

BEST VALUE

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1. Purpose

1.1 To report on Government's proposals for the introduction of Best Value.

2. Summary

2.1 At its meeting on 11 March 1999 the Consultative Assembly requested that it receive a report at its meeting on the Government's proposals to place a new duty of best value on local authorities.

2.2 The new duty of best value, as laid down in Part 1 of the Local Government Bill 1999, is expected to apply to all local authorities as from 1 April 2000. However, it is still unclear whether smaller town and parish councils will be exempted from the full duty of best value where the costs of complying with it are considered to be excessive. The present timetable for orders and statutory guidance suggests that an order on de minimus authorities will be made in September/October 1999.

2.3 The Department of the Environment, Transport and the Regions (DETR) has issued advice on preparing for best value but has emphasised that best value does not depend upon detailed prescription from Government, and local authorities can do a great deal to prepare for best value now.

3. Recommendations

3.1 This report is for information only.

4. **Background**

- 4.1 The Government's proposals for the modernisation of local government as a whole were set out in the White Paper 'Modernising Local Government: In Touch with the People'. These proposals recognise the special status of councils as directly elected bodies, and the community leadership responsibilities that flow from it. The White Paper also set out a vision of councils listening to the people they serve, building up their communities, working in partnership with others, and delivering efficient services to high standards.
- 4.2 The government has made clear that the experience of the best value authorities and the partnership networks will be taken into account in shaping the way in which best value will apply in practice. Likewise other organisations have produced consultation papers on the application of best value, **Annex A** lists all the relevant publications of which the DETR are aware.
- 4.3 The Bill, as currently drafted, requires authorities to publish their first Best Value Performance Plans by 31 March 2000, and external auditors to report on them by 30 June in the same year. These Plans will need to:
- (a) set out a programme of Best Value Reviews;
 - (b) include an assessment of previous performance in 1999/2000; and
 - (c) set out measurable targets for the years ahead beginning in 2000/01, together with a statement of actions proposed to give effect to those targets.

Performance Plans will provide for local people 'a clear practical expression of an authority's performance in delivering local services and its proposals to improve' (White Paper para 7.31)

5. **Issues and Choices**

- 5.1 As a first step, authorities will need to establish, where they have not already done so, their strategic objectives and corporate priorities. These might embrace cross-cutting themes such as sustainable development and community safety. They will flow from a vision for the local community, both reflecting local aspirations and recognising the potential for others to contribute ideas and resources to participate in service delivery. This will require widespread consultation, and the organisation of such an exercise will be an urgent task.
- 5.2 The Government recognises that authorities need to produce similar and often more detailed plans and programmes which individual Departments require of them. Discussions are underway with the Local Government Association as to how these requirements can be sensibly co-ordinated.

Best Value Reviews

- 5.3 The Plan needs to set out the programme of Best Value Reviews. Clause 5 of the Bill lists the matters authorities will be expected to include in Reviews carried out under this provision. In effect, these matters describe the key elements highlighted in the White Paper: challenge, comparison, consultation and competition the 4Cs. The programme of Reviews should take account of the resources available to the authority, the opportunities for tackling cross-cutting issues, and the demands placed upon it by other statutory and financial requirements. The timetable for Reviews must be practical and realistic as well as capable of delivering significant early improvements to poorly performing services.
- 5.4 Reviews may be based on or around a clear and recognisable theme or issue reflecting strategic choices. Alternatively, authorities might wish to review some services around the theme of partnership or customer focus, or integrated service delivery to a particular social group. Or Reviews might be driven by the need to free up significant resources for specified new priorities. A programme of Reviews could usefully include a mix of approaches based around such strategic choices.

Past Performance

'The most effective authorities have long taken steps to satisfy themselves that they know where they stand on the range of services which they provide and where they want to get to' (White Paper para 7.9)

- 5.5 In preparing their Best Value Performance Plans, authorities will need to take stock of how they are expected to perform, and what they will have achieved, in the period leading up to 31 March 2000. They will be free to draw upon whatever comparative material is available to them. In particular authorities should make maximum use of the performance information specified by the Audit Commission for 1999/2000 and those required by central government for planning or programme purposes, for example housing investment programme returns.
- 5.6 Authorities will also need to consider their performance in the light of the feedback they have had from the local community. Again such feedback may emanate from different sources, but authorities will wish to reflect the outcome of consultations with local people and those who use (or might use) local public services and those who might provide them in the future, including the employees of current providers.

Future Performance

- 5.7 Looking ahead to 2000/01 and beyond, authorities will need to collect and publish data for the performance indicators specified by Government. The Government intends to consult on these national indicators in the summer with a view to specifying the performance indicators and standards later this year. This means that later this year it should be possible to identify the areas where authorities will need to set targets for 2000/01 and beyond. For many of the national performance indicators, authorities will need to set five year targets which improve performance at least equivalent to that achieved by the top quartile of authorities at the time the targets are set.
- 5.8 Authorities will be expected to assess their past performance and to establish targets for local improvement using indicators which are familiar to them and which satisfy the Good

Target Test (see below) set out in the Audit Commission's recent publication on setting and using local performance indicators ('A measure of Success')

The Good Target Test

A good target should

- relate to a service or a corporate objective
- be achievable but also stretch the organisation
- have a clear, stable definition so that achievement can be compared over time
- be easily understood
- have the commitment of the authority members and staff
- be readily measurable
- have a named officer responsible for its achievement
- be honest and unambiguous (that is, it should mean what it appears to mean)

Presentation and Audit

5.9 The Best Value Performance Plan will be the principal means by which an authority is held to account by local people on the quality and efficiency of their services, and on their plans for improvement. It will therefore need to provide sufficient information for local people to be able to judge the performance and plans of their authority. The Plan should be considered on the public agenda of the relevant Council Committee and may be made freely accessible, whilst a summary of the Plan could be distributed to all residents.

5.10 The Performance Plan will be subject to audit. While acknowledging that the robustness of the information will evolve as Best Value Reviews are carried out, the auditor will wish to provide assurance to the public that such data appears reasonable, that the Plan was published in accordance with the guidance and whether the targets are realistic and challenging.

Best Value Reviews

5.11 The Reviews will in practice:

- challenge why and how a service is being provided;
- invite comparison with the performance of others across a range of relevant indicators, taking into account the views of both service users and potential suppliers;
- consult with local taxpayers, service users, partners and the wider business community in the setting of new performance targets; and
- embrace fair competition as a means of securing efficient and effective services.

5.12 Milton Keynes Council, in preparation for the legislation, decided last autumn to undertake four best value pilot reviews. One of the pilot reviews with which Local Councils will be most familiar is Landscape Maintenance. A brief presentation will be made to the meeting on how this review, which is due to be completed in September 1999, has been undertaken.

6. **Implications**

6.1 Environmental

There are a number of environmental considerations to be taken into account when undertaking best value reviews. Some examples of the issues to be considered as part of the landscape maintenance review are the use of pesticides, maintenance of sites, machinery used etc.

6.2 Equalities

Equalities monitoring is an essential element of the Council's Quality Management Framework and is a means of ensuring service access and relevance.

6.3 Financial

The cost of undertaking best value reviews will need to be taken into account as well as any efficiency savings that may be achieved as a result of the reviews.

6.4 Legal

It has been reported that the Best Value Legislation will hopefully receive Royal Assent by the end of this month.

6.5 Staff and Accommodation

The best value process can be resource intensive and will have an impact on officers/councillors involved during the review process.

7. **Conclusions**

7.1 It is not yet clear what impact the introduction of Best Value legislation will have on Local Councils. It is hoped that this will have become clearer by the early autumn. However, it is useful for Local Councils to be aware of the processes as they will have an impact on them when Milton Keynes Council are undertaking reviews of their services..

Background Papers: Department of the Environment, Transport and the Regions letter dated 9 April 1999 - Preparing for Best Value.