, Environment 1 were supportive of moving to an arm's length organisation for the delivery of Waste services and included this as one of their Effectiveness Change options.

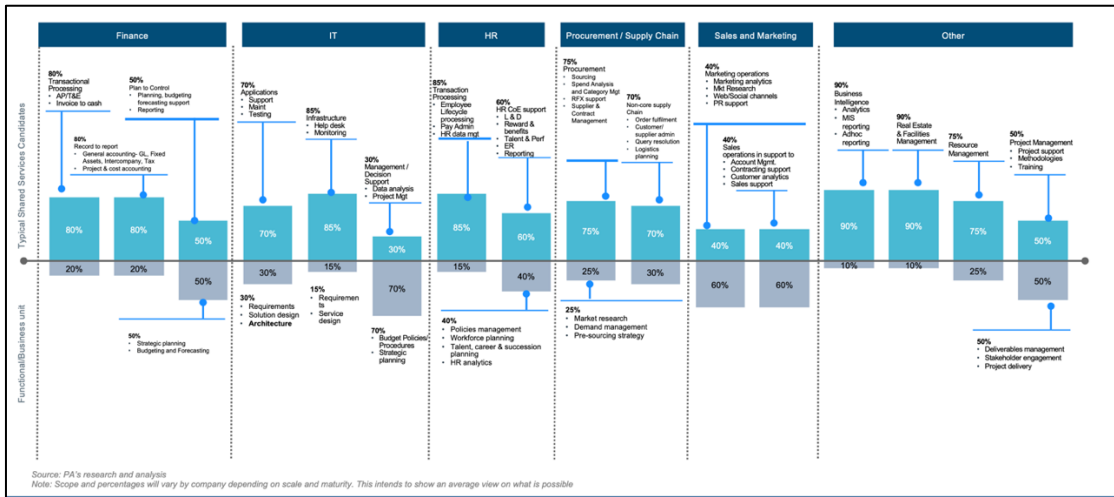


Figure 12: Example process splits within a shared services delivery model

3.8 Further transformation potential

Most of the Effectiveness Change options identified in Phase 2 offer a chance for the Council to make operational changes to enhance current ways of working (Figure 12, green shading) and further transformation potential was also discussed requiring more strategic choices (blue shading).

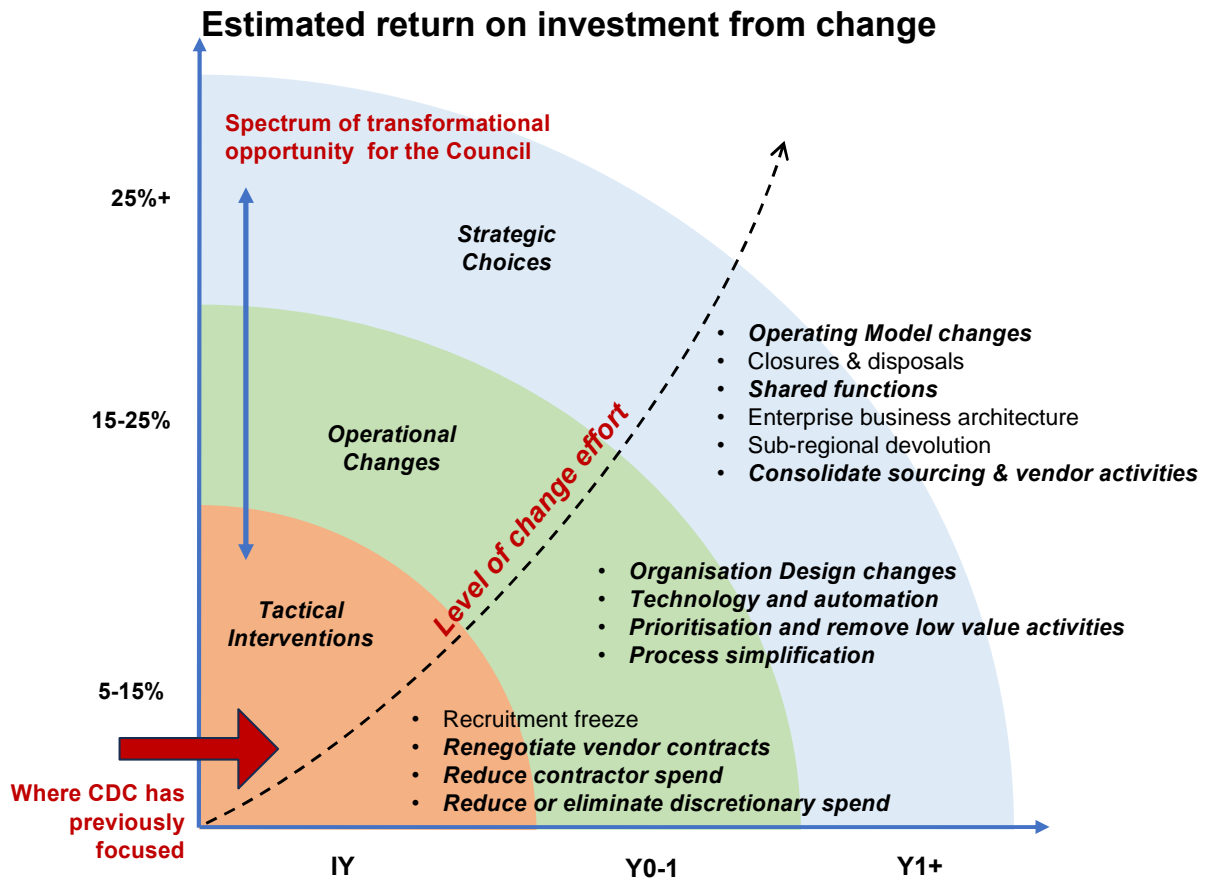


Figure 13: Spectrum of potential transformational opportunities for the Council (bold italics show the type of change CDC could undertake)

Ten key themes from the second phase coloured to reflect operational change/ strategic choice are presented below.



Figure 14: Potential operational change & strategic choice themes from Panel 2

Drawing on evidence presented, professional judgement and what has been seen elsewhere, the Council is assessed to be at a low level of operational maturity overall (see Figure 15 below). Hence, there is view that the efficiencies quantified through the review are conservative, and that the Council should be able to overperform against the current £4.1m aggregated potential savings figure, through further transformational activity.

3.9 Decisions and actions from Panel 2

Actions from Panel 2 were reviewed by the Project Team and ratified by the Panel.

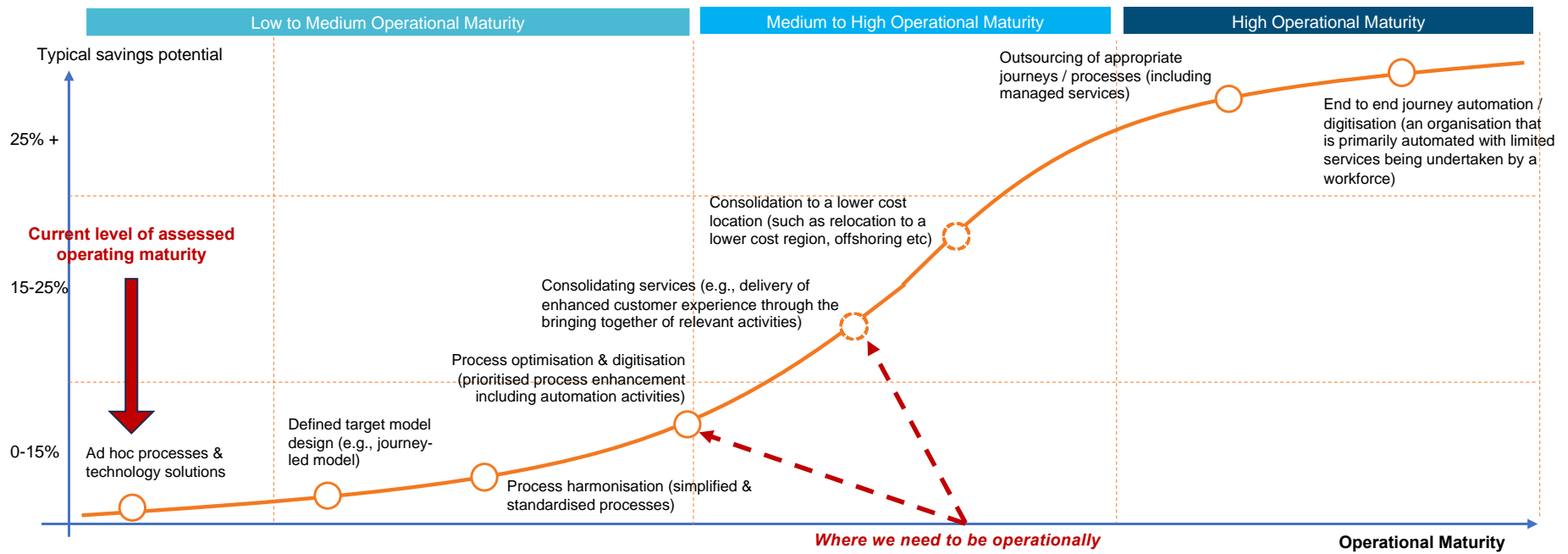


Figure 15: Operating maturity assessment and indicative transformational ambition

4 Phase 3 – Scenarios for Service level options

4.1 Overview and objectives

The primary focus of Phase 3 was the development of different service level options for the Council including associated risks, impact (FTE and cost), and interdependencies.

The service level options assumed the implementation of all Demand and Effectiveness Changes as agreed by the Panel as part of Phase 2, as a starting point.

The “Current” service level detailed at Phase 3 is the most cost-efficient version (i.e., baseline costs agreed at Panel 1 minus Demand and Effectiveness Changes agreed at Panel 2).

The presentation of these service level options at Panel 3 allowed the Panel to evaluate the different options by using a transparent, evidence-based assessment of the benefit, impact, and associated risk to the Council for each level.

The draft scenarios for SLs were directed to develop a range of six different service level options, beginning with minimum and building upwards via intermediate, to current and improved, articulating what additional service will be provided for additional cost, and how each build will mitigate risks.

4.2 Development of service levels

The purpose of identifying different levels of service provision was to offer the Panel a range of potential choices across the in-scope areas (be that investment, disinvestment or the reprioritisation of resources). SLs were encouraged to provide the Panel with as broad a range of costed service levels as possible. This involved:

- Defining the services to be provided at each level, described in Table 3 (below).
- Identifying related staff and non-staff costs, including consideration of the staffing model that would be needed to deliver services at each defined level.
- Defining risks and how they reduce in line with increasing service levels.
- Defining the implementation dates and costs of each service level option (due to time constraints this will need to be progressed outside of the process).

Costs increase from minimum through the intermediate service level builds to current and improved.

When defining the lowest possible level of service, SLs were asked to reflect what the organisation would find viable (i.e., a level of service the Council could function at, accepting the level of risk would not be at all desirable). SLs were asked to base this on the work Council does, legal requirements, statutory minimum standards and commitments that had been made (to residents, central government, etc).

Service level options were then presented at Panel 3.

4.3 Service level costs

Table 3 details the costs of the different service level options offered at Panel 3 for consideration and Figure 15 shows the aggregated cost of each service level.

Service Area	Total cumulative Cost (£m)					
	Min	Int 1	Int 2	Current	Imp 1	Imp 2
Customer Focus	0.97	2.03	2.56	2.63	2.75	2.57
Digital & Innovation	1.07	1.32	1.45	1.66	1.79	1.88
Environment 1	8.10	9.45	9.66	10.31	10.98	10.98
Environment 2	2.10	2.20	2.27	2.34	2.38	2.38
Finance	45.60	45.61	45.77	45.94	46.37	46.62
Growth & Economy	1.46	1.63	1.85	2.13	2.29	2.29
Housing & Wellbeing	3.77	6.32	7.15	7.04	7.83	7.83
HR	0.60	0.66	0.77	0.78	0.82	0.82
Law & Governance	2.10	2.17	2.20	2.28	2.64	2.69
Planning & Dev	2.75	3.69	4.49	4.54	4.27	4.27
Property	1.85	1.85	2.50	3.23	3.34	3.41
Regulatory	1.47	1.57	1.58	1.67	1.88	1.88
	71.84	78.50	82.25	84.55	87.34	87.62

Note: Finance includes Executive Matters ~£16.7M and Rent Allowances ~£25M

Table 3: costed service level options presented at Panel 3

Figure 16 below shows that the Council's services could be provided for a cost of between £71.8m to £87.6m, depending on the choices made about quality and risk. This information could be used to inform the budgeting process in future years, as required. Note that the costs presented are after all agreed Demand and Effectiveness Changes have been considered.

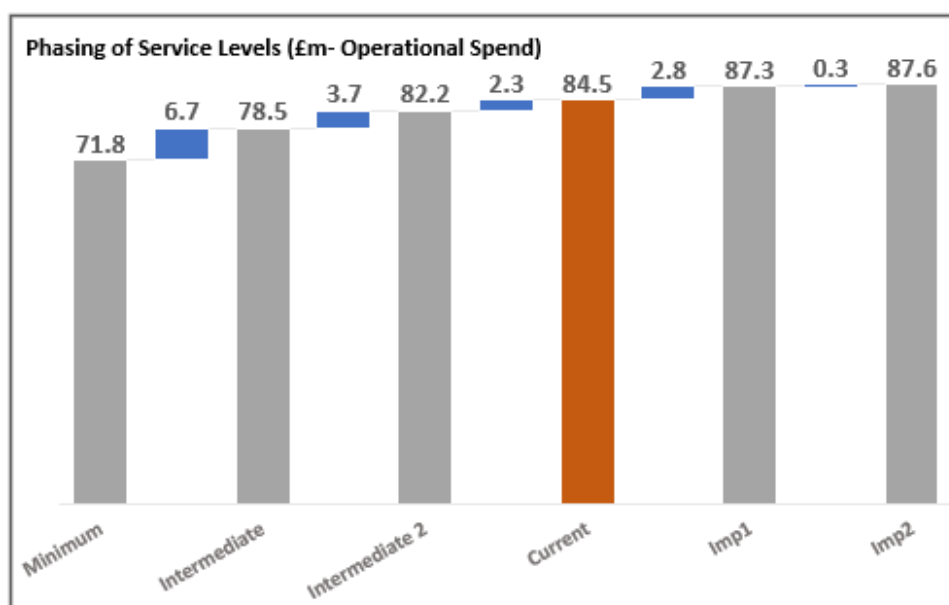


Figure 16: Aggregated cost of service level options presented at Panel 3 (£m)

4.4 Risk profile

As noted, each service level option build presented to the Panel had a series of risks relating to that level of activity. SLs, and supporting teams, defined a set of key risks for the Council, and scored them in line with the Council's risk matrix. This gave an overall risk score for each of the risks. The risk profiles were presented and discussed at Panel 3.

As the amount of resource and activity increased between the service level options, the associated level of risk decreased. The approach helped the Panel to understand what risk was either being 'bought out' by choosing a higher level of service or accepted by choosing a lower level of service.

4.5 Scoring of service levels, and decisions and actions from Panel 3

At Panel 3, Panel members were invited to score each of the presented service level options for each service area using the below scale:

Score	Description
10	Essential - unavoidable corporate or legal requirement
9	Critical – unavoidable without substantial loss or damage
8	Very attractive, important and productive level of service
7	Important - hard to see how they could be dropped
6	Significant benefits but could conceivably be dropped
5	Desirable but first to be dropped if funding curtailed
4	Marginal but first to be supported if funding available
3	Possible but only if significant increased funding available
2	Doubtful – not sufficient justification at present
1	Unlikely ever to be funded

Table 4: Criteria used by the Panel members to score individual service level options

Panel members initially scored individually, then scores were moderated (ensuring no more than 2 points separated Panel member scores) to understand explore and significant differences of opinion by members and determine a set of consensus scores.

Panel members subsequently met to discuss the application of this scoring to several scenarios, whereby the impact on budgets of including all service levels options above a particular score were considered. The following scenarios were used:

- **Scenario 1.** Keeping budgets at existing levels, but reinvesting the savings made through effectiveness changes into improved services.
- **Scenario 2.** Taking the effectiveness changes to reduce the cost baseline, keeping service levels broadly as current (with some limited rebalancing to reflect changed priorities).
- **Scenario 3a.** Taking the effectiveness changes and reducing service levels (based on the scoring above) to achieve the desired target in terms of meeting the potential budget gap.

- **Scenario 3b.** ‘Fine-tuned’ Scenario 3a to increase service levels in three service areas²⁶ that produced a positive marginal contribution (i.e. increase in income greater than increases in cost).

²⁶ Finance, Planning & Dev and Property.

5 Implementation

5.1 High-level roadmap

The proposed high-level implementation plan (Figure 16) shows the key activities that will be required to deliver the efficiencies associated with the proposed Demand and Effectiveness Change options.

Implementation dates have been taken from the information provided in phases 2 (e.g., Effectiveness Change templates) and 3. This information is reflective of the SLs' and supporting staffs' professional judgement.

Where there has been a level of uncertainty, a conservative estimate has been taken. All implementation dates will need to be tested. There will also be opportunity to accelerate some of the delivery timelines, dependent in resource prioritisation.

The levels of complexity shown below are based on an assessment made by the combined project team following Panel 2. The Council will need to firstly confirm the assessed level of complexity during the design phase of delivery. Secondly, CDC will need to consider how best to plan for and manage delivery complexity as many of the identified savings will be dependent on enabling activities/ co-dependent on other change initiatives.

The core principle which has driven the sequence of activities is that of 'save to spend' (i.e., achieving cashable savings early to fund investment). The plan also includes enabling assumptions and enabling factors such as technology, governance, and programme management (as identified in the Effectiveness Change templates). A larger version of the Demand and Effectiveness Change implementation plan can be found at Appendix 3.

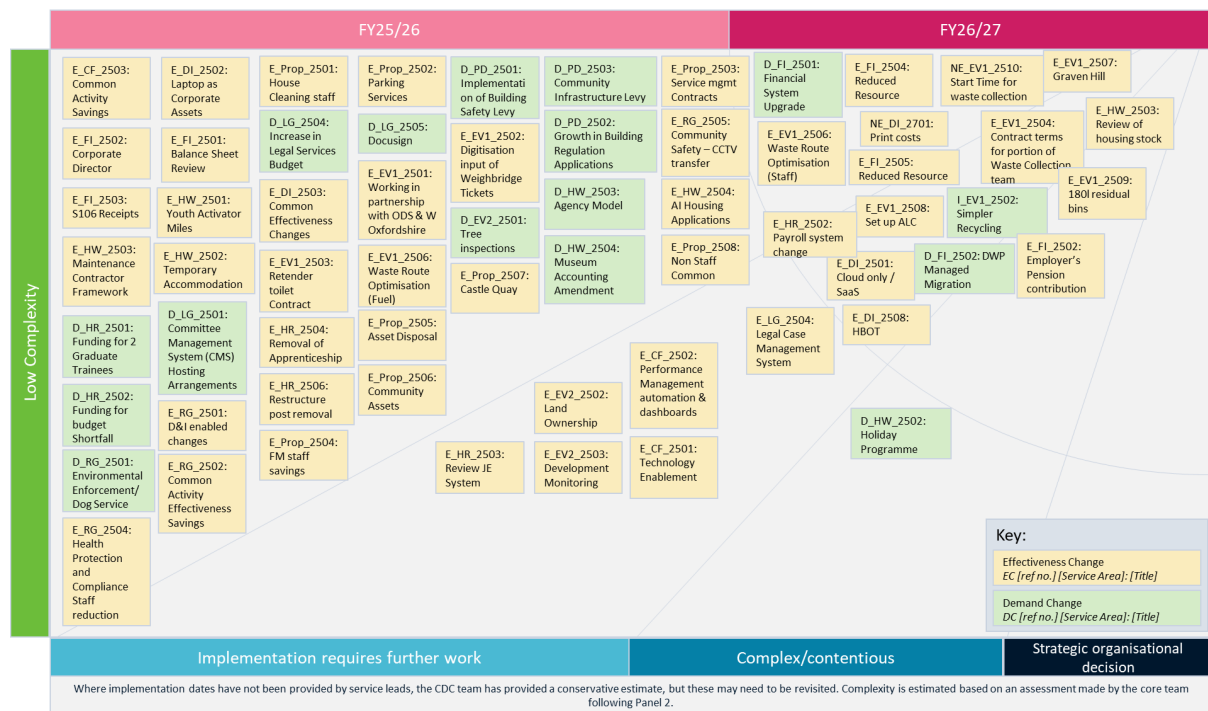


Figure 17: Indicative high-level Demand and Effectiveness Change implementation plan (see Appendix 3)

5.2 Implementing the Demand and Effectiveness Changes

Of the 106 proposals presented at Panels 2 and 3, 16x Demand and 53x Effectiveness Changes were deemed viable, with a further four²⁷ awaiting a judgement out of process.

The opportunities were deemed to be viable all have implementation dates within the next 12 to 24-months (FY2024/25 or FY2025/26) so can be actioned in the short-term.

For each Demand and Effectiveness Change a template has been completed. The templates provide supporting information such as rationale, associated costs, risks, interdependencies, and enablers.

The implementation date is the individual SL's assessment of the point at which the change to the budget will be fully realised and is underpinned by several assumptions and risks developed during the Panel process. These assumptions include:

- **Budgeting process.** It is assumed that through the budgeting process the Council will discuss the Demand Changes and Effectiveness Change options, and other associated identified investment factors, to ensure the Council has a set of services appropriately balanced to meet its needs in FY2024/25 and going forward.
- **Programme set up.**

It is assumed the implementation will be incorporated with appropriate governance, set out in Section 5.3. This will include the allocation of appropriately experienced resources to support design and implementation of the new target operating model and associated changes that have been agreed as part of this review.

 - It is also assumed that the programme will be delivered in line with a detailed delivery plan. Any changes should undergo robust change control to assess the impact on the scale and timing of both savings and investments to maintain a net cost saving over time. This point is applicable to the review and all constituent design elements of any forthcoming transformation programme.
- **Consultation and Member Decision.** It is assumed that the Council will assess (and take appropriate steps) whether there is a requirement to undertake a consultation process and/ or seek Member Decision ahead of implementing some of the proposals.
- **Alignment of post mapping and reallocation of resources.** Where relevant, it is assumed that every effort will be made to minimise staff impact and align resources of the right grade and skillset to new posts, as agreed in the budgeting process.
- **Organisation Design.** It is assumed the Council will consider how the target operating model work will incorporate the proposed changes from the review.
- **Implementation costs.** It is assumed the Council will need to:
 - Further refine the Effectiveness templates/ service level options. Developing business cases (were appropriate) to capture revised costs and benefits²⁸.
 - Fund implementation costs as part of the budgeting process for upcoming financial years.
- **Programme Delivery.** It is assumed that all accepted changes are deliverable and realisable. The majority of these can be actioned through business as usual. Where this cannot take place, the appropriate leadership team will be responsible for actioning and implementing agreed changes (either through the budgeting process outcomes or in addition to them).

²⁷ E_EV1_2501, HR Supplementary x3 (Professional subscriptions, agency costs and overtime) will be reviewed post Panel 3 at CLT. This delay is due to short timelines between Panel 2 and Panel 3 impacting the Service Leads ability to address the points raised.

²⁸ Good practice is to refine business cases (high and detailed) through the design phases ahead of implementation.

5.3 Governance

The Efficiencies and Service Level changes (if agreed through the appropriate internal governance process) will only come from successful implementation. Setting the right level of governance and control from the outset is a critical element of achieving desired outcomes.

There are two elements to this:

- Establishing an appropriate governance framework.
- Embedding the governance of this review into the wider Council portfolio of change.

The high-level implementation plan (Figure 16) has been developed post Panel Session 3 and should be considered a first version of a live document. It will need to be maintained and updated under the governance and control arrangements established to manage the budgeting process decisions.

Given the types of initiatives identified through the review the Council may wish to consider the two governance approaches outlined below that match the structure of the high-level implementation plan.

Type of initiative	Short-term initiatives contained within service area workbooks.
Governance Lead	Cost based Services Review Project Board or the Corporate Leadership Team.
Responsible Owner	Assistant Directors
Description	These are initiatives expected to be realised during FY2024/25 or FY2025/26. Typically, these initiatives are 'quick wins' and/ or can be addressed as part of business as usual. They may require an update to the FY2025/26 budget, to match the cost changes that have been realised. Budget holders are responsible for the delivery of these savings.

Type of initiative	Medium to long-term initiatives and/ or those that are complex/ sensitive (e.g., organisation design changes).
Governance Lead	Cost based Services Review Project Board, a newly formed Transformation Board or the Corporate Leadership Team.
Responsible Owner	Business case owner(S) and/ or relevant corporate/ assistant directors
Description	These are initiatives that are expected to be enabled over the next 1 to 3 financial years. Service areas will be accountable for the delivery of the initiatives and the realisation of benefits. A programme board and other forums (e.g., a Design Authority) will be required and expected to fulfil a central coordination and governance role.

5.4 Roles and responsibilities

Adequately resourcing the delivery team and providing robust governance and control will be fundamental to success. It is suggested that they report to a Programme Board, who are responsible for delivering all aligned savings.

Appendices

Appendix 1 – List of viable Effectiveness Change options

Below is a breakdown of agreed Effectiveness Changes by service area.

The financial year information was provided by the respective SLs and is their estimate as to when the effectiveness savings could be realised.

Ref Number	Service Area	Description Title	Total Saving	Earliest implementation date
E_CF_2501	CF	Technology Enablement	-193,493	1yr CRM 2-3yr
E_CF_2502	CF	Performance Mgmt automation and Dashboards	-53,594	18mths/2 yrs
E_CF_2504	CF	Common Activity Savings	-31,672	Apr-25
E_DI_2502	D&I	Laptops as Corporate Assets	-9,750	Apr 25
E_DI_2503	D&I	Common Effectiveness Changes	-10,534	Apr 25
E_DI_2501	D&I	Cloud only /SaaS	-20,300	2026/27
NE_DI_2701	D&I	Controlling uncontrollable non staff costs	-12,500	2026/27
NE_DI_2701	D&I	Controlling uncontrollable non staff costs	-20,000	2027/28
NE_DI_2701	D&I	Controlling uncontrollable non staff costs	-11,500	2027/28
E_EV1_2501	Env 1	Working in Partnership with ODS & W. Oxfordshire	-45,000	01/04/2025. Additional potential savings for 2026/27 (Staff)
E_EV1_2502	Env 1	Digitisation input of Weighbridge Tickets	-21,789	Apr-25
E_EV1_2503	Env 1	Retender toilet Contract	-10,000	Apr-25
E_EV1_2504	Env 1	Contract terms for portion of Waste Collection team	-29,047	Ref Summary for 2026/27 & 2027/28
E_EV1_2506	Env 1	Waste Route Optimisation	-9,000	Apr-25
E_EV1_2501	Env 1	Working in Partnership with ODS & W. Oxfordshire	-300,000	2026/27
E_EV1_2507	Env 1	Graven Hill [Placeholder as savings commence 26/27 and not 25/26]	-80,000	2026/27

E_EV1_2507	Env 1	Graven Hill [Placeholder as savings commence 26/27 and not 25/26]	-185,000	2027/28
E_EV1_2508	Env 1	Set up ALC [Placeholder as savings commence 26/27 and not 25/26]	-30,000	2026/27
E_EV1_2508	Env 1	Set up ALC [Placeholder as savings commence 26/27 and not 25/26]	-100,000	2027/28
E_EV1_2504	Env 1	Contract terms for portion of Waste Collection team	-38,000	2026/27
E_EV1_2504	Env 1	Contract terms for portion of Waste Collection team	-48,000	2027/28
NE_EV1_2510	Env 1	Start Time for waste collection	-162,381	2026/27
NE_EV1_2510	Env 1	Start Time for waste collection	-162,381	2027/28
E_EV1_2506	Env 1	Waste Route Optimisation	-29,482	2026/27
E_EV2_2502	Env 2	Land Ownership	-49,990	3-6mths post completion 2025/26
E_EV2_2503	Env 2	Development Monitoring	-6,400	3-6mths post completion 2025/26
E_FI_2501	Finance	Balance Sheet Review	-240,000	Apr-25
E_FI_2503	Finance	Corporate Director	-140,000	Apr-25
E_FI_2504	Finance	S106 receipts	-174,000	Apr-25
E_FI_2505	Finance	Reduced Resource	-34,936	01/04/2025 with portion in 2026/27
E_FI_2505	Finance	Reduced Resource	-18,064	2026/27
E_FI_2508	Finance	HBOT [Placeholder 26/27]	-38,000	2026/27
E_HW_2501	H&W	Youth Activator Mileage	24,426	Apr-25
E_HW_2502	H&W	Temporary Accommodation - Housing	-400,000	1/4/25 & on-going
E_HW_2504	H&W	Maintenance Contractor Framework	-5,000	Apr-25
E_HW_2505	H&W	AI Housing Applications	-36,775	Jan-26
E_HW_2503	H&W	Review of Housing Stock	334,256	2026/27
E_HR_2503	HR	Review JE system	-10,000	Apr-25
E_HR_2504	HR	Removal of Apprenticeship	-25,073	Jun-25

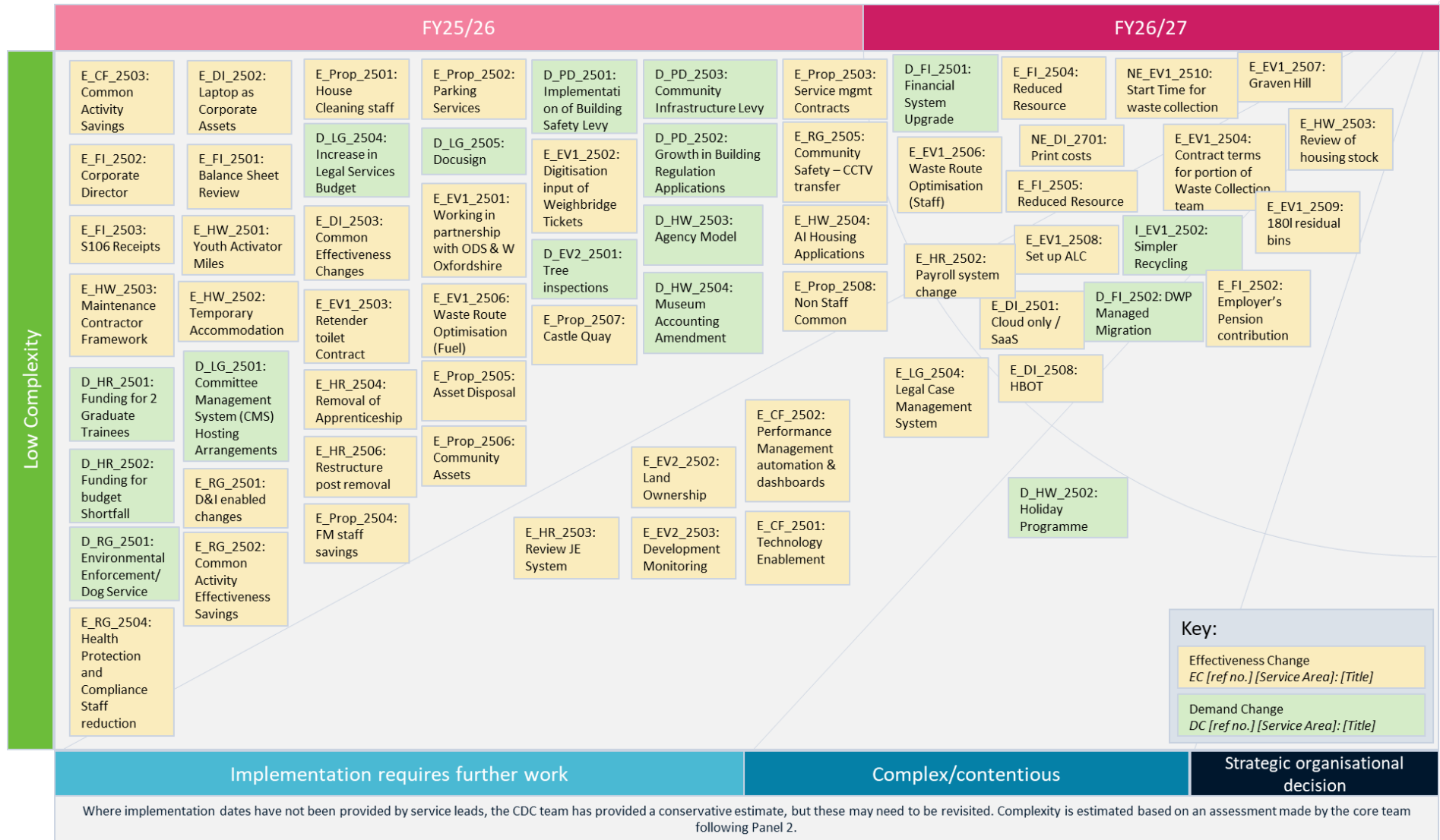
E_HR_2502	HR	HR/Payroll system change	-80,665	2026/27
E_PD_2501	P&D	Planning Application Focus	-646,930	MTFS period
E_PD_2504	P&D	Self Service	-103,728	MTFS period
E_PD_2506	P&D	Restructure post removal	-38,126	Apr-25
E_Prop_2501	Property	House Cleaning staff	-88,422	Apr-25
E_Prop_2502	Property	Parking Services	-98,000	Apr-25
E_Prop_2503	Property	Service Management Contracts	-48,165	Apr-25
E_Prop_2504	Property	FM staff savings	-18,087	Apr-25
E_Prop_2505	Property	Asset Disposal	-19,200	Apr-25
E_Prop_2506	Property	Community Assets	-5,000	Apr-25
E_Prop_2507	Property	Castle Quay	-250,000	01/04/2025 & on going
E_Prop_2508	Property	Non Staff Common	-4,600	Apr-25
E_Prop_2503	Property	Service Management Contracts	-70,000	2026/27
E_Prop_2503	Property	Service Management Contracts	-70,000	2027/28
E_Prop_2504	Property	FM staff savings	-40,000	2026/27
E_Prop_2504	Property	FM staff savings	-40,000	2027/28
E_RG_2501	Reg	D&I enabled changes [Will be held to deal with increments]	-18,509	Apr-25
E_RG_2502	Reg	Common Activity Effectiveness Savings	-700	Apr-25
E_RG_2504	Reg	Health Protection and Compliance Staff reduction	-25,830	Apr-25
E_RG_2505	Reg	Community Safety – CCTV transfer	-10,000	Apr-25

Appendix 2 – SharePoint Site Contents

Content was organised into several Teams channels within the “PA Consulting – Cherwell District Council” Teams site.

Channel	Contents	Notes
01. PAC – Cost Service Review	Ad-hoc working area for the review team	
02. PAC – Project Board	Slide packs used for Project Board Meetings Weekly Reports	Slide packs and weekly reports filed by date.
03. Panel Members	Folder for each of the Phases containing: <ul style="list-style-type: none"> • The slide pack used for each Panel meeting • Notes, actions and decisions for each Panel meeting • Detailed templates and workbooks for each service area (in separate folders) Report from PA’s Culture Insights Review (provided as a value-add)	
Service Area Channels	Main working area for each of the service area, each with folders for: <ul style="list-style-type: none"> • Service descriptions • Demand and effectiveness changes • Service levels • The final and archive versions of the underlying workbook 	

Appendix 3 – Implementation Roadmap





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