



**OFFICE OF THE  
DEPUTY PRIME MINISTER**

# Draft Circular on Best Value and Performance Improvement

A Consultation Paper

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Best Value and  
Performance Improvement

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July 2002

Office of the Deputy Prime Minister

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# CONTENTS

How to respond	5
Scope of the guidance	5
Introduction	6
Comprehensive performance assessment	7
Approach to best value	8
Shared priorities	9
Securing improvement through reviews	10
Review programmes	11
Scoping of reviews	11
Challenge	12
Involving staff in reviews	13
Setting challenging targets	13
Competition and procurement	13
Sustainable development	15
Valuing the workforce	16
Measuring improvement through performance planning	18
Plan rationalisation	18
Content of performance plans	18
Performance indicators and targets	20
Summary performance information	20
New arrangements for inspection and audit	20
Further information	21
Annexes	
A – The Statement of Shared Priorities	22
B – Handling of workforce matters in contracting	23
C – Code of practice on workforce matters in local authority service contracts	32
D – Performance plan requirements	36
E – Further information	39

# How to respond

The Government invites you to comment on any issue raised in the consultation paper. If you have any questions about this publication or require paper copies, please contact our enquiry line on 0207 944 4112 or email: [bv.circular@odpm.gov.uk](mailto:bv.circular@odpm.gov.uk).

Please comment by Friday 6 September 2002. The Department may wish to publish the responses in due course, or deposit them in its library, or that of the Houses of Parliament. If you wish your response to be treated in confidence please say so clearly – corporate confidentiality clauses automatically attached to outgoing e-mails will not be taken into account.

We welcome responses submitted electronically. Please send responses by e-mail to: [bv.circular@odpm.gov.uk](mailto:bv.circular@odpm.gov.uk). If you are not able to respond by e-mail, please send your response to: Stephen Hayward-Smith, Local Government Quality and Performance Division, Zone 5/B5 Eland House, Bressenden Place, London SW1E 5DU.

It would assist our analysis of the responses if you would clearly indicate which paragraphs of the consultation paper your comments refer to. Please also ensure that you indicate which organisation, if any, you represent.

## Scope of the guidance

1. This circular applies to all best value authorities in England (except police and national park authorities, the Broads Authority and town and parish councils) and fire authorities in Wales. It provides guidance on how they might meet the requirements of Part I of the Local Government Act 1999. It replaces existing statutory guidance on best value – DETR Circulars 10/99 and 02/01. Circular 10/99 provided detailed advice on how to implement the best value framework, which is now widely known and hence is not repeated in detail here. This circular focuses on explaining new developments, the outcomes expected from best value, and how authorities should use the framework to deliver improvement. Paragraphs 22 – 83 consist of statutory guidance, provided under provisions in Section 3 (the general duty), Section 5 (Best Value Reviews), Section 6 (Best Value Performance Plans) and Section 19 (Contracts: exclusion of non-commercial considerations) of the 1999 Act.
2. Separate guidance is provided for town and parish councils. The Home Office will produce separate guidance for police authorities, and the Department of the Environment, Food & Rural Affairs intends to issue separate advice for the Broads Authority and national park authorities.

## Introduction

3. The Local Government White Paper, *Strong Local Leadership – Quality Public Services*<sup>1</sup>, emphasises the Government's commitment to improve the quality and effectiveness of the services which local authorities deliver, either themselves or in partnership with others. The new comprehensive performance framework described in Chapter 3 of the White Paper gives concrete expression to the 4 principles of public sector reform:
  - national standards;
  - devolution;
  - flexibility; and
  - choice.
4. The new framework is underpinned by the statutory provisions in the 1999 and 2000 Local Government Acts, and seeks to integrate these with the approach to public expenditure described in the Government's *Spending Review*<sup>2</sup>, and reflected in *Public Service Agreements* and their local equivalent. In particular, the provisions in Part I of the 1999 Act ensure that services are:
  - delivered in line with the performance management framework for best value;
  - responsive to the needs of citizens, not delivered for the convenience of service providers; and
  - efficient and of a high quality.
5. These provisions are not sufficient in themselves to ensure that the services that authorities provide meet the demands placed upon them by local people, service users and national expectations. But they are fundamental, and the Government is determined to ensure that they are fully integrated with other elements of the performance management framework, and are used flexibly and proportionately to reflect authorities' actual performance and their capacity to improve.
6. At the same time, the Government recognises that securing improvements frequently requires the involvement of others working in partnership with local authorities. Local Strategic Partnerships are the principal expression of that in practice. These partnerships bring together service deliverers, local communities, those who use local services, the voluntary sector, social enterprises and businesses, and develop integrated approaches to local service delivery and tackle priorities in a joined-up way. The Government is committed to the full implementation of the Compact on relations between Government and the voluntary and community sector. Local Compacts between local authorities and their local sector provide a similar framework for developing a constructive partnership<sup>3</sup>. The Government also confirms its support for making partnership working more effective, through its commitment to introduce new trading powers in the Local Government Bill.

<sup>1</sup> *Strong Local Leadership – Quality Public Services*, DTLR, December 2001 [Cm 5327].

<sup>2</sup> *Opportunity and Security for All – Investing in an enterprising, fairer Britain*, New Public Spending Plans 2003–2006, HM Treasury, July 2002 [Cm 5570].

<sup>3</sup> *Compact on Relations between Government and the Voluntary and Community Sector in England*, Home Office/Working Group on Government Relations 1998.

7. The 1999 Act provides a broad framework within which authorities have considerable discretion as to how they secure improvements in service provision, and in what areas. The Government recognises, however, that the way in which guidance is drafted and interpreted – and the way in which authorities' proposals are audited and inspected – can limit that discretion in ways that reinforce a culture of compliance inimical to real improvements in service delivery. It has already modified the legislation to extend discretion in respect of best value performance plans and reviews, and the Government will work with the Audit Commission and the other Inspectorates to ensure that audit and inspection is carried out in such a way that it encourages, rather than restricts, innovation – and provides the focus on outcomes that the legislation is designed to achieve.
8. This guidance draws upon this broad framework for performance improvement and upon the experience of best value since its introduction in April 2000. It also draws upon the conclusion of the Best Value Review<sup>4</sup>, the report by the Local Government Procurement Taskforce chaired by Sir Ian Byatt<sup>5</sup>, and on the joint Government/ LGA response to that report<sup>6</sup>.

### **COMPREHENSIVE PERFORMANCE ASSESSMENT**

9. The Government is putting in place the new performance management framework announced in the White Paper. This includes a comprehensive framework for continuous improvement to help councils make a real difference to their communities. The comprehensive performance assessment (CPA) is based on corporate and service assessments and will involve an annual assessment of each authority that helps to identify their strengths and weaknesses. The outcomes that will flow from the CPA, and which will help build capacity and commitment for improvement through incentives and support, will involve 5 key elements:
  - a) authorities' improvement planning arrangements for exploiting opportunities and tackling weaknesses identified in the CPA (including best value review programmes);
  - b) additional freedoms and flexibilities related to an authority's performance;
  - c) a proportionate and co-ordinated audit and inspection programme;
  - d) support for authorities that require it; and
  - e) where appropriate, measures to ensure key changes are made to improve performance.

<sup>4</sup> On 1 October 2001 the then Secretary of State for Transport, Local Government and the Regions, Stephen Byers, announced a review of the Best Value regime for local authorities. The conclusions of the review were published on 14 May 2002, further details are available on the Department's website.

<sup>5</sup> *Delivering Better Services for Citizens*, Local Government Procurement Taskforce, June 2001.

<sup>6</sup> *Towards a National Strategy for Local Government Procurement*, ODPM & LGA, June 2002.

10. The Government is considering with local government and the Audit Commission the way in which CPA can be best extended to district councils. Securing performance improvement is a learning process, and further changes are likely. The Government is committed to making CPA work in partnership with local government and within the spirit of the White Paper, which envisages giving additional freedom and flexibilities to those authorities that are shown through their CPA to be capable of delivering high standards of performance.
11. The CPA, or its constituent parts, will be a trigger for applying intervention measures in respect of the worst performing councils. The precise measures to be introduced will depend on the circumstances of the authority and the nature of the failure. The Government will issue a consultation paper proposing the principles which will guide policy and practice on intervention.

### **APPROACH TO BEST VALUE**

12. Section 3 of the Local Government Act 1999 requires best value authorities to make arrangements to secure continuous improvement in the way in which they exercise their functions, having regard to a combination of economy, efficiency and effectiveness. In working towards the duty, authorities should be looking continuously, for ways to achieve improvement in services as part of their performance management framework. The desire for such improvement must come from within, and requires a concerted commitment to improve that permeates the whole authority.
13. Best value can lead to genuine and long-term improvements in the social, economic and environmental well-being of communities. It is an important mechanism for ensuring that authorities play their part in delivering the community strategy, contributing to social inclusion, community engagement, sustainable development, and a better quality of life.
14. Best value requires the engagement of the political leadership of the authority and of other members, as well as that of officers. Elected members need to be involved not only in the processes associated with best value but in owning the outcomes which those processes are designed to deliver.
15. The way in which authorities approach best value also needs to recognise the key lessons from recent publications, such as the Audit Commission's 2001 annual statement, *Changing Gear*<sup>7</sup>, particularly the recommendation that authorities should evaluate critically their progress in best value and identify how they perform against the four key building blocks:
  - ownership of problems and willingness to change;
  - a sustained focus on what matters;
  - the capacity and systems to deliver performance and improvement; and
  - integration of best value into day-to-day management.

<sup>7</sup> *Changing Gear – Best Value annual statement 2001*, Audit Commission, September 2001.

16. Two other reports – the Local Government Procurement Taskforce report, and the Government’s Best Value Review – call for innovative approaches to commissioning, procuring, and providing services which genuinely challenge existing ways of doing things and enable service users, staff, and management to feel engaged and involved throughout. The Cross-Cutting Review of the Role of the Voluntary Sector in service delivery<sup>8</sup> identified the importance of good practice in procurement in sustaining provision by voluntary sector providers.
17. Authorities should challenge existing practice, regardless of whether services are ultimately delivered in-house, externally, or in various forms of partnership. The White Paper and the conclusion to the Best Value Review reaffirm the Government’s commitment to diversity and plurality. They make clear that there should be a ‘level playing field’ for all potential service providers and that the Government has no ideological preference for any one form of provision over another. It is the continuous improvement of local services that is essential. Opportunities for joint working between public sector bodies and others should be explored. The Best Value Review also makes clear that good service delivery is dependent on a skilled and motivated workforce, and that all providers must have policies to secure this.
18. Authorities should also consider the way in which services impact on all sections of the community. All best value authorities have a duty under the Race Relations (Amendment) Act 2000 to promote race equality. They are also encouraged to review their performance on equalities and diversity indicators, in light of a recent Audit Commission report which highlights the relatively poor performance of authorities in respect of these indicators<sup>9</sup>. The report concludes that equality and diversity considerations need to be better integrated into all aspects of delivering, monitoring and inspecting services and that authorities should address equalities issues in all their best value reviews and planning processes.

## Shared priorities

19. A list of shared priorities has been agreed between central Government and the Local Government Association through the Central Local Partnership to help local authorities and central Government focus their efforts in key areas where joint working is necessary to deliver improvements. These shared priorities have helped shape the national Public Service Agreement (PSA) for Local Government, which brings together a set of targets from central Government PSAs that can only be met in collaboration with local government. The shared priorities will also influence other aspects of the dialogue between local and central government, so that this relationship is clearly focused on delivering what matters to local people. The Statement of Shared Priorities is attached at Annex A.
20. The Government expects to see authorities’ approach to best value and their local PSAs give clear expression to the priorities set out in the Statement (of responsibilities) and to their Statutory responsibilities, such as those on improving planning and increasing recycling. These priorities, and the steps that are taken to give them effect, are not intended to crowd out authorities’ legitimate need to reflect clearly and strongly local concerns. In many cases, there will be a co-incidence of national and local priorities which

<sup>8</sup> The Cross-Cutting Review of the Voluntary Sector’s Role in Service Delivery was undertaken as part of the Spending Review 2002. The report of the Review will be published in September 2002.

<sup>9</sup> *Equality and Diversity*, Audit Commission, May 2002.

the list of shared priorities seeks to articulate. But it is important that specific local needs and priorities are recognised and that authorities are given the space and resources to deliver them.

21. The national PSA for local government should be cascaded to the local level, primarily through take-up in local PSAs. The Government will also look to individual authorities to cascade the priorities within their councils, and to share them with partner agencies at the local level, for example through community strategies and plans for service improvement, such as best value reviews and planning processes.

## Securing improvement through reviews

22. There are many different ways in which authorities can identify weaknesses and opportunities for delivering improvements including public feedback, member scrutiny, their own performance management arrangements – including analysis of best value performance indicators, the CPA and, most importantly, through the statutory requirement to conduct best value reviews, in accordance with Section 5 of the 1999 Act.
23. Best value reviews provide a tested and rigorous mechanism for assessing whether existing services are the most efficient and effective means of meeting the needs of users and community objectives. They should be taken forward in the context of the shared priorities and authorities' improvement planning arrangements.
24. Section 5 of the 1999 Act, and the provisions of Statutory Instruments 1999/3251 and 2002/305, set out the issues to be taken into account in conducting reviews. The Government recognises that authorities will have their own ways of reviewing services to ensure continuous improvement. Circular 10/99 did not set a rigid methodology for conducting reviews. However, one of the lessons learnt from the first two years of best value is that too much attention has been focused on ensuring compliance with the review methodology, rather than focusing on the outcomes and improvements that can arise from reviews. As a result, the potential benefits have not materialised. Authorities should balance the effort and work put into a review, against the potential gains arising from it.
25. The broad principles for conducting reviews remain the 4 “Cs” identified in Circular 10/99. In carrying out reviews authorities should:
  - **challenge** why, how and by whom a service is being provided;
  - **compare** process and performance of others across a range of relevant indicators, taking into account the views of both service users and potential suppliers;
  - **consult** local taxpayers, service users, partners, the wider business community, the voluntary sector, social enterprises and now, following the Review of Best Value, staff and trade unions;
  - use fair and open **competition** wherever practicable as a means of securing efficient and effective services.
26. The 4Cs should not be viewed as a linear process, but as interactive elements. Each is essential to achieve a penetrating and comprehensive review. The guidance below explains how the experiences from the operation of best value should influence authorities' approach to the 4Cs, and the review process in general.

## REVIEW PROGRAMMES

27. The requirement for authorities to review all their functions in a five-year cycle was revoked in Statutory Instrument 305/2002. This change does not remove the legal requirement on best value authorities to review their functions, as specified by Section 5 of the 1999 Act. Rather, it enables them to focus reviews on the shared priorities and their local priorities. It also enables them to take a proportionate approach in the context of the weaknesses and opportunities for improvement identified through their performance management systems and improvement planning arrangements. Changes in legislation or national policy may also trigger the need for reviews.
28. Reviews should not be undertaken simply because authorities have previously given undertakings to assess a particular service. Similarly, some improvements can be made without the need for a review. But reviews can help where:
- there is a need to improve performance on a shared priority; or
  - authorities are unclear about the objectives for their services or how they contribute to local and corporate objectives and priorities; or
  - there is a need, or opportunity, for a step-change in performance (or for significant savings) and evidence that such a step-change is reasonable, for example where other authorities or providers are delivering a much better quality or more efficient service.
29. In devising their review programmes, authorities should engage in a dialogue internally, and with the Inspectorates following a corporate assessment, about how best to address the areas of opportunity and weakness identified in the CPA process. They should seek to adopt a proportionate approach, focusing reviews on areas that present the most serious challenges and biggest opportunities for service improvement. All review programmes need to be drawn up alongside a proportionate and co-ordinated inspection programme, agreed as necessary, with the Audit Commission and Inspectorates.
30. Statutory Instrument 1999/3251 required all fire authorities in England and Wales to conduct reviews for particular functions according to a common timetable. Following the changes to the timetable that were announced in Fire Service Circular 4/2002, the date by which such authorities should review their training function has been postponed from 31 March 2003 to 31 March 2005.

## SCOPING OF REVIEWS

31. Reviews will only be effective if they are scoped to achieve improvements that are ambitious, challenging, and likely to deliver value for money. Evidence from the early reviews suggests that this does not always occur. *Changing Gear* observed that over a third of inspections had challenged whether the scope of reviews was sufficiently broad to deliver improvements that would be noticed by service users. The advice on developing a review programme in paragraphs 27-30 will help to address this.
32. In addition, the scoping process should take account of a wide range of interests and should generally involve elected members, senior managers, other members of staff, actual and potential service users (including hard-to-reach groups), the voluntary and community sector, and others in the community. Authorities should also ensure that procurement know-how is brought to bear at an early stage in reviews.

33. The Government will look to authorities to ensure a balance between service-specific and cross-cutting reviews, particularly, in the light of improvement planning following CPA. There is considerable potential for authorities to achieve improved performance where they:
- i) can work with other public sector bodies to address issues for which institutional boundaries are obstacles, such as health and social care, social housing and crime prevention. Often these will reflect shared priorities or common aims, and have the potential to make a real and lasting difference locally;
  - ii) can work with other authorities to deliver common services; and
  - iii) can use new technology and e-government solutions to improve the accessibility and responsiveness of services to fit the needs of the user.

### **CHALLENGE**

34. Reviews will only be effective if they include a genuine element of challenge. *Changing Gear* observed that authorities were finding ‘challenge’ difficult, and a census by the University of Cardiff indicates that reviews have not always involved rigorous challenge<sup>10</sup>.
35. Challenging why and how a service is provided (regardless of whether it is a single, or a cross-cutting, service) requires a fundamental rethink about the needs that the service is intended to address, and the methods of delivery. For challenge to be effective, it should involve:
- executive members and senior managers throughout the review process;
  - staff, particularly front-line staff, who have knowledge of the current service;
  - service users and the wider community; and
  - ‘third parties’ who can bring an external perspective.
36. The role of elected members in reviews is key. They can help to ensure that the scope of reviews reflects the strategic objectives and corporate priorities of the authority, and that the perspective of actual and potential users, including hard-to-reach groups, is fully reflected. They should also be involved in monitoring implementation of the measures that flow from completed reviews.
37. Authorities should involve ‘third parties’ in reviews. The best authorities recognise the important role that third parties can play in helping to provide an element of ‘challenge’ in reviews. Third parties, such as partners or alternative providers in the public, voluntary and community, social enterprise and private sectors, or service users (or potential service users) can bring an external perspective and expertise lacking in the authority. They also have the potential to provide an effective independent scrutiny by questioning and challenging authorities’ approach. The cross-cutting review of the voluntary sector’s role in service delivery recommends that voluntary sector service providers are involved in the design and scrutiny of services, in order to harness their knowledge gained from delivering services. The use of peer challenge also provides opportunities for third party involvement

<sup>10</sup> *The Impact of Best Value on English Local Government: Census of local authorities – 2001*, Cardiff Business School (to be published).

in reviews. Increasingly the Government will look to authorities to provide more opportunities for staff from different authorities and other bodies to share experiences and offer alternative solutions.

### **INVOLVING STAFF IN REVIEWS**

38. The staff engaged in delivering services are an important source of knowledge and expertise. Their commitment is vital to the successful implementation of the improvements agreed following reviews. In reviewing functions, authorities must consult recognised unions and employees' associations, and staff engaged in that function. The Government intends to give statutory effect to this through an amendment to article 6 of Statutory Instrument 1999/3251. This will ensure that better decisions are made, and will increase understanding of the reasons for those decisions. The mechanisms for involving staff and trade unions should be set out clearly, including how the views of staff will be taken into account in decision-making processes. Further advice on how authorities should involve staff in delivering best value is set out at paragraphs 54-62.

### **SETTING CHALLENGING TARGETS**

39. Where authorities identify the need for a review to achieve a step change in performance, they should be looking to set challenging targets. The setting of such targets should reflect the national PSA for local government (where appropriate), statutory duties, minimum standards, and floor targets as well as an authority's arrangements for effective performance management. It is equally important that authorities should follow this through with robust implementation arrangements to ensure effective delivery on the ground. Assistance may be provided through the support mechanisms referred to in the White Paper, such as capacity building support and the freedoms and flexibilities to be delivered universally, and selectively through the CPA action planning process. Through their Local PSA, single tier authorities and county councils can receive pump priming grant and unsupported credit approvals to help them meet stretching targets, and a reward grant when the targets are met. Local PSAs also offer an opportunity to negotiate freedom and flexibilities that will help delivery of targets.

### **COMPETITION AND PROCUREMENT**

40. Statutory Instrument 1999/3251 requires authorities to assess the competitiveness of their performance in exercising their functions. Rising public expectation and significant advances in the methods by which services can be provided, make it essential that there is genuine variety in the way in which services are delivered and real choice for service users. The highest standards of service provision are more likely to be achieved where there is competition and choice rather than where any one supplier dominates the provision of services. Widening the market to create more suppliers of public services can improve the quality of management and value for money. While authorities have discretion over how services are procured, there is an expectation of a mixed economy of provision across each authority.
41. There are indications that whilst some authorities are rigorously challenging current service delivery arrangements, others believe that best value is achieved by routinely market-testing services without considering how services could and should be improved.

42. The emphasis needs to shift away from routine market-testing, to robust option appraisal, so that a much wider variety of service options are considered, and the most appropriate option for delivering community objectives is selected. The consideration of alternative service delivery options (often referred to as the “make or buy” decision) is a key component of both competitiveness and the challenge elements of reviews. The “make or buy” decision is often seen as a choice between in-house delivery and outsourcing, but there are a wide variety of service delivery options and partners available, all of which need to be considered. Inviting external tenderers to compete with the in-house team is one such option. Others include internal reorganisation, service outsourcing, private finance initiatives, public sector consortia, pooled budgets, joint commissioning, joint ventures, non-profit distributing organisations, as well as partnering contracts and legal partnerships. In accordance with the proposals in paragraph 73, authorities should consider options for delegating appropriate functions to town and parish councils during the course of reviews, where this can deliver improvements. Authorities should consider all options for service delivery and select the most appropriate option, based on a robust and challenging process. They should consider issues about the capital investment provided for existing services and whether different resourcing arrangements would provide opportunities for improving service delivery.
43. E-government also offers the potential to redesign existing services and develop new ones to respond to local needs. The draft National local e-government strategy<sup>11</sup> provides a framework for authorities to develop new and more effective ways to deliver customer-focused services. New technology can help enhance consumer choice by opening up new channels to access services and connecting people to the full range of service providers.
44. The Government acknowledges the importance of strengthening capacity to ensure that market intelligence and option appraisal skills are included in the review process, where necessary through external advisers. The report by the Local Government Procurement Taskforce, chaired by Sir Ian Byatt (the “Byatt Report”) recommended that procurement expertise must be integral to the way in which local authorities pursue best value. Procurement know-how has a critical role to play in best value reviews and must be brought to bear at an early stage. This does not imply that the results of every review will be the procurement of goods or services from a third party. Instead this recommendation recognises that the key stages of any best value review need to be informed by procurement best practice. For example, good market intelligence is vital to help authorities identify possible options for future service delivery, and expertise in risk assessment and procurement is essential to the effective evaluation of options.
45. The “Byatt Report” also recommended that authorities should have a clear policy which sets out how procurement is to be managed across the authority, and which ensures the effective involvement of staff in reviews and the procurement process. An authority’s approach to procuring services to meet its objectives and overall community strategy should be incorporated into its performance plan.
46. The joint Government/LGA response to the “Byatt Report” fully endorsed these recommendations and authorities should consider their procurement practices in the light of this report, to ensure they are getting the maximum value from their procurement activities. The cross-cutting review of the voluntary sector’s role in service delivery also recommends procurement policies that move towards stability of funding and full cost

<sup>11</sup> Towards a national strategy for local e-government available at [www.local-regions.odpm.gov.uk/egov/index.htm](http://www.local-regions.odpm.gov.uk/egov/index.htm)

recovery and address the issue of a balance of risk. Successful procurement strategies are likely to be based on whole life cost considerations that include subsequent revenue implications, and not simply the lowest initial tender price.

47. The joint Government/LGA response also announced the creation of a local government procurement forum. This will be based on the recommendations of the “Byatt Report”, the work of the Strategic Partnering Taskforce<sup>12</sup>, the findings of the Review of Best Value and the performance improvement support proposals in the White Paper. The forum is expected to consider capacity issues faced by small councils, how sources of market intelligence can be shared to the benefit of authorities and suppliers, and the development of appropriate training programmes.
48. The above arrangements will help authorities to develop new procurement capacities, either alone or with others to:
  - analyse supply markets and identify what such markets can provide;
  - select the best suppliers; and
  - manage new forms of relationship designed to achieve whole life value for money, continuous improvement and the sharing of risks and rewards.
49. It is in everyone’s interest to work at avoiding contractual disputes in the first place and this is mirrored in the emphasis above on improving relationships between the client and contractor through teamwork and partnering. However, when disputes do occur, it is important to have a fast, efficient and cost effective dispute resolution procedure. Local authorities should seek, wherever appropriate, to provide clauses in their contracts on the use of alternatives to litigation (commonly termed Alternative Dispute Resolution) which can achieve this.

## **SUSTAINABLE DEVELOPMENT**

50. The Government’s strategy on sustainable development is set out in ‘*A better quality of life – a strategy for sustainable development for the UK*’ (May 1999), and is summarised in ‘*The Government’s sustainable development strategy: What does it mean for local authorities?*’ (July 1999). Consideration of sustainable development and equity are inherent parts of the effectiveness criteria, and are therefore fundamental to best value.
51. As community leaders, authorities should be providing economic infrastructure, supporting civic engagement and improving environmental quality, whilst safeguarding the interests of future generations. Community strategies provide an opportunity to co-ordinate the actions of local partners to enhance the long term well being of the local community, and ensure effective collaboration on community projects that contribute to sustainable development.

<sup>12</sup> The Government has established a taskforce to support the development of strategic service delivery partnerships, further details about the taskforce and its work is available at <http://www.local-regions.odpm.gov.uk/ssdpart/index.htm>

52. The principles of sustainable development are consistent with the principles of best value. Within procurement, the Government's definition of "best value" is "the optimum combination of whole life costs and benefits to meet the customer's requirement". This approach enables sustainability and quality to be taken into account. For example, the consideration of whole of life costs allows factors such as fuel efficiency and replacement cycles to be taken into account. Social factors in sustainable development (e.g. benefits to local people, good workforce management, community safety, diversity and fairness) are also key factors in best value.
53. Sustainability should be taken into account in a structured way. Non-financial or performance based criteria intended to meet sustainability objectives should be clearly defined. This is essential to ensure that procurement remains effective and economic and that service improvements and new ways of meeting community needs should take account of a comprehensive and balanced set of criteria. It is also important to balance the needs of small groups of people or organisations against the wider benefits to the community of efficient procurement.

### **VALUING THE WORKFORCE**

54. Best value cannot be delivered without a well-trained and motivated workforce. Good handling of staff matters under best value is a responsibility of local government, both as employer and client. Where there is outsourcing, a more consistent and certain application of TUPE is central to the achievement of best value. Where there is a TUPE transfer, authorities need to provide bidders with accurate and timely information on all relevant matters. Bidders also need to be able to demonstrate that they understand and can manage their obligations under TUPE, with no detriment to the terms and conditions of transferred employees in connection with the transfer.
55. Full, effective and continuous communication is key to managing transfers well. Best value authorities should consult their employees and recognised trade unions or staff representatives throughout the process, with full disclosure of information on all matters affecting the workforce. Contractors selected to provide services to local authorities and to take on local government staff should also have policies which ensure good communication and consultation with the workforce on key issues following a transfer. Annex B sets out in more detail the way in which workforce matters should be considered at each stage of the contracting process. Employees' pensions entitlements should also be secured in staff transfers.
56. The Government's Review of Best Value examined local authority contracting in England. It looked at concerns that some providers who had a poor approach to workforce matters were still winning work from local authorities and thereby jeopardising the quality of services. It also looked at concerns that on some occasions authorities were not taking proper account of workforce matters in their contracting. The Review reaffirmed the link between quality services under best value and good employment practices, and recommended ways to ensure that all contractors to local authorities have employment practices that will secure high quality delivery throughout the life of a contract. In particular, it identified a need to ensure that the quality of a workforce transferred to a provider in an outsourcing exercise would be enhanced and not undermined during the period of the contract.

57. In response to the Review, the Government has announced a package of measures for local authorities in England (as defined in Section 1(2) of the Local Government Act 1999) that will meet the need under best value to protect and build on the quality of workforces. Key measures address the position of transferred staff and new joiners taken on by providers to work alongside outsourced workforces. They include:
- (a) better protection of the terms and conditions for transferred staff. This will be achieved by new legislation to enforce the provisions in the Cabinet Office Statement of Practice on Staff Transfers and the Treasury annex on pensions.
  - (b) fairness for new joiners taken on to work on service contracts beside transferred workforces. The Government has produced a Code of Practice (attached at Annex C) which it expects all local authorities in England to include in service contracts, and which will ensure that outsourced workforces are not undermined by poor employment practices in respect to new joiners.
58. The Cabinet Office Statement provides that contracting exercises (including retendering) should be conducted on the basis that TUPE should apply unless there are genuinely exceptional reasons for it not to (e.g. where the activity is essentially new or a one-off project, or where the features of the service are significantly different – see paragraph 14 of the Statement). The Statement recommends that at the earliest appropriate stage in the contracting exercise, the contracting authority states that staff should transfer and this should normally have the effect of causing TUPE to apply. The Government expects all authorities to follow this policy, which also provides that in circumstances where TUPE may not apply in strict legal terms, the principles of TUPE should be followed and the staff should be treated no less favourably than had the regulations applied. However, whether TUPE applies is a matter of law, to be decided on the facts of each case and legal advice should be sought to confirm the applicability of TUPE in individual cases.
59. We are taking steps to ensure that the principles set out in the Cabinet Office Statement with the accompanying HMT and GAD guidance are given effect within local government. This will require protection of the pension rights of transferring staff. There are two ways of achieving this. Firstly, in the case of employees who are eligible for membership of the Local Government Pension Scheme (LGPS), there is the option for the new employer, if they wish, to seek admitted body status within the LGPS so that transferred staff continue to have access to that pension scheme for their future service, to ensure continuity of pension accrual where the transferred staff leave the public service employment.
60. Where staff are not offered this option they must be offered membership of an alternative scheme by the new employer which is actuarially certified as being ‘broadly comparable’ with the public service scheme (as defined in the Statement). Where the transfer to a broadly comparable scheme is offered there should be in every case a ‘bulk transfer’ agreement with the new employer’s pension scheme providing that staff will be able to transfer their accrued service credits from their public service scheme into that scheme on a day-for-day basis (or an equivalent value determined by actuaries taking account of differences between the schemes).
61. Negotiations to resolve the issue of pensions should take place at an early stage in the procurement process, with staff and their representatives fully involved. Throughout the process, best value authorities should ensure that staff are treated fairly and that the process is open and transparent.

62. The impact of this package of measures will be monitored, with the involvement of all the stakeholders represented on the Review, to ensure that they are effective and that all local authorities and their contractors are applying them as intended.

## Measuring improvement through performance planning

63. All effective organisations need to know their strengths and weaknesses and how well they are performing in providing services to local people. Effective improvement planning in the context of the CPA will help provide a framework for achieving this. Performance plans will be the principal means by which improvements are reported following the CPA action planning process.
64. The principal audiences for performance plans should be the staff and elected members of the authority, groups and organisations with an interest in the authority, and central Government. Indeed, the plan remains one of the key mechanisms for accountability both directly and indirectly to such audiences. Used properly it can be an effective management tool that is highly relevant to all authority staff.

### **PLAN RATIONALISATION**

65. The White Paper acknowledged the demands placed on authorities for information – particularly plans and strategies, and set out targets for rationalising such documents. Implementation of these proposals will need to be done in a way that is consistent with the principles behind the national priorities, whilst at the same time providing assurance that local government is on-course to achieve those priorities.
66. The Government is developing a series of principles for assessing planning requirements. This will help to reduce the burden on authorities, and improve the effectiveness of those plans that remain. In the light of these developments the content of performance plans will continue to be kept under review.

### **CONTENT OF PERFORMANCE PLANS**

67. Section 6 of the 1999 Act and SI 1999/3251 lays down the matters to be included in the performance plan. They amount to a clear statement about:
  - what services authorities will deliver to local people;
  - how they will be delivered;
  - what standards of service are currently delivered and what standards the public should expect in the future;
  - what action will be taken to deliver such standards of service and over what timescale.

68. As part of the arrangements to streamline best value, some changes have already been made to the timing and content of performance plans<sup>13</sup>. They include:
- changing the deadline for the publication of the performance plan from 31 March to 30 June;
  - removing the requirement to summarise any assessment of the level, and way, in which an authority exercises its functions; and
  - removing the requirement to set out the five year period of reviews.
69. Changing the deadline for the publication of performance plans will allow authorities to include performance out-turn data for all best value performance indicators for the previous financial year, including financial/cost indicators. This will make performance plans more robust statements of performance and help achieve a better fit between budget and performance management cycles. The Government has also proposed changing the deadline for the closure of financial accounts to 30 June, in line with the deadline for performance plans, and will be consulting on how best to effect this change. Where authorities are able to close their accounts by the end of June they should, as far as possible, include final out-turn data for financial/cost indicators in their performance plans as well.
70. The Government has also reviewed the need for performance plans to include an efficiency summary and consultation statement. Given that other sources of information are available about efficiency and consultation, and that better cost effectiveness indicators are currently being developed which will accurately reflect an authority's efficiency, it is no longer necessary to include an efficiency summary or consultation statement in the performance plan.
71. Performance plans should report how improvement planning following CPA:
- has been integrated within the authority's future work programmes; and
  - is expected to help improve the authority's performance, and the timescales for delivering improved performance.
72. Annex D contains a list of issues to be included in authorities' best value performance plans from June 2003 onwards.
73. In line with the commitment in the Rural White Paper<sup>14</sup>, principal authorities should consider delegating appropriate functions to town and parish councils where this can deliver improvements. For example, this might be one of the options considered during reviews. Principal authorities should also seek to encourage partnership working between the different tiers of local government. Authorities should record the actions they have taken to consider such delegations, and give examples of how they have encouraged partnership working, in their performance plan.

<sup>13</sup> SI 2002/305 and accompanying guidance notes.

<sup>14</sup> *Our Countryside: the future – A fair deal for rural England*, DETR, November 2000 [Cm 4909]

## **PERFORMANCE INDICATORS AND TARGETS**

74. Authorities will be expected to continue to report their performance against best value performance indicators in their performance plan. They should set their performance data in context by reporting their out-turn performance against the targets they set themselves for each indicator at the start of the year. They should also report progress against other national and local targets and standards.
75. As part of the streamlining of best value, the Government has reduced the number of best value performance indicators for 2002/03 from 123 to 97. Consideration will be given to the indicators for 2003/04 in the light of the new national PSA for local government, other targets, the shared priorities, and the continuing importance attached to customer satisfaction and cost effectiveness. Account will be taken of the importance of maintaining a common basket of indicators that provides continuity through time, and the need for consistent definitions, so that year-on-year improvements can be captured accurately and fairly.

## **SUMMARY PERFORMANCE INFORMATION**

76. Local people should have access to clear and relevant information about their authority's performance at the start of the financial year, and ahead of local elections. This will improve local accountability, promote awareness amongst local people, and encourage their engagement in local government. This can be achieved by the publication of summary performance information by 31 March each year.
77. The Government has reviewed the statutory guidance about the content, presentation, and communication of performance plan summary information. It has concluded that the method of communicating performance information should be determined by authorities in the light of their communities' preferences and circumstances. Hence authorities now have discretion about the content, presentation, and communication of their summary performance information.
78. The requirement for auditors to assess performance plan summaries as 'fair and accurate' reflections of best value performance plans no longer applies. However, the provision of summary performance information may be taken into account in considering the quality of communication with local people as part of the CPA.

## **New arrangements for inspection and audit**

79. External scrutiny will continue to play a key role in driving up performance. In line with the commitment in the White Paper, the Local Services Inspectorate Forum has been asked to establish a new model of inspection based on the following principles:
  - effective co-ordination of inspection across the full range of local authority functions;
  - the amount and nature of inspection activity for an authority to reflect its performance profile identified through the performance assessments and risk analysis, taking account of local priorities; and
  - inspection must be an effective component of intervention measures where services are failing.

80. The inspection programme will be built around authorities' improvement agenda, in the light of the CPA or other corporate assessments. All Inspectorates involved with local government are working together through the Local Services Inspectorate Forum to achieve proportionate and co-ordinated inspection and audit programmes. The presumption will be that for many authorities, particularly the better performing ones, reviews will only be inspected where the inspection of such reviews can add value.
81. The requirement in Section 7 of the Local Government Act 1999 for performance plans to be audited remains. This provides reassurance to stakeholders and the Government that authorities' accounts of their performance and targets for the future are reasonable and robust. The Audit Commission has reviewed the way in which this requirement will be exercised in the light of the CPA process and their commitment to an integrated audit and inspection process, and will develop audit arrangements that are:
- less focused on bureaucratic compliance;
  - fully integrated with the CPA; and
  - aimed at assisting the integration of CPA improvement planning arrangements with the performance plan.
82. SI 305/2002 announced that the deadline for the audit of performance plans would change from 30 June to 31 December each year. This change brings the audit of plans in line with the deadline for the CPA process, and will enable an integrated approach to be taken.
83. The requirements in Section 9 of the 1999 Act for authorities to respond within 30 working days to recommendations contained in auditors' reports remains.

## Further information

84. The Government recognises that no single best value model fits all circumstances. It is important that authorities should make the most of opportunities to share their experiences and learn from others. They should also keep abreast of best value research, particularly that undertaken on behalf of the Government, Audit Commission, IDeA and LGA. Annex E contains a list of websites where toolkits and other useful best value information can be accessed.

# Annex A

## THE STATEMENT OF SHARED PRIORITIES

Central and local government share a strong commitment to improving our local services through investment and reform. Local councils have a key contribution to make as a result of their local democratic accountability and their ability to integrate the work of different agencies and organisations at a local level.

By **working together** to improve delivery, we can ensure:

- we achieve faster progress towards ambitious targets;
- services reflect the different needs and aspirations of local communities and contribute to tackling deprivation; and
- the right technology and support are put in place to underpin successful delivery.

Across the board improvement is essential. We nevertheless need to focus our efforts on a number of key priorities:

- **raising standards across our schools** by helping all schools match the excellence of the best, sustaining improvement in primary schools, transforming secondary schools and ensuring that the school workforce has the capacity to support this;
- **improving the quality of life:**
  - **of children, young people and families at risk** by tackling child poverty, maximising the life chances of children in care or in need and strengthening protection for children at risk of abuse;
  - **of older people** by enabling them to live as independent lives as possible and avoid unnecessary periods in hospital;
- **promoting healthier communities and narrowing health inequalities** by targeting key local services – such as health, education, housing, crime and accident prevention – to match need; and the encouragement of healthy lifestyles;
- **creating safer and stronger communities** by working with the police and other local agencies to reduce crime and anti-social behaviour, strengthen community cohesion and tackle drug abuse;
- **transforming our local environment** by improving the quality, cleanliness and safety of our public space;
- **meeting local transport needs more effectively** by improving bus services and other forms of local transport and securing better access to jobs and services, particularly for those most in need;
- **promoting the economic vitality of localities** by supporting business improvement, providing positive conditions for growth and employment, improving adult skills, helping the hardest to reach into work, and extending quality and choice in the housing market.

# Annex B

## **LOCAL GOVERNMENT ACT 1999: SECTION 19: BEST VALUE AND PROCUREMENT: HANDLING OF WORKFORCE MATTERS IN CONTRACTING**

1. This Annex contains guidance to Best Value authorities made under the provisions of Section 19(4) of the *Local Government Act 1999*. It covers:
  - background on Section 17 of the *Local Government Act 1988* and section 19 of the *Local Government Act 1999*;
  - details of the Statutory Instrument, the *Local Government Best Value (Exclusion of Non-commercial Considerations) Order 2001*. (SI 2001 No 909);
  - the context of best value and the EU procurement rules;
  - principles of good procurement practice; and
  - how workforce matters can be handled at the different stages of the contractual process.

### **Section 17 of the Local Government Act 1988**

2. Section 17 of the *Local Government Act 1988* prevents authorities from introducing political or other irrelevant considerations into the procurement process. It achieves this by defining certain matters as ‘non-commercial’ and prohibiting authorities from having regard to these matters in the contractual process. The relevant matters, as set out in Section 17(5) of the 1988 Act, include:
  - ‘the terms and conditions of employment by contractors of their workers or the composition of, the arrangements for the promotion, transfer or training of or other opportunities afforded to, their workforces’ (section 17(5)(a)); and
  - ‘the conduct of contractors or workers in industrial disputes between them’ (part of section 17(5)(d)).

### **Section 19 of the Local Government Act 1999**

3. Under Section 19 of the *Local Government Act 1999* the Secretary of State may by Order provide, in relation to best value authorities, for a specified matter to cease to be ‘non-commercial’ for the purposes of Section 17 of the *Local Government Act 1988*. Section 19(4) of the *Local Government Act 1999* requires best value authorities to have regard to guidance issued by the Secretary of State in exercising a function regulated by Section 17 of the 1988 Act which is also the subject of an order made under the 1999 Act. This Annex constitutes guidance issued by the Secretary of State under Section 19(4) of the 1999 Act.

### **The Statutory Instrument**

4. The Order made under Section 19 of the *Local Government Act 1999* provides, in respect of best value authorities, for the workforce matters described above to cease to be defined as ‘non-commercial’ matters for the purposes of Part II of the *Local Government Act 1988* to the extent that they are relevant to the achievement of best value, and also in circumstances where they are relevant for the purposes of a TUPE transfer. Workforce matters that are not directly relevant to the delivery of the service in question should not be taken into account (eg corporate training unrelated to the contract). The provisions of Section 17 (5) of the 1988 Act that are not modified by the Order remain in force.

### **Guidance**

5. This guidance sets out how workforce issues should be taken into account in local government tendering, where such matters are relevant to the achievement of best value and also in circumstances where the requirements of the *Transfer of Undertakings (Protection of Employment) Regulations 1981* (TUPE) are to be applied.
6. The guidance is consistent with EC procurement rules and with the achievement of best value. This guidance does not purport to be an authoritative guide to public procurement law and best value authorities will continue to need to interpret the relevant legislation and seek legal advice as necessary. It will always be for authorities to decide in the light of their own legal advice how to handle these matters in each individual contract.

### **Modern procurement and best value**

7. Under the *Local Government Act 1999* authorities are required to make arrangements to secure continuous improvement in the way in which they carry out their functions, having regard to a combination of economy, efficiency and effectiveness. Best value recognises that good procurement practice is essential if local government is to obtain real improvements to service cost and quality.

### **Workforce issues in the context of best value procurement**

8. In taking account of the workforce issues that arise in procurement under best value, authorities will need to recognise:
  - the connection between service quality and handling of workforce issues. Good quality services depend on appropriately skilled and motivated workforces. Neglecting relevant workforce matters in order to drive down costs can have adverse effects on the desired quality and value for money of the service;
  - the necessity of achieving the appropriate balance between considerations of cost and quality. This will depend on the nature of the service to be provided and the requirements of the service users. It is unlikely that either a purely cost-driven or an unjustifiably expensive service will represent best value;
  - that a transparent, open and fair procurement process is essential to attracting bids that provide the optimum combination of whole-life cost and quality. All decisions should be based on objective measures that are justifiable in terms of the performance of the service specified under the contract. Authorities should therefore have clear procurement strategies, procedures and written policies for evaluating tenders;
  - the emphasis on continuous improvement within best value and the implications for how strategic contracts in particular are structured;

- the relevance of equal opportunities to the delivery of contracts; and
  - the importance of handling TUPE well, so as to allay workforce reservations about transferring to new employers.
9. Procurement decisions by best value authorities should take proper account of workforce issues. Staff and unions should be involved in the option appraisal stage, and where there is a decision to outsource, staff and unions should be involved in the selection process and in the subsequent detailed work around the transfer.

### **EU procurement rules**

10. The European Procurement Directives, which are implemented in the UK by various Public Procurement Regulations, require contracts to be awarded on the basis of non-discrimination, transparency and competitive procurement principles. This guidance covers all best value contracts, whether or not they are subject to the European Public Procurement legislation (eg below the relevant threshold or specifically excluded). It is consistent with the Treaty of Rome and European Procurement Directives, as implemented in the UK by Public Procurement Regulations. Contracting authorities will need to bear in mind that:
- if a best value contract is subject to the European Public Procurement legislation then the contracting authority must apply the relevant procedures; and
  - if a best value contract is not subject to the European Public Procurement legislation then the contracting authority will still need to adhere to general obligations contained within the EC Treaty (eg not to discriminate on grounds of nationality and to treat all suppliers fairly) and to the relevant UK law. In particular contracting authorities should be mindful that Part II of the *Local Government Act 1988* as modified applies to all best value contracts.
11. Under European Public Procurement legislation, workforce matters may come into consideration at the pre-qualification and tender evaluation stages of the contractual process. Under the EU rules the criteria for short-listing candidates are restricted to technical capacity, economic and financial standing and, for service contracts, ability. At the pre-qualification or selection stage, only workforce matters that affect the suitability of a candidate, as determined by those criteria, can be considered. Contract award criteria can be selected on the basis of either ‘most economically advantageous tender’ or ‘lowest price’. For most best value contracts awarding on the basis of ‘lowest price’ is unlikely to be satisfactory. The best value option will involve other factors such as whole-life cost, quality and service delivery. Contract award criteria therefore, should not simply rely on price alone, unless the authority is satisfied that the specification for the work incorporates all these matters. In practice, these conditions are unlikely to be satisfied in all but the simplest contracts. Choosing the ‘most economically advantageous’ tender allows contracting authorities to consider more general matters, provided that these matters relate to the performance of the contract itself and do not result in discrimination between contractors within the European Community. The general award criteria to be used must also be clearly stated.

### **Principles of good procurement**

12. There is a range of advice and guidance on good procurement practice which best value authorities can draw on. Sources include the Office of Government Commerce an independent office of HM Treasury on procurement, the Treasury Taskforce guidance on PFI projects and guidance produced by the Public Private Partnership Programme (the 4ps). The joint DETR/Local Government Association (LGA) taskforce to review commissioning and procurement practice, under the Chairmanship of Sir Ian Byatt, reported in June 2001 and the joint Government/LGA response published in July 2002. The Review of Best Value also reported in May 2002.
13. Some common principles of good procurement apply in all circumstances:
  - the procurement process should give the contracting authority sufficient information to form a view of potential service providers' competence but without placing an undue burden on them;
  - requirements and criteria should be consistently and fairly applied. The Government recognises that firms/organisations of different sizes (by number of employees) may satisfy purchasers' requirements in different ways. This is consistent with the aim of Ministers to encourage Small and Medium Enterprises (SME's) and in particular, small community businesses. The Government's aim is to take proper account of the circumstances of small businesses and also to help best value authorities discern the best contractor to carry out the work. Quality small businesses stand to benefit as much as larger ones;
  - potential service providers should understand clearly from the outset what categories of information and service standards may be expected. They should be provided with adequate, accurate and timely information at all the relevant stages of the procurement process;
  - all potential service providers, including those that are part of the authority, must be subject to the same requirements to ensure fair competition and be treated equally throughout the procurement process;
  - care should be exercised to avoid taking too narrow a view of how the service might be delivered as this may limit the options and deter potential providers; and
  - in order to be able to demonstrate that procurement has been undertaken in an open and transparent manner, authorities should ensure that bidders are fully aware of the basis for bid evaluation and that all stages of the procurement process can be audited satisfactorily with reference to a clear, written policy on evaluating tenders and awarding contracts, which is publicly available and made available to all bidders.
14. The Treasury Taskforce Private Finance, Policy Statement No 4, *Disclosure of Information and Consultation with Staff and other Interested Parties*, sets out for central government departments a strategy for the disclosure of information and consultation at various stages in the procurement process. This does not explicitly cover local government. That is why the 4ps published on 21 July 2000 specific guidance for local government: Disclosure of information and consultation with staff and other interested parties. This is available at 4ps website <http://www.4ps.co.uk/the4ps/guidance.htm>. The modifications made by the Order to Part II permit best value authorities to follow the 4ps guidance to the extent that it is relevant to the performance of a particular contract.

15. Another helpful model is the ‘continuous dialogue’ approach adopted by the NHS. NHS Trusts have to follow a Code of Practice designed to involve staff and their representatives in a process of continuous dialogue during the PFI procurement process. This recognises that the role of trade unions is important in informing an NHS Trust’s decision but the correct balance must be struck between an informed, constructive dialogue and observing the EU procurement process.

### **The approach to workforce matters: Contract procedures**

#### *Introduction*

16. Workforce matters will come into consideration at the pre-qualification, service specification, invitation to tender and tender evaluation stages of the contractual process. Ideally the service specification will be largely finalised before the pre-qualification stage, although in practice an outline specification will often be sufficient. This part of the Guidance sets out in detail how workforce matters can be taken into account in each of these stages.

#### *Pre-qualification*

17. For most contracts it is good practice to follow a pre-qualification process. The purpose of pre-qualification is to produce a shortlist of organisations that have the capability to perform the contract. Candidates who do not meet the minimum requirements can be rejected, and the contracting authority can then invite the best of those candidates who do meet the minimum requirements to tender.
18. At the pre-qualification stage the criteria for short-listing candidates are restricted to personal standing, economic and financial standing, technical capacity and for service contracts, ability. At this selection stage, only workforce matters that affect the suitability of a candidate as determined by those criteria should be considered.
19. For certain classes of contract, pre-qualification shortlisting could be simplified by using appropriately recognised databases such as *Constructionline*, although this does not preclude the need to advertise the contract and follow other European Public Procurement procedures where relevant. Such a database can be used to identify contractors who are fitted to carry out the work and to ensure that there is a sufficient core of likely or possible tenderers. For all contracts a database can also reduce the burden on clients and contractors of issuing and responding to requests for information in any advertisement, including OJEC, or a pre-qualification questionnaire. However, the presence of a contractor on a database does not automatically mean that it should be invited to tender, nor can the absence of a contractor from a database preclude a potential contractor from consideration.
20. The European Public Procurement rules set out the criteria and the nature of the evidence for assessing potential bidder’s suitability and general competence, including their economic and financial standing, technical capacity and, for service contracts, ability to perform a service. The criteria should be set out in the OJEC notice, in any other advertisement or the tender documents. Alternatively, potential providers can be invited to complete a questionnaire. *HM Treasury CUP Guidance no. 59A* provides a standard pre-qualification questionnaire which it is recommended that authorities should use as a basis for their own questionnaires. The questionnaire is available from the Treasury Website <http://www.hm-treasury.gov.uk>

21. In terms of information that will be relevant to the handling of workforce matters, best value authorities may wish to consider enquiring about the following matters:
    - experience and track record over the past three years (five years for works contracts) in providing similar services, and referees that can be called upon to vouch for performance (such references can be a particularly valuable source of information);
    - quality – details of accreditation, documentation and procedures, including health and safety management, human resources procedures (staff management and employment practices), as relevant to the performance of the contract. This could include: background information on the organisation; average annual staffing for the previous three years; details of staff involved in the provision of the service in question; their qualifications and training; and the organisation’s TUPE track record where relevant; and
    - details of convictions for criminal offences or any acts of grave misconduct relating to the bidder’s business or profession, including details of cases over the last three years where the bidder has been found by a Court or Tribunal to have breached the requirements of employment protection, including legislation on sex, race, disability, and health and safety matters. Details of any appropriate remedial actions taken should also be included.
  22. This list is not intended to be exhaustive and there will be instances where it will be appropriate for contracting authorities to ask further detailed questions. The key test will always be relevance to the performance of the contract.
  23. In some circumstances only the bidding entity and not the company as a whole should be evaluated with regard to workforce matters. The workforce of an associated or parent company will, in some circumstances be irrelevant and information relating to it therefore, should not be requested. However, it is acceptable to use evidence produced by the associated or parent company to meet a request for information.
- Service specification and conditions of contract*
24. The purpose of the service specification and contract conditions is to define the contracting authority’s objectives for the service to be provided and to set out the terms of the relationship between the authority and the contractor. The authority’s objectives should take account of any statutory or regulatory requirements as well as the authority’s own objectives for the contract and the views of service users.
  25. Writing the appropriate level of quality into the specification should attract bids which incorporate suitable staff management practices. The successful bidder would need to attract and retain a suitably skilled and motivated workforce in order to achieve satisfactory delivery of the contract. A poor specification that fails to address quality aspects is likely to lead to poor handling of staff management practices and poor delivery of the contract and hence to fail service users.
  26. As far as possible, requirements should be specified in terms of output and performance, rather than how the contractor is to go about providing the service. This will provide scope for innovation in service delivery. Care must be taken not to infringe the procurement rules, for example by referring exclusively to national standards or schemes without including the term ‘or equivalent’, or by failing to refer to relevant EU standards or equivalents where available. Authorities should avoid deterring private or voluntary sector organisations, or smaller firms and new entrants to the market, by specifying requirements that may not be necessary and which these types of organisations may have difficulty in meeting.

*Invitation to tender*

27. The invitation to tender documents, sent to those organisations being invited to bid, would normally consist of the covering letter, instructions to tender, background information, terms and conditions of contract, specification and price schedule. The invitation letter, or an annex to it, should set out the information that tenderers should include in their tender. This information should as appropriate include, for example, a transition plan for taking on staff under TUPE, training and development plans, as well as how the tenderer would meet specific service and quality issues.
28. Where appropriate, there should be a joint commitment between client and contractor to service improvement during the life of the contract, including an agreed training and development plan. A view should be taken on whether the existing skills of the workforce are appropriate to the requirements of the contract and, if not, it should be made clear in the invitation to tender what additional skill levels may be required and ask how tenderers propose to make up any skills gap.

*Tender evaluation*

29. The purpose of tender evaluation is to select the bid that meets the authority's requirements and delivers best value. It is essential that this is undertaken fairly and is seen to be so. The evaluation should be systematic, objective and well documented to provide a clear and logical audit trail. The approach taken on workforce issues at tender evaluation will depend on the service to be delivered and the proposed relationship between the contractor and the contracting authority. Consideration of workforce matters at evaluation stage should be as a means of clarifying the tenderer's response to clearly expressed requirements set out in the service specification and should relate directly to the contractor's ability to deliver the service in question. Training policies and development of the workforce may be relevant to the delivery of the contract, for example, where it will be necessary for staff employed on the contract to keep abreast of any technical or other developments during its term.
30. Care should be taken that matters addressed at the pre-qualification stage are not revisited at the tender evaluation stage, where only matters relating to the deliverability of the contract should be considered.
31. Contracting authorities should ensure that all bidders, successful and unsuccessful, are debriefed as soon as possible after the contract has been awarded. Unsuccessful bidders should be told the outcome of the tender and why they were unsuccessful. This will help to improve the market for future tendering exercises.

*Contract management*

32. Successful contract management depends on the soundness of the agreement made between the contracting authority and the contractor, and the effectiveness of their relationship (which also recognises the perspective of service users). Contract management should be conducted in a positive and co-operative fashion, in a way that is time and cost effective for both service provider and client, which will in turn be supportive for staff. Heavy handed and over-detailed monitoring arrangements are likely to lead to distrustful relations and should be avoided.
33. Monitoring of workforce-related issues should be concerned with those matters identified as relevant to the performance of the contract, as well as to statutory and regulatory requirements, and should fit into the normal reporting regime to avoid unnecessary burdens on contractors. Monitoring of the contractual requirements should be the same

between in-house and external providers although in-house providers may have additional corporate requirements to meet.

34. A positive approach to contract management will not only have direct benefits for the service being provided: it will also give contractors the opportunity to develop or enhance their reputation as a good employer, providing good quality services. This will raise the quality of the market and will in turn be valuable to the contracting authority in future tendering exercises.

#### *Health and safety*

35. Local authorities have a statutory duty under the *Health and Safety at Work etc Act 1974* with regard to the health and safety of their employees and others who may be affected by their undertaking. This duty cannot be delegated even where the work activity which forms part of the undertaking is contracted out. Authorities are required by legislation to take reasonable steps to satisfy themselves that contractors have the ability and resources for managing health and safety in relation to the work being carried out. In assessing such arrangements, authorities may request details of a contractor's health and safety policy in respect of the work concerned. No additional, non-statutory requirements should be placed on external providers that are not placed on in-house providers supplying the same or a comparable service. After a contract has been awarded, authorities should have monitoring arrangements in place to ensure that any risks arising from the work contracted out are being managed properly. The level of monitoring necessary will depend on the hazards and risks associated with the work.

#### **Equal opportunities**

36. Under the Statutory Instrument best value authorities may consider workforce matters where they relate to the achievement of best value and the delivery of the contract. Best value works within the existing legal framework and authorities have to observe the requirements of all other legislation on equality. It will therefore be for best value authorities to decide in the light of their own legal advice how far to bring equal opportunities into the contracting process. This guidance suggests ways in which the treatment of equal opportunities may be relevant to each stage of the contracting process.

#### *Pre-qualification stage*

37. Best value authorities may take account of the practices of potential service providers in respect of equal opportunities (eg race, gender, disability, religion, age, and sexual orientation) where it is relevant to the delivery of the service under the contract.
38. Contracting authorities should during the pre-qualification stage seek information as to the general competence, track record, details of criminal offences and acts of grave misconduct (as set out in the European Public Procurement rules) in relation to legislation on sex, race and disability. Contractors should be excluded from the tendering exercise if they have been convicted of a criminal offence or have committed an act of grave misconduct.
39. At pre-qualification this should provide sufficient information to make a proper assessment as to whether an individual contractor should be invited to tender. Best value authorities should not make requirements of potential contractors that exceed what is permitted under the European Public Procurement legislation and they should be careful to strike a balance in their approach to seeking information. Neither will they wish to leave themselves vulnerable to the risk of poor performance during the life of the contract, but equally they should avoid making requests for information that are disproportionate to those risks and not strictly relevant to the contract.

*Race legislation*

40. Section 71 of the *Race Relations Act 1976* places a duty on local authorities to ensure that their various functions are carried out with 'due regard to the need to eliminate unlawful racial discrimination and to promote equality of opportunity, and good relations, between persons of different racial groups'. Section 2 of the *Race Relations (Amendment) Act 2000* replaces section 71 of the 1976 Act. It places a new general duty on specified public authorities to promote race equality and to avoid discrimination before it occurs. The general duty will be supported by specific duties which will help public authorities better fulfil their obligations under the general duty. The specific duties will be enforced by the Commission for Racial Equality and will be decided following a public consultation. In recognition of the duty at section 71 of the 1976 Act, Section 18 of the *Local Government Act 1988* already provides, in respect of race relations, for local authorities to be able to ask approved written questions and include terms in a draft contract if it is reasonably necessary to do so to secure compliance with the duty. Six approved questions were set out in *Department of the Environment Circular 8/88*. Authorities will continue to be able to ask the six questions specified in Circular 8/88 although they are no longer restricted to these six questions as the sole means of taking account of racial equality. In addition, and where relevant to the contract, and for the purposes of achieving best value, the authority will be able to ask some further questions in relation to racial equality.

*Invitation to tender and service specification*

41. Services that involve regular contact between providers and the users of the service, or the wider community, may frequently require of providers specific attributes with regard to fair treatment and equal opportunities. Authorities should address such considerations fully in their contract specifications in a way that does not prejudice fair competition or best value considerations. For example, where the service requires particular qualities in the staff, contracting authorities should address these matters in output terms as part of the specification (ie how the bidder would meet the needs of a particular community group), not in terms of the composition of the contractor's workforce which in itself is no guarantee of quality of service.
42. The authority may require a contractor's staff, when those staff are employed on the contract, to abide by any staffing policies, including those on equal opportunities, which are in operation where the work is being carried out.

*Tender evaluation*

43. Best value authorities and private and voluntary organisations alike are subject to the requirements of equalities legislation (eg the *Sex Discrimination Act 1975*, the *Race Relations (Amendment) Act 2000* and the *Disability Discrimination Act 1995*). At the evaluation stage, best value authorities should assess how, on the basis of the bid, the tenderer will deliver the service and meet the needs of service users. The contracting authority must also satisfy itself that the bid will meet legal requirements placed on the authority, and those which are placed on the contractor in respect of equal opportunities legislation.
44. In view of their duties under the legislation on equality, best value authorities should also consider how they can promote good practice in equal opportunities outside the contractual process. For example, authorities can work with commercial partners to promote equality in employment and raise awareness of how the application of equal opportunities to staff recruitment and management can bring commercial and other benefits.

# Annex C

## **CODE OF PRACTICE ON WORKFORCE MATTERS IN LOCAL AUTHORITY SERVICE CONTRACTS**

### **Workforce matters under best value**

1. This document sets out an approach to workforce matters in local authority service contracts which involve a transfer of staff from the local authority to the service provider, or in which staff originally transferred out from the local authority as a result of an outsourcing are TUPE transferred to a new provider under a retender of a contract. This Code will form part of the service specification and conditions for all such contracts.
2. The Code recognises that there is no conflict between good employment practice, value for money and quality of service. On the contrary, quality and good value will not be provided by organisations who do not manage workforce issues well. The intention of the authority is therefore to select only those providers who offer staff a package of terms and conditions which will secure high quality service delivery throughout the life of the contract. These must be sufficient to recruit and motivate high quality staff to work on the contract and designed to prevent the emergence of a ‘two-tier workforce’, dividing transferees and new joiners working beside each other on the same contracts.
3. Contractors who intend to cut costs by driving down the terms and conditions for staff, whether for transferees or for new joiners taken on to work beside them, will not provide best value and will not be selected to provide services for the council. However, nothing in this Code should discourage local authorities or contractors from addressing productivity issues by working with their workforces in a positive manner to achieve continuous improvement in the services they deliver.

### **Treatment of transferees**

4. In its contracting-out of services, the local authority will apply the principles set out in the Cabinet Office Statement of Practice on Staff Transfers in the Public Sector and the annex to it, A Fair Deal for Staff Pensions. The service provider will be required to demonstrate its support for these principles and its willingness to work with the local authority fully to implement them.
5. The intention of the Statement is that staff will transfer and that TUPE should apply, and that in circumstances where TUPE does not apply in strict legal terms, the principles of TUPE should be followed and the staff involved should be treated no less favourably than had the Regulations applied. The Government has now indicated an intention to legislate to make statutory within local government the provisions in the Cabinet Office Statement.
6. The annex to the Statement requires the terms of a business transfer specifically to protect the pensions of transferees. Staff must have ongoing access to the Local Government Pension Scheme or be offered an alternative good quality occupational pension scheme, as defined in the annex to the Cabinet Office Statement, under which they can continue to earn pension benefits through their future service. There must also be arrangements for handling the accrued benefits which staff have already earned.

### **Treatment of new joiners to an outsourced workforce**

7. Where the service provider recruits new staff to work on a local authority contract alongside staff transferred from the local authority, it will offer employment on fair and reasonable terms and conditions which are, overall, broadly comparable to those of transferred employees, and that take into account the need to recruit and retain quality employees and conditions in local labour markets; and that offer reasonable pension arrangements (as described at paragraph 10 below).
8. The principle underpinning the provisions of paragraph 7 is to consider employees' terms and conditions (other than pension arrangements which are dealt with in paragraph 10) in the round – as a 'package'. This Code does not prevent service providers from offering new recruits a package of terms and conditions which differs from that of transferred staff, so long as the overall impact of the changes meets the conditions in paragraph 7. The aim is to provide a flexible framework under which the provider can design a package best suited to the delivery of the service, but which will exclude changes which would undermine the integrated nature of the team or the quality of the workforce.
9. The service provider will consult representatives of a trade union where one is recognised, or other elected representatives of the employees where there is no recognised trade union, on the terms and conditions to be offered to such new recruits. The arrangements for consultation will involve a genuine dialogue. The precise nature of the arrangements for consultation is for agreement between the service provider and the recognised trade unions. The intention is that contractors and recognised trade unions should be able to agree on a particular package of terms and conditions, in keeping with the terms of this Code, to be offered to new joiners.

### **Pension arrangements for new joiners to an outsourced workforce**

10. The service provider will be required to offer new recruits taken on to work on the contract beside transferees one of the following pension provision arrangements:
  - membership of the local government pension scheme, where the employer has admitted body status within the scheme and makes the requisite contributions;
  - membership of a good quality employer pension scheme, either being a contracted out, final-salary based defined benefit scheme, or a defined contribution scheme. For defined contribution schemes the employer must match employee contributions up to 6%, although either could pay more if they wished; and
  - a stakeholder pension scheme, under which the employer will match employee contributions up to 6%, although either could pay more if they wished.

### **Monitoring arrangements**

11. Throughout the length of the contract, the service provider will provide the local authority with information as requested which is necessary to allow the local authority to monitor compliance with the conditions set out in this Code. This information will include the terms and conditions for transferred staff and the terms and conditions for employees recruited to work on the contract after the transfer.
12. Such requests for information will be restricted to that required for the purpose of monitoring compliance, will be designed to place the minimum burden on the service provider commensurate with this, and will respect commercial confidentiality. The service provider and the local authority will also support any central Government-sponsored

review and monitoring programme on the impact of the Code, drawn up in consultation with representatives of local government, contractors, trade unions and the Audit Commission as described in paragraph 17, and will provide information as requested for this purpose. Such requests will follow the same principles of proportionality and confidentiality.

### **Enforcement**

13. The local authority will enforce the obligations on the service provider created under this Code. Employees and recognised trade unions should in the first instance seek to resolve any complaints they have about how the obligations under this Code are being met, directly with the contractor. Where it appears to the local authority that the service provider is not meeting its obligations, or where an employee of the contractor or a recognised trade union writes to the authority to say that it has been unable to resolve a complaint directly with the contractor, the local authority will first seek an explanation from the service provider. If the contractor's response satisfies the local authority that the Code is being followed, the local authority will inform any complainant of this. If the response does not satisfy the local authority, it will ask the service provider to take immediate action to remedy this. If, following such a request, the service provider still appears to the local authority not to be complying with the Code, the local authority will seek to enforce the terms of the contract, which will incorporate this Code, invoking any dispute resolution procedures within the contract or, as necessary, using other legal channels. In addition, where a service provider has not complied with this Code, the local authority will not be bound to consider that provider for future work.
14. Councils will have a duty in their best value performance plans (BVPP) to certify that individual contracts comply with best value requirements, including workforce requirements in this Code and the accompanying statutory guidance. The Audit Commission's appointed auditor will through the audit of the BVPP:
  - ensure that councils meet this statutory duty of certifying their compliance;
  - provide assurance that the council's arrangements for compliance are effective;
  - receive information from third parties about any concerns with the council's compliance;
  - consider the information received and decide how to deal with those concerns; and
  - where the subject of any concern is of material significance (eg large contracts or a major breach of this Code is alleged) the auditor will decide on a proportionate response to investigate the concerns.
15. If as a result of his/her investigations, the Auditor has concerns about the compliance with best value duties, including the workforce code, he/she will choose one of the following actions:
  - reporting to the council on such action as they should take;
  - issuing a public interest report;

- referring the council to the Audit Commission for an inspection, which may lead to a referral to the Secretary of State for intervention; and
- referring the council to the Secretary of State for intervention.

The Audit Commission will issue guidance to councils and auditors on how these matters will be dealt with.

### **Sub-contractors**

16. This Code sets out procedures for handling matters between the local authority and a primary contractor. Where the primary contractor to provide services to the local authority transfers staff originally in the employ of the local authority to a sub-contractor in consequence of the terms of the primary contractor's obligations to the local authority, the primary contractor will be responsible for the observance of this Code by the sub-contractor.

### **Review of this Code**

17. The Government will keep the operation of this Code under review and consult representatives of local government, trade unions, contractors and the Audit Commission to assist in this process.

## Annex D

### PERFORMANCE PLAN REQUIREMENTS

The following requirements are issued under Section 6 of the Local Government Act 1999. They should be read in conjunction with the consultation on the Draft Circular on Best Value and Performance Improvement.

The best value performance plan is intended to be both an effective management tool and the principal means by which improvements are reported following the comprehensive performance assessment (CPA) or the service assessments that underlie it, any self or peer assessments, and other external reviews. It should be a narrative that explains to its staff, elected members and key stakeholders:

- the authority's objectives and priorities, emanating from the local strategic partnership and its community strategy;
- its current performance, drawing on external assessments, where appropriate; and
- the strategies, tools and resources it intends to employ to deliver its objectives and priorities.

From 2003/04 onwards a performance plan must include:

- **a summary of the authority's objectives in respect of its functions.** These will derive from the authority's overall vision and community strategy, and from any corporate planning processes which give effect to that vision. The summary will also reflect: nationally set priorities, its objectives and targets; any local public service agreements; its medium term financial strategy; and identify service priorities.
- **a summary of current performance.** This will need to include a summary of performance against relevant performance indicators, standards and targets. It should also usefully draw upon any other indicators that are identified by the Audit Commission or required by Government for planning or programme purposes, including CPA. Performance against local performance indicators, especially those developed to reflect sustainable development and other community preferences should also be highlighted. This summary should also include any commentary that authorities might wish to make which would help place their performance in context.
- **a comparison with performance in previous financial years.** Authorities will need to provide an historic context for the performance data for the year in question and where practicable, a consideration of comparative information from other best value authorities should be included. Comparative information might be presented in a schematic diagram showing performance against the average nationally or by type of authority. Authorities should also include audited out-turn data for the penultimate financial year.

- **a statement describing the authority's plans for improvement.** Performance plans must include an explanation of an authority's plans for improvement. This should set out how their plans for improvement have been integrated within their performance management framework, the expected impact on the authority's performance, and the timescales for delivering improvements. Where there are critical areas of uncertainty that might affect the timing of such plans, these should be identified clearly.

Authorities plans for improvement should include the performance improvement targets set for future years. Authorities will wish to set targets that reflect national standards and targets, priorities, the outcomes of reviews, CPA and other performance assessment findings, and which build on relevant historic data. In some instances, authorities may wish to roll forward the targets set for both local and national indicators in previous years, adjusted as necessary, in the light of resources available and any new priorities. Authorities should also outline their proposals for achieving new targets.

For authorities that have had a CPA, this statement should cover arrangements for exploiting opportunities and addressing weaknesses identified in the assessment: including review programmes; how any freedoms and flexibilities that will be granted will be used; where appropriate, the proportionate and co-ordinated inspection programme; the mechanisms that will be used to support performance improvement; and any directions from the Secretary of State.

Authorities that have not had a CPA should also explain variations to previous arrangements for improving services and/or review programmes, and highlight where the Secretary of State or an inspectorate has required improvement measures, such as a review, to be carried out.

- **the impact of improvement measures, including completed reviews.** Performance plans should include a summary of the impact of previously implemented improvement measures, including completed reviews. Authorities should also include information on any elements of the improvement measures or review programme that were not completed. For completed reviews, authorities should, where appropriate, summarise the results of consultations, the alternatives considered, the agreed outcomes, and as stated above, an explanation of how the new targets will be met. Where appropriate, this information should be cross-referenced to the source material.
- **a response to external assessment.** Recommendations arising from audit reports, inspections, and the findings of CPA and any other external assessments must be included in performance plans, along with a summary of the authority's response. Authorities should also highlight any action taken, or action that it plans to take to address or exploit the findings from audit and inspection reports, CPA and any other external assessments, or following directions by the Secretary of State.
- **a statement on its relationship with other tiers of local government within its locality.** Principal authorities should set out their arrangements for working with town and parish councils and other tiers of local government in its locality where this is appropriate. This should also record the actions taken to consider delegating appropriate functions to town and parish councils, and include examples of how they have encouraged partnership working.

- **financial information.** A summary of the authority's financial performance during the past year will be required and this should include the budgeted income of the authority with an analysis of budgeted expenditure for the year. Other information such as details of major capital projects and investments, and changes to purchasing proposals should also be included. CIPFA's *Best Value Accounting – Code of Practice* provides authorities with accounting guidance that facilitates the comparability of local authority financial information. The Code helps authorities comply with the provisions of Sections 5 and 6 of the 1999 Act and the orders made under these sections, and is recognised as proper practice for all authorities.
- **statement on contracts.** Authorities should state and certify that individual contracts comply with best value, including, where applicable, the requirements in the *Code of Practice on Workforce Matters in Local Government Service Contracts*, and other statutory guidance.

# Annex E

## FURTHER INFORMATION

### Legislation and other statutory documents

(available at the Office of the Deputy Prime Minister's website – see below)

Local Government Act 1999: Part 1 Best Value.

Statutory Instrument: 1999 No 3251 – Local Government, England & Wales: The Local Government (Best Value) Performance Plans and Reviews Order 1999.

Statutory Instrument: 2001 No 909 The Local Government Best Value (Exclusion of Non-commercial Considerations) Order 2001.

Statutory Instrument: 2002 No 305 Local Government, England & Wales: The Local Government (Best Value) Performance Plans and Reviews Amendment and Specified Dates Order 2002.

Statutory Instrument: 2002 No 523 Local Government, England & Wales: The Local Government (Best Value) Performance Indicators and Performance Standards Order 2002.

Best Value Performance Indicators 2002/2003.

Useful Website Addresses		
Department/Organisation	Website address	Type of information available
Office of the Deputy Prime Minister	<a href="http://www.local-regions.odpm.gov.uk/bestvalue/bvindex.htm">http://www.local-regions.odpm.gov.uk/bestvalue/bvindex.htm</a>	<ul style="list-style-type: none"> <li>• Modern Local Government: In Touch with the People 1998 [CM 4014] (White Paper)</li> <li>• Strong Local Leadership-Quality Public Services [CM5237] 2001 (White Paper)</li> <li>• Best Value Performance Indicators</li> </ul>
	<a href="http://www.local-regions.odpm.gov.uk/ssdp/research/index.htm">http://www.local-regions.odpm.gov.uk/ssdp/research/index.htm</a>	<ul style="list-style-type: none"> <li>• Research findings from long-term evaluations of the operation of best value</li> <li>• Information on the work of the Strategic Partnering Taskforce and Supporting Strategic Service Delivery Partnerships in Local Government</li> </ul>
	<a href="http://www.housing.odpm.gov.uk/information/index11.htm">http://www.housing.odpm.gov.uk/information/index11.htm</a>	<ul style="list-style-type: none"> <li>• Best Value in Housing – links to information leaflets, the Best Value in Housing framework and research related to Best value in Housing</li> </ul>
Department for Education and Skills	<a href="http://www.dfes.gov.uk/vfm/bvalue.shtml">http://www.dfes.gov.uk/vfm/bvalue.shtml</a>	<ul style="list-style-type: none"> <li>• Best Value in Education</li> <li>• Best Value in Schools</li> </ul>
Department of Health	<a href="http://www.doh.gov.uk/scg/socialc.htm">http://www.doh.gov.uk/scg/socialc.htm</a> <a href="http://www.doh.gov.uk/healthinequalities/">http://www.doh.gov.uk/healthinequalities/</a>	<ul style="list-style-type: none"> <li>• Lessons from Social Care Reviews</li> <li>• Health inequalities</li> </ul>

<b>Useful Website Addresses (continued)</b>		
<b>Department/Organisation</b>	<b>Website address</b>	<b>Type of information available</b>
Department for Environment, Food and Rural Affairs	<a href="http://www.defra.gov.uk/environment/waste/strategy/guidance/bestvalue/index.htm">http://www.defra.gov.uk/environment/waste/strategy/guidance/bestvalue/index.htm</a>  <a href="http://www.defra.gov.uk/">http://www.defra.gov.uk/</a>	<ul style="list-style-type: none"> <li>• Best Value and Waste Management Statutory Guidance for waste collection and waste disposal authorities</li> <li>• Our Countryside: 'The Future' A fair deal for rural England 2000 Cm 4909 (White Paper)</li> </ul>
Department for Work and Pensions	<a href="http://www.dwp.gov.uk/housingbenefit/">http://www.dwp.gov.uk/housingbenefit/</a>	Performance Standards and Model Publications
Benefit Fraud Inspectorate	<a href="http://www.bfi.gov.uk/">http://www.bfi.gov.uk/</a>	Performance standards for Housing and Council Tax Benefit, Best Value and other BFI Inspection reports
Audit Commission	<a href="http://www.audit-commission.gov.uk/home/">http://www.audit-commission.gov.uk/home/</a>  <a href="http://www.bvpps.audit-commission.gov.uk/System/search/default.asp">http://www.bvpps.audit-commission.gov.uk/System/search/default.asp</a>	<p>Various publication on Best Value and Improvement including:</p> <ul style="list-style-type: none"> <li>• Learning from Inspection Audit and Research series</li> <li>• Performance Indicators</li> <li>• Inspection Reports</li> <li>• Best Value Performance Plan Library</li> </ul>
Improvement and Development Agency	<a href="http://www.idea.gov.uk/">http://www.idea.gov.uk/</a>	<p>Various Best Value and Improvement publications and guidance including:</p> <ul style="list-style-type: none"> <li>• Best Value Essentials</li> <li>• Best Value Reviews</li> <li>• Joining up Best Value</li> <li>• Procurement</li> <li>• Toolkits and research</li> <li>• IDeA Knowledge – interactive website</li> <li>• Improvement helpline</li> </ul>
Local Government Association	<a href="http://www.lga.gov.uk/home.asp">http://www.lga.gov.uk/home.asp</a>	<ul style="list-style-type: none"> <li>• Various publications on Best Value</li> </ul>
National Association of Local Councils	<a href="http://www.nalc.gov.uk/f_about.html">http://www.nalc.gov.uk/f_about.html</a>	<ul style="list-style-type: none"> <li>• Best Value guidance for member councils</li> </ul>
Association of Larger Local Councils (ALLC) PO Box 328 Cheadle Staffordshire ST10 3AT	N/A	
Employers' Organisation for Local Government	<a href="http://www.lg-employers.gov.uk/index.html">http://www.lg-employers.gov.uk/index.html</a>	<ul style="list-style-type: none"> <li>• Achieving Best Value through people: a toolkit</li> <li>• Research and surveys on Best Value</li> <li>• Service delivery and quality surveys</li> <li>• Guidance on mainstreaming equalities into Best Value</li> <li>• Mainstreaming racial equality objectives into Best Value</li> </ul>