Better By Far: Preparing for Best Value

The best value framework is developing apace. Following publication of the management paper, Better By Far, in December 1998, there have been a number of changes in approach and further legislative proposals. These are recorded below, following the chapter order of the Audit Commission paper.

1. **Best value framework**
   - The Local Government Bill\(^1\) introduces best value and changes to the regulation of council tax and precepts. The Bill also repeals all the compulsory competitive tendering (CCT) provisions of the 1980 and 1988 Acts.

2. **Political and managerial arrangements**
   - The potential for political structure changes, such as cabinet-style local government, and locally elected mayors, has been excluded from the Bill (apart from provisions for the National Assembly for Wales, and the new Greater London Authority). This area of local government modernisation is addressed separately in a draft bill\(^2\) covering elements of standards and conduct published in March 1999.

3. **The role of local performance plans**
   - Local performance plans are now referred to in the Local Government Bill as ‘best value performance plans’ (BVPP).
   - The Local Government Bill brings forward the deadline for authorities to publish their BVPP to 31 March in any given year and not, as stated on page 25 – paragraph 42, within two months of the end of the financial year.

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\(^1\) The Local Government Bill was introduced to this session of Parliament in the Queen’s Speech on 30 November 1998. It reflects much of the Green and White Papers, with some important differences. The Bill received its second reading in the Houses of Commons on 12 January 1999 and was republished on 1 March, having gone through Committee.

Clause 7 of the Bill outlines in greater detail the precise roles and responsibilities of auditors in relation to their review of BVPPs. The auditor will be required to produce a report:

(i) certifying that the auditor has reviewed the plan;

(ii) stating whether the auditor believes that it was prepared and published in accordance with section 6 (which prescribes the content of the BVPP) and any order or guidance under that section;

(iii) if appropriate, recommending how it should be amended so as to accord with section 6 and any order or guidance under that section;

(iv) if appropriate, recommending procedures to be followed by the authority in relation to the plan;

(v) recommending whether the Audit Commission should carry out a best value inspection of the authority under section 10; and

(vi) recommending whether the Secretary of State should give a direction under section 13.

The audit report on the BVPP will be required by 30 June of the financial year to which the relevant BVPP relates. The Bill requires that a copy of the report be sent to the authority, and to the Audit Commission. If the report recommends that the Secretary of State gives a direction under section 13, then a copy should be sent to the Secretary of State.

Clause 9 of the Committee-revised Bill includes a requirement for the authority to publish the audit report, along with its response statement to any issues raised in the report.

The Audit Commission is currently developing a methodology and guidance for auditors to comply with the audit requirements of the Bill.

The ‘Preparing for Best Value’ letter to Chief Executives, DETR, 9 April 1999.
4. Corporate review and service selection
   • The best value Bill now refers to the exercise of *functions* rather than of *services*.

5. Fundamental performance review
   • The Audit Commission has published a consultation document, entitled *From Principles to Practice*, detailing the generic inspection methodology to be used by best value inspectors. This follows publication of the Commission’s *Developing Principles for Public Inspection* consultation paper, which was published in January 1999.

6. Performance indicators and target-setting
   The Commission has now published performance indicators for 1999/2000, and *A Measure of Success*, the management paper on local indicators and targets referred to in paragraph 162.

7. Looking to the future
   The Commission will be publishing a second paper to assist local authorities in preparations for best value in autumn 1999, by which time it is expected that the Local Government Bill will have received Royal Assent and more detailed Government guidance will be available. The new paper will draw on auditors’ experience with pilot authorities and others.
The Audit Commission has produced a number of studies covering issues related to managing corporate change and fundamental performance review. The following may be of interest to readers of this paper:

**Better By Far**  
*Preparing for Best Value*  
*Special Packs: 5 reports – £50*

**A Measure of Success**  
*Setting and Monitoring Local Performance Targets*  
*Management Paper, 1999, 60 pages, 1862401462, £15*

**A Fruitful Partnership**  
*Effective Partnership Working*  

**Promising Beginnings**  
*A Compendium of Initiatives to Improve Joint Working in Local Government*  
*Wirobound Compendium, 1998, 78 pages, 1862401187, £25*

**Taking the Initiative**  
*A Framework for Purchasing under the Private Finance Initiative*  

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