

## Oxford City Council

### Value for Money mapping

#### Terms of reference

#### **Background**

As part of its VFM planning, the City Council wants to develop its understanding of current performance. The intention is to identify which services appear to offer good or poor value for money, thereby informing future decisions on what improvement techniques might be applied to which services, and what the scale of potential benefits might be.

#### **Approach**

In order to undertake this piece of work we will:

- a) Identify the cost of individual services provided by Oxford City Council. We will aim to do this at a level below Business Unit level. For support services we will do this using gross cost information, rather than net cost.
- b) Convert this into a measure of cost that can be used for comparison. We propose to use “head of population” as the default denominator, but may use a different denominator if that is more appropriate for a given service (eg for domestic waste collection, costs are usually stated on a per household basis).
- c) Research the availability of costing information from other authorities. Examples of sources include BVPIs, CIPFA data, DCLG data (eg from RO forms), former ACPIs, previous KPMG assignments (not just at Oxford), the Council’s own Best Value Reviews, other councils Best Value Reviews. Where possible we will draw on benchmarking already undertaken by the City Council (eg IPF benchmarking clubs, analysis of CIPFA statistics).
- d) Identify the quality / performance information that Oxford uses to measure the performance of its services.
- e) Research the availability of comparative quality / performance information. Potential data sources include those mentioned above in respect of comparative cost information.
- f) Complete for each service considered, a template describing the information identified, our views of the robustness of that data (eg if the only comparative cost information we can find is from four rural Northumberland districts then we would have less confidence in the finding than if comparisons were based on all district councils) and our conclusion of which cost quartile and performance quartile each service is in.
- g) Produce an illustrative scatter graph showing where each service lies against axes of comparative cost and comparative performance.

### **Resources and timescale**

Whilst we have a clear understanding of what output is required and the process that we will follow, we have not undertaken this exercise before. We think that this analysis will require 10-15 days and propose that we charge on a capped time basis – ie actual time taken up to a maximum of 15 days.

The majority of the work will be undertaken by Tim Pearce from our Public Sector Practice and will have input from Jez Leaper. The work will be overseen by Sav Della Rocca.

We anticipate that we will produce a draft output within a month of agreeing this brief and proposed approach. Once finalised, we will be happy to present the output to the Audit & Governance Committee, if you think that is appropriate.