

BEST VALUE - GOVERNMENT CONSULTATION PAPERS

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1. Purpose

1.1 To bring to the notice of the Sub-Committee two recently published consultation papers and the arrangements for commenting on each:

(a) draft guidance recently issued by the Department of the Environment, Transport and Regions (DETR) on implementing Best Value; and

(b) a joint consultation document produced by DETR and the Audit Commission on Best Value and local authority performance indicators for 2000/20001.

2. Summary

2.1 Two recently published consultation papers set out specific requirements for local authorities in the implementation of Best Value.

2.2 Summary information of the contents of each paper is attached at **Annex A** to this report.

2.3 The deadline for both consultations is 4 November 1999.

3. Recommendations

3.1 That the publication of the two consultation papers be noted along with the deadline of 4 November 1999 for making responses to the DETR.

3.2 That officers draft responses to both consultations and circulate these to members for comment before despatch to the DETR .

4. **Background**

- 4.1 The Local Government Act 1999 received Royal Assent on 27 July 1999. From 1 April 2000 the new duty of Best Value will take effect, requiring authorities to make arrangements to secure continuous improvement in the way in which they carry out their functions.
- 4.2 The government has powers to specify, by Order, what elements comprise a Best Value Review and the elements that must be included in a Best Value Performance Plan, and to issue guidance on them.
- 4.3 The DETR has now published a consultation paper that sets out draft statutory guidance and also non-statutory advice on other matters that affect the way in which authorities discharge their duty of best value
- 4.4 Local authorities are already required to report on performance against the statutory Audit Commission performance indicators (ACPIs).
- 4.5 The Government now intends to prescribe, under the powers set out in the Local Government Act, a set of national best value performance indicators (BVPIs). The Audit Commission will nevertheless retain its duties under the Audit Commission Act 1998 to set local authority performance indicators, and will continue to do so.
- 4.6 The DETR and Audit Commission have now jointly issued a consultation paper setting out the Government's proposals for a set of BVPIs and the Audit Commission's proposals for further indicators which will supplement the Best Value set.

5. **Issues and Choices**

- 5.1 The contents of the consultation paper on Best Value implementation are summarised in the Local Government Information Unit paper attached as **Annex A** to this paper.
- 5.2 Of particular note are the proposals in respect of the conduct of Best Value reviews, the contents of Best Value Performance Plans, and the development of strategic approaches to procurement. A separate paper on the Council's preparations for Best Value, and in particular the performance plan, is featured elsewhere on the Sub-Committee's agenda.
- 5.3 It is planned that the guidance will be issued in its final form as a DETR circular in November this year. The deadline for comments on the consultation paper to arrive at the DETR is 4 November 1999.
- 5.4 It is suggested that officers initially draft a response and circulate this to members of the Sub-Committee for comments prior to despatch to the DETR.
- 5.5 Further copies of the report have been ordered and one copy will be sent to each Member of the Sub-Committee, once received.
- 5.6 The executive summary of the joint DETR and Audit Commission paper on performance indicators for 2000/2001 is attached as **Annex B** to this paper.

- 5.7 A total of 192 performance indicators are proposed for unitary authorities such as Milton Keynes Council.
- 5.8 The consultation paper states that many of the BVPIs reflect the targets which Government departments have been set through Public Service Agreements. Others are consistent with departments' other performance indicator frameworks (e.g. the Department of Health's Performance Assessment Framework for Social Services). Many BVPIs are existing ACPIs, which will now be brought into the Best Value set. Consistent with this, the Audit Commission proposes to delete many of the PIs it currently sets, although it is suggesting that a number of new PIs to supplement the Best Value set are required.
- 5.9 Under Best Value the Government will require authorities to set performance targets for a number of the national best value performance indicators. Authorities will not need to set targets against ACPIs. The framework for setting performance targets against the BVPIs will work as follows:
- (a) All targets will be set locally by authorities. But Government will ask authorities to consider certain factors when setting targets.
 - (b) The Government will issue Guidance later this year in which it will set out the factors which authorities should take into account when setting those targets. Wherever possible, all nationally specified performance indicators should have targets attached. They should be challenging yet realistic.
 - (c) For some indicators, such as those that reflect cost/efficiency and quality, the Government will ask authorities to set targets that are consistent with reaching, over five years, the performance of the top 25% of authorities at the time the targets were set. Annual targets will still be a matter for local authorities within this framework.
- 5.10 For the purposes of setting top quartile targets for cost and efficiency the Government proposes to group authorities according to type, as the Audit Commission does at present.
- 5.11 Where the top quartile target is not challenging enough or not appropriate the Government will determine a specific level of performance that authorities will be asked to work towards within a certain time period. In particular, the Government is likely to specify particular levels of performance in relation to sickness absence and prompt payment of invoices.
- 5.12 As with the Best Value consultation, the deadline for responses to the DETR is 4 November 1999 and it is again suggested that officers initially draft a response and circulate this to members of the Sub-Committee for comment prior to despatch to the DETR. The views of members of the Scrutiny Commission will also be sought.
- 5.13 Further copies of this report have been ordered and one copy will be sent to each Member of the Sub-Committee, once received.

6. **Implications**

6.1 Environmental

The draft guidance states that new performance targets set by reviews will need to reflect the principles of sustainable development. The proposed BVPIs include a number that relate directly to environmental issues, including one relating to the adoption of a Local Agenda 21 Plan.

6.2 Equalities

The draft guidance says that reviews will need to address equity considerations, looking at ways in which services impact on all sections of the community and setting targets to redress disparities in the provision of services to those who are socially, economically, or geographically disadvantaged.

The BVPIs include one related to the level of the Commission for Racial Equality's Standard for Local Government that the authority achieves.

6.3 Financial

The Government is to ask authorities to set cost/efficiency targets for some BVPIs.

6.4 Legal

Best Value is a requirement on local authorities under The Local Government Act 1999. The Government has powers to specify, by Order, what elements comprise a Best Value Review and the elements that must be included in a Best Value Performance Plan, and to issue guidance on them. The Government is currently consulting on the draft statutory guidance.

6.5 Staff and Accommodation

A considerable number of BVPIs relate to staff and resource issues.

7. **Conclusions**

7.1 The two consultation papers set out a challenging agenda for local authorities that needs to be clearly understood. The consultation process affords an opportunity for the Council to have a voice in the development of this agenda.

Background Papers: Implementing Best Value - a Consultation Paper on Draft Guidance, DETR, September 1999

Performance Indicators for 2000/2001, A joint consultation paper produced by DETR and the Audit Commission on Best Value and local authority performance indicators for 2000/2001, DETR, September 1999.

Both papers are on the Best Value section of DETR web-site. <http://www.detr.gov.uk>