

## BEST VALUE IN THE BRITISH LOCAL PUBLIC SERVICES

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### ÖZET

Bu çalışmada, Birleşik Krallık'ta yerel kamu hizmetlerinde uygulanmaya başlanan 'en iyi değer rejimi' (Best Value Regime) tartışılmaktadır. Muhafazakar Parti'nin hizmet sunumu yaklaşımı olan "Zorunlu Rekabetçi Piyasa" (Compulsory Competitive Tendering) ile İşçi Partisi'nin "En İyi Değer" (Best Value) sistemleri karşılaştırılmakta; daha sonra da en iyi değer rejiminin amacı, yasal durum ve kapsamı açıklanmaktadır.

Çalışma, yönetim ve performans ölçüm tekniklerini, performans planlarını ve hizmet değerlendirmelerini 'en iyi değer' kavramı perspektifinden değerlendirmekte; kalite yönetiminde mükemmellik ve kıyaslama gibi, iki önemli performans ölçüm tekniğine özel vurgu yapmaktadır.

**Anahtar Kelimeler:** En İyi Değer, Performans Planı, Performans Ölçümü,

### ABSTRACT

This study aims to discuss the Best Value regime in local public services in the United Kingdom. Discussion will focus on the approach of the Conservatives to service delivery which was compulsory competitive tendering, and the approach of the Labour Government to service delivery which is the Best Value. The aims and objectives of the Best Value, and the legislation and scope involved with the Best Value will be outlined briefly.

The study will discuss management and measurement techniques and will enable the reader to understand the role of performance and service reviews within the concept of the Best Value regime, and examine performance plans. A closer analysis will be given to two performance measurement techniques –Excellence for Quality Management (EFQM), and Benchmarking.

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**Keywords:** Best Value, Performance Plan, Performance Measurement

### **Introduction**

The election of a Labour government in the United Kingdom in May 1997 appeared to promise the beginning of a new era for local government. Conservative governments between 1979-1997 regarded local authorities as inefficient, unresponsive, expensive and monopolistic bureaucracies. Consistent with their overall philosophy, the Conservatives sought to reduce the size of the public sector. Thus, they intended to drive efficiency in the delivery of local services by introducing private sector competition. To them, a local authority's role would be to enable services to be provided rather than directly provide them itself. Central to the Conservative approach was the policy of compulsory competitive tendering (CCT). CCT involved a statutory requirement to expose to external competition defined proportions of certain services which, traditionally, would have been delivered by the in-house workforce free from the threat of private sector competition. Competitive tendering takes place in many countries around the world but only in the UK was systematic compulsion introduced by central government<sup>1</sup>.

The implementation of compulsory competitive tendering (CCT) has been assessed by a number of researchers including Walsh<sup>2</sup>. Walsh points to the problem of contracting for services such as social care where it is more difficult to determine the relationship between price and quality than for manual services<sup>3</sup>. Also the shift from hierarchy to contract involves implementing a new set of institutional arrangements, including marketing, contract specification

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<sup>1</sup> A. Doig, and J. Wilson, 'Local government management: A model for the future?', *Public Management*, Vol.2, issue.1, 2000, p.44-65

<sup>2</sup> K. Walsh, *Public Services and Market Mechanisms: Competition, Contracting and New Public Management*, Macmillan, London, Macmillan. 1995, p.122

<sup>3</sup> Walsh, *ibid*, p.123

and evaluation. Thus, efficiencies gained through improved service delivery may be outweighed by so-called transaction costs<sup>4</sup>.

The Labour Government Green Paper on local government management recognised that the CCT regime forced local authorities to address difficult management issues. However, it also set out a number of key criticisms of the policy. They include (1) service quality was neglected (2) efficiency gains were uneven, (3) in practice, arrangements were inflexible, (4) high staff turnover, (5) staff demoralisation, (6) competition becomes an end in itself rather than a means to an end<sup>5</sup>.

The 'New Labour' administration has embarked on an ambitious attempt to reform local authorities and to improve the quality and cost effectiveness of the services which they provide. Service standards need to improve. Authorities are to be required to 'put people first' and the public is to be given a 'bigger say and a better deal'. The 'modernizers in and around 'New Labour' believe 'citizen-centred services' to be the hallmark of modern government<sup>6</sup>. Their objective is therefore to reshape the relationship between government and the public by driving up the service standards in line with increasing user expectations. Accordingly services have to be organised around the needs of clients and customers rather than according to organizational convenience. New information technology is seen as an important means of delivering more accessible and cost-effective services. Local partnerships between public, private and voluntary sector agencies are encouraged as a means of tackling 'cross-cutting issues' which can not be addressed adequately by individual organizations working on their own.

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<sup>4</sup> K. Walsh, N. Deakin, P. Smith, and N. Thomas, (1997), *Contracting for Change: Contracts in Health, Social Care and other Local Government Services*, Oxford: Oxford University Press.

<sup>5</sup> DETR (1998a) *Modernising local government: Improving local services through Best Value*, London: DETR.,p.5-6

<sup>6</sup> S.J. Martin, 'Picking winners or piloting best value? An analysis of English Best Value bids', *Local Government Studies* 25, 1999,p.53-57.

### **Legislation**

A local Government Bill for England and Wales on Best Value detailing council tax regulations was published on 1 December 1998. The Bill provides legislative backing for the implementation of Best Value. Much of the Legislative proposals within the Bill have already been outlined in the numerous consultation papers issued since Best Value was initially proposed. Nevertheless, legislation is required to provide local authorities with information on the processes involved with Best Value, what will be required of them and what the implications are for them.

The Bill requires councils to implement Best Value, to consult local people on service delivery and incorporate the output into their services, to annually produce local performance plans – this will include performance indicator outcomes and service targets – all of which will be approved by an external auditor.

Other proposals outlined in the Bill are for a Best Value inspectorate which will be run by the Audit Commission and powers for the Secretary of State to intervene and exercise sanctions against poor performing councils.

Under the provisions of the 1999 Local Government Act the requirement to submit ‘defined activities’ to compulsory competitive tendering (CCT) was abolished from January 2000. In its place all principal local authorities (including police and fire authorities) ‘owe’ a legal duty of Best Value to service users, council taxpayers and local businesses.

The legislation requires these agencies to adopt the ‘Best Value performance management framework’ which involves undertaking fundamental reviews of all of their activities over a period of five years. They will need to analyse both the need for a service and existing approaches to delivering it. They will have to consult the public about service standards and costs, and users and the wider community will be involved in reviewing current performance and setting ‘demanding targets for efficiency and quality improvements’<sup>7</sup>. Councils will need to compare their services against those of the best

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<sup>7</sup> DETR (1998a), *ibid*, p.5-6

local authorities and providers from the private and voluntary sectors. Competition will remain ‘an essential tool for securing improvement’ and there will be a strong presumption in favour of voluntary competitive tendering, with authorities being encouraged to work closely with businesses, voluntary organizations and other service providers to establish a ‘more mixed economy of service provision’<sup>8</sup>.

### **The Aim and Scope**

Through modernization, it is hoped that Government will improve its services and bring them in line with those delivered in the private sector. The introduction of Best Value is not simply to target those local authorities both good and bad. The aim of Best Value is to ensure that all those who do perform well continue to do so and improve further. Developing organizational objectives and adopting performance managements’ techniques will be essential in order to fulfil these goals.

The degree with which local authorities will need to change will differ for each individual one, some will already utilise many of the functions within their service delivery and their performance might already have improved. The underlying aim is to learn from one another – adopt what has been successful, or make the relevant changes to the processes that could be better. The Best Value pilots will demonstrate to other local authorities ‘which way to turn’, more specifically what processes have succeeded in improving service standards and what have not.

The government has made it clear the duty to obtain Best Value will apply 'to all local authority services, including regulatory and enabling functions'<sup>9</sup>. It will therefore apply to all services, which were not included in the CCT legislation. It will cover all white-collar services, an area in which even the Conservative government had been proceeding with some caution, and will apply to services such as education and social services which have had little or no experience of

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<sup>8</sup> DETR (1998a) *ibid*, p.6-7

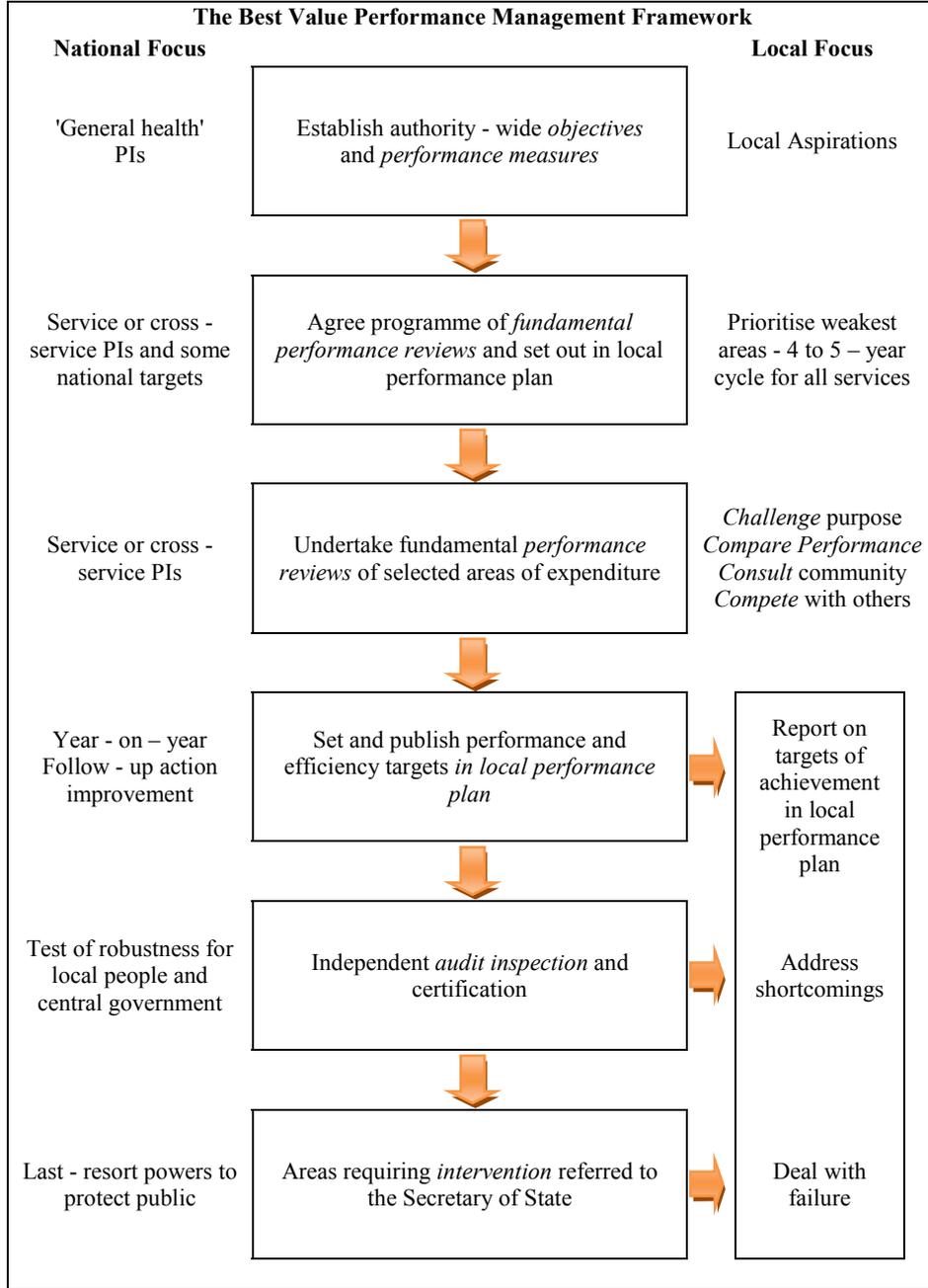
<sup>9</sup> DETR (Department of the Environment, Transport and The Regions), *Targets for the Future*. London: The Stationary Office,1999, para.2.7

CCT. More interestingly and problematically it will also apply to those enabling functions which involve local authorities working with other public, private and non-for-profit sector organisations. Examples include local housing companies, Private Finance Initiative projects and services externalised to Trusts such as residential homes. There is little reference to how Best Value will apply to these kinds of arrangements but the logic of the overall concepts demands that they should not be exempted from the process<sup>10</sup>.

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<sup>10</sup> S. Rogers, *'Performance Management in Local Government'*. London. Pittman, 1999, p.34

## MANAGEMENT AND MEASUREMENT



Source: Department of the Environment, 1998b.

The Performance Management Framework demonstrates the requirements of local authorities and the order they should be undertaken.

### **Corporate Objectives**

The first element of the Management Framework would be a corporate review of objectives and performance. Therefore each authority needs to adopt a corporate planning process through which it will identify its objectives and priorities. The Government will lay down a framework of a small number of performance indicators which will apply to all local authorities. Thus, local authorities will be able to assess their general management performance against that of other authorities. The aim of the corporate review would be to undertake a general 'health check' of the authority as a whole, and to determine those areas which require more fundamental performance review.

In this stage, it will be up to each local authority to determine (in consultation with the local electorate) the precise aspirations which it wishes to meet and its priorities for so doing. One authority may wish to hold as its paramount aim the attention to reduce social exclusion another may be more concerned about the state of the local physical environment. Ones established in the form of broad aims, these authorities wide policies will need to be translated into detailed objectives and performance plans which particular services will need to meet to achieve these aims. This will involve the setting of priorities and targets which may take several years to reach.

### **Service Reviews**

Since Best Value processes become mandatory on the 1st of April 2000, councils have been required to undertake a 'fundamental performance review' of each of their services, at least once every five years. This is in addition to the annual setting and monitoring of performance targets, and the formulation of action plans to achieve these targets. The purpose of these reviews is 'to ensure that continuous improvements to all services are made'<sup>11</sup>. The reviews

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<sup>11</sup> DETR (1998a), *ibid*, p.7-18

consider whether authorities should continue to exercise each of their existing functions and, if so, at what level. Each authority must also examine the objectives of its services and functions and assess its performance over time, in comparison to other service providers and against any performance standards and targets that have been established<sup>12</sup>. According to the guidance, reviews will:

- *challenge* why and how a service is being provided;
- *compare* performance with the achievements of other organisations;
- *consult* with local taxpayers, service users and the business community;
- use *competition* as a means of enhancing performance<sup>13</sup>;

The so-called 'four Cs' lie at the heart of the Best Value process. They are designed to ensure that authorities are forced to set 'demanding targets for efficiency and quality improvements'<sup>14</sup>. The element of *challenge* 'requires a fundamental rethink, asking basic questions about the needs that each service is intended to address and the method of procurement that is used, and is therefore intrinsically bound up with, and informed by, the other three Cs which bring different perspectives on these central issues.

The guidance on implementing Best Value requires authorities to *compare* their performance with that of other authorities with other public bodies, business and voluntary organisations through 'the intelligent exploration' of the extent of, and reasons for, differences in performance<sup>15</sup>.

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<sup>12</sup> HMSO, *Local Government Act*. London: The Stationary Office, 1999, Clause.4

<sup>13</sup> DETR (1999d) *Implementing Best Value: A consultation paper on draft guidance*, London: DETR., para.16.

<sup>14</sup> DETR (1999a) *Summary of responses to 'Modernising local government: Improving services through Best Value'*, London: DETR., para.4.19.

<sup>15</sup> DETR (1999d) *ibid*, para.17

'Consultation' is a rather vague term that embraces a wide range of different kinds of engagement with individuals and representatives of customers, citizens and specific communities of place, interest and identity, as well as potential partners and other local businesses<sup>16</sup>.

The final element of the review is *competition*. As Boyne<sup>17</sup> argues, Best Value strengthens the role of competition in local government because it involves all services rather than the defined list of services covered by the CCT legislation. Best Value requires authorities to 'use fair and open competition wherever practicable as a means of securing efficient and effective services'.

The content of government statements imply that 'real competitive pressure' is largely synonymous with competitive tendering. This is not to argue, however, that Best Value is simply CCT by another name. Despite the remaining role for competitive tendering, there are important differences between the two regimes. There is a new emphasis on 'fair competition', which refers largely to greater protection of the rights of the local authority staff. Under Part II of the 1988 Local Government Act, local councils are prohibited from taking account of 'non-commercial' considerations when awarding competitively tendered contracts. For example, local authorities cannot discriminate between bidders on the basis of their record on equal opportunities or staff training, nor insist on minimum pay levels if a tender is won by an external organisation. The Local Government Act 2000 provides the Secretary of the State with powers to relax these constraint.

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<sup>16</sup> M, Geddes, and S.J. Martin. (2000). The Policy and politics of Best Value: currents, cross-currents and under-currents in the new regime', *Policy and Politics*. Vol.28, num.3, July 2000: The Policy Press.

<sup>17</sup>G. A Boyne, (1999), Processes, performance and Best Value in local government. *Local Government Studies*, 25, 3, pp.1-15.

## Performance Measurement

Boyne<sup>18</sup> defines performance management as the managerial work needed to ensure that the organisation's top-level aims (sometimes expressed as 'Vision' and 'Mission' statements) and objectives are attained. Usually this requires realistic time periods for their attainment. The identification of sub-objectives and tasks in turn has to be attained in a controlled way, contributing in a tangible way to top-level objectives.

Performance management requires 'measurement'. This is part of a control process leading to actions in the light of the findings. As well as whether objectives are being attained through the right things being done, we may be concerned with how well activities are being performed. Are people 'doing things right' particularly in terms of efficiency? This dimension of performance -defined in a technical sense as the ratio of inputs to outputs - has sometimes been regarded as synonymous with performance, particularly in public services<sup>19</sup>. Here, the emphasis is on the setting of objectives and assessment of performance.

The dimensions of performance covered by what have come to be known as the 'three Es': economy, efficiency and effectiveness<sup>20</sup>. In an introductory work on performance measurement in local government, the Audit Commission gives the following definitions of these terms: *economy*...means ensuring that the assets of the authority, and the services purchased, are procured and maintained at the lowest possible cost consistent with a specified quality and quantity. *Efficiency* means providing a specified volume and quality of services with the lowest level of resources capable of meeting that

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<sup>18</sup> G. Boyne, (2000). External Regulation and Best Value in Local Government. *Public Money & Management*, July-September.

<sup>19</sup> A, Lawton,. and A, Rose,. (1999), *Public Services Management*. Harlow:Financial Times/Prentice Hall, p.241.

<sup>20</sup> B. Waine,. and T. Cutler, (1994), 'Managing the Welfare State, The politics of public sector management' Berg, Oxford.

specification. *Effectiveness* means providing the right services to enable the local authority to implement its policies and objectives<sup>21</sup>.

Central government will set targets for better local performance. This section of the White Paper<sup>22</sup> is worth quoting at length, because it reveals the potentially centralising effect of the Best Value performance framework. The government will require that as a minimum local authorities set:

- quality targets over five years that, as a minimum, are consistent with the performance of the top 25% of all authorities at the time the targets are set;
- cost and efficiency targets over five years that, as a minimum, are consistent with the performance of the top 25% of all authorities in the region at the time the targets are set; and
- annual targets that are demonstrably consistent with the five year targets.

As Boyne<sup>23</sup> argues, this framework of targets will put most pressure on those authorities that are currently performing poorly on both quality and efficiency with which they deliver services. However it is likely to exert pressure on nearly all authorities because very few achieve highly on both aspects of performance at the same time<sup>24</sup>.

These central targets for performance improvement raise a number of questions. *Firstly*, is it possible to define and measure cost and quality with the clarity and accuracy that will be necessary to make the statutory requirements work in practice? *Secondly*, is it possible to construct meaningful league tables that properly take account of differences in the circumstances that confront local councils? This will require an adjustment for variations in the 'degree

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<sup>21</sup>Audit Commission (1983), *Performance Review in Local Government: a Handbook for Auditors and Local Authorities*, London: HMSO, p.8

<sup>22</sup> DETR (1998b) *Modern local government: In touch with the people*, Cm 4014, London: The Stationary Office., para.7.1.

<sup>23</sup> Boyne, (1999), *ibid*, p.1-15.

<sup>24</sup> DETR, 1998b, *ibid*, para.7.14.

of difficulty' in the provision of services across local areas. The calculations could quickly become as technically complex and politically controversial as those involved in the creation of standard spending assessments. Who can you compare your services with? In London for example, comparisons (Audit Commission PIs) are required to be made between the average performers from the London authorities. Also London Boroughs will make comparisons with their 'family' authorities, which are compatible authorities having similar social, economic, and demographic characteristics. For example, Enfield is in a family with ten other authorities, including, Barking and Dagenham, Croydon, Hounslow, Redbridge, Waltham Forest, Ealing, Merton, Brent, Haringey and Newham. Different authorities will follow a similar process whereby they will compare their services with other compatible authorities. *Thirdly*, are the improvements in performance that are being sought really achievable, even over a period of five years? It seems unlikely that councils labelled as 'poor performers' will be financially favoured in this way.

Although these issues can be resolved, the centrally specified targets may distort local authority behaviour and undermine local democratic accountability. A familiar problem with performance indicators is that organisations tend to concentrate on the activities that are measured and monitored<sup>25</sup>. This phenomenon in local government is likely to be reinforced if success in hitting the central targets is a precondition of becoming a 'Beacon Council'. Furthermore, the fact that all councils will have their attention directed to the same performance indicators may lead to a dull conformity rather than the innovation that Best Value is formally intended to promote.

There is a clear tension between local and central accountability in the Best Value regime. The duty of Best Value has been consistently described in government documents as one that is 'owed to local' people<sup>26</sup>. However, centrally specified indicators and targets may direct the attention of local politicians and managers upwards to the government rather than outwards to local communities.

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<sup>25</sup> S. Parker, (2000), 'Costly inspection threatens services', *Local Government Chronicle*, 30 June.

<sup>26</sup> Boyne, (1999), *ibid*, p.1-15.

There are some difficulties in measuring performance, and greater ones in the public sector, but there are several reasons why performance measures will continue to be used. First, public servants may see the use of indicators or appraisal as a threat, but it can be an opportunity by pointing to good practices and good performance, both of which may be rewarded. Secondly, there is little point in setting clear objectives, or funding programmes accordingly, unless there is some means by which progress towards objectives could be monitored. There has been so much capital invested in the other changes that performance measures will be insisted upon<sup>27</sup>.

### **Performance Plans**

The Best Value legislation imposes a duty on councils not only to secure continuous improvements in performance, but also to follow prescribed processes of service management. Most importantly, local authorities must publish annually a performance plan, and must undertake fundamental reviews of services.

The purposes of these documents are for each authority to summarise its corporate objectives and communicate them to the public. The content of performance plans will be prescribed by the government under secondary legislation. The Green and White Papers<sup>28</sup> suggest that councils will be required to publish details of their current performance, comparisons with the performance of other organisations, targets for performance in the year ahead and in the longer term, and proposals for the achievement of the targets.

These performance plans are 'the principles means by which an authority is held to account for the efficiency and effectiveness of its services, and for proposals to improve upon them'<sup>29</sup> and are designed to facilitate 'a genuine dialogue with local people on local priorities'.

In a survey conducted by MORI for the Audit Commission (the Audit Commission, 2000c), most authorities found best value

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<sup>27</sup> Hughes, O.E. (1994), 'Public Management and Administration: An Introduction'. London, Macmillan., p.208

<sup>28</sup> DETR (1998b) *ibid*, para.33.

<sup>29</sup> DETR (1999d) *ibid*, para.43

planning more difficult than they had expected, they found it useful, and believed that it had led to positive changes locally. There was no serious difference of view according to the political make up of authorities. As the report indicates, plans have helped authorities to see where they are, and where they want to go. Moreover, 87% of the councils say they would produce the plans again, even if they were not compelled to do so.

While best value is welcomed overall, authorities also had some criticisms, particularly around guidance and the timing of BVPP publication. 60% of authorities also disliked having two separate sets of performance indicators.

### **Benchmarking**

The Green Paper on Best Value<sup>30</sup> clearly indicates that performance measurement systems are at the heart of the Best Value process. Authorities are urged to develop and refine methodologies for measuring performance, with increased emphasis on outputs and outcomes. This is linked with an emerging interest in benchmarking as a technique for comparing service performance with that of other organisations<sup>31</sup>.

Benchmarking is a service improvement technique. It should be used to compare service processes and procedures with a range of best practice providers. It involves the selection of criteria covering performance, productivity, resources, user satisfaction and other measures which are compared with the same or similar services provided by other organisations.

The primary target for Best Value is for services in the public sector to reach a level on a par or, ideally superior to competitors. Benchmarking has been used in the private sector for a long time and is regarded as essential for improving ones own services through

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<sup>30</sup> DETR (1998a) *ibid*, para.35

<sup>31</sup> D. Barlett, P. Corrigan, P. Dibben, S. Franklin, P. Joyce, T. McNulty, and A. Rose, (1999), *Preparing for Best Value. Local Government Studies*, vol.25, 3, p.103.

drawing comparisons with other similar organisations. More often than not, these comparisons have been of a statistical nature but comparisons can be made with working processes. The concept is to see how those who perform best are doing so, in terms of resources, cost and processes. The basic benchmarking process will:

- enable authorities to see what can be achieved,
- enable performance indicators to be developed that are compatible for comparisons between authorities,
- enable realistic targets to be set for service improvement,
- enable the enhancement of service delivery through investigating the methods used by the best performers.

Benchmarking is invaluable to the Best Value initiative because of the amount that can be learnt from all involved. Although benchmarking is supposed to be carried out between local authorities, the private sector, most of the departments involved in the pilot process have failed to involve the private sector in their benchmarking techniques. This lack of involvement with the private sector in benchmarking is probably due to the lack of similarities there are between local authorities and the private sector. The corporate policies, social and economic circumstances and service standards vary greatly between public bodies and private companies, making it difficult to select private comparator organisations for benchmarking purposes.

#### **European Foundation for Quality Management (EFQM) - Excellence Model**

The statutory guidance on the Best Value describes the EFQM Excellence Model as ‘a framework against which organizations can carry out a self-assessment to identify strengths and areas of improvement, in order to identify those areas of their internal operation where improvement will have the greatest impact on their

ability to meet their targets<sup>32</sup>. It is being promoted across the public sector by a partnership of the Cabinet Office and the British Quality Foundation following the development of a new version specifically designed to meet the needs of the non-business community including local government and the voluntary sector.

All pilots have developed models as the basis for undertaking Best Value Reviews and the leading approach has been to construct such models internally around the 4Cs framework. The model they have chosen was important for two reasons. *Firstly*, the model needs to fit the broader philosophy of, and approach to, BVRs in the authority. *Secondly*, it needs to be adaptable to the full range of review contexts in which it will be applied.

A growing number of local authorities have been using the Excellence Model as a vehicle for cultural change and service improvement<sup>33</sup>. Many of the pilots (including Braintree, Cleveland Police, Great Yarmouth, Lewisham, Manchester, Portsmouth and Warwickshire) saw it as having a role to play in enabling them to implement the Best Value principles. In particular they anticipated that it could play a role in linking corporate vision and strategic objectives to the activities of specific services; encouraging customer focus and continuous improvement; identifying specific areas for improvements; developing performance indicators capable of monitoring changes; and encouraging innovation and learning.

The experiences of many of the pilots suggest that the model can be useful in implementing the Best Value framework model<sup>34</sup>. Its main strengths lie in its diagnostic capacity (it may assist in the identification of problems and issues for reviews), the contribution it can make to the collection of data needed by review teams and its potential to generate a sense of 'ownership' among service managers and front-line staff. Braintree, Great Yarmouth and Portsmouth are for example using the model to provide an initial self-assessment of

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<sup>32</sup> Inlogov, (2000). *Inlogov informs on Best Value: Part 1*, Institute of local government studies. The University of Birmingham.

<sup>33</sup> DETR (1999e), Circular 10/99 Local Government Act 1999: Part I, Best Value, (DETR, London).

<sup>34</sup> DETR (1999c) *Preparing for Best Value*, London: DETR.

services at the start of the review process<sup>35</sup>. They see it as a diagnostic tool that helps to highlight strengths and weaknesses and as a means of assembling comprehensive baseline information which will facilitate comparison over time and with other services or authorities.

However, the pilots see the model insufficient on its own. Many pilots have found that it has emphasised the perspectives of current service providers and service users. In the end it has tended to focus attention on incremental improvements rather than rapid innovation of fundamental restructuring.

Some of the pilots have also found it more difficult to apply the Model throughout the organisation than they had anticipated. In some cases a number of services have made good progress whilst others have largely ignored it (often because senior officers and service managers have not been committed to it). This has led to differences in the quality and coverage of performance information between services that have made it difficult to ensure a consistent approach across the whole organisation.

### **Conclusion**

The focus of this paper is on Best Value as a significant innovation in the management of public services. The issues concerning BV processes and performance are not only technical but also are political. First, how will the concept of BV be interpreted within each local area? The question is 'best for whom?' The local politics of BV include struggles between the interests of local authority staff and residents, between service recipients and taxpayers, between client groups for different services.

The emphasis on public consultation and involvement in BV suggests that these issues may be resolved through a new participative politics in local government. This holds the promise of services that are more responsive to local preferences, and a local government system that is reinvigorated by a variety of democratic processes.

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<sup>35</sup> DETR (1999b) *Protocol on intervention powers*, London: DETR.

The second political question is how will BV affect the balance of power between central and local government? The new regime contains a large superstructure of checking, monitoring and evaluation. There are to be performance indicators and targets, verification by auditors that BV processes have been followed, and a new power for the Audit Commission to carry out Best Value inspections. In addition, there is the threat that central government hit squads can be used to deal with local councils that appear to be defaulting on their BV duties. The local government bill implies a looser central grip on local finance, but a tighter hold on organizational processes and performance. If the latter elements are pushed too far then BV, like CCT, may degenerate into a set of rules to be bent.

Challenging is essential to get rid of unnecessary or non-productive services. Thus, local authorities are able to focus basic and productive public services for their residents.

Consultation is the another pillar of the regime. Despite the questions low participation in local or national elections – 32% of turnout in 1999 in the UK<sup>36</sup> at local elections which is the lowest in the European Union - for instance, people may be more interested in being involved in decisions taken by local authorities. This ‘turnout’ figure is important in terms of indicating political interest. It may be that people see local authorities as essentially administrative rather than decision making bodies, so that it little matters to electors who sits on the council. Whatever the reason is that residents need to show their involvement in decisions made in their councils in order to get the best results for their own interests in their own district.

Competition may help to provide quality and cost effective public services. Public service is one of the highest aspiration a citizen can have; because, it is the hardest service. It is also the most necessary service, for without respect for community; there can be none for individuals. Public service providers need to be thinking of competing with each other to make their service more attractive.

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<sup>36</sup> T. Byrne, (2000), *Local Government in Britain*. Seventh Edition, London: Penguin Books, p.143.

Especially councilors need to work a lot harder to not to be at the bottom in the national league. They would otherwise not be elected at the next election. Councils are also facing to ‘naming and shaming’ policy of the central government if they are at the bottom.

Comparison that is the last element of the regime is not less important than the others. That is probably the most effective way of sharing good practices between local authorities.

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