

BEST VALUE IN PUBLIC SERVICES

Background

1. Best Value arrangements exist to secure continuous improvement in the performance of functions by public service organisations. Continuous improvement seeks to balance quality and cost considerations, and is achieved with regard to economy, efficiency, effectiveness, the equal opportunities arrangements, and sustainable development.

2. The Local Government in Scotland Act, 2003, placed a statutory duty of Best Value upon local authorities in the discharge of their functions. This system was agreed with COSLA following a series of Best Value pilots in local authorities during the late 1990s. The Accounts Commission (Audit Scotland) audits each local authority on a 3 yearly basis for its arrangements to secure continuous improvement, alongside an assessment of the Community Planning duty also introduced by the 2003 Act.

3. At the time when the Best Value in Local Government legislation was being prepared, in 2002, a non-statutory duty of Best Value was placed upon those public service organisations in the Scottish Administration with Accountable Officers (Scottish Executive departments, Executive Agencies and NDPBs). This duty was incorporated in the Memorandum to Accountable Officers from the Principal Accountable Officer of the Scottish Administration (the Permanent Secretary of the Scottish Executive). <http://www.scotland.gov.uk/Topics/Government/Finance/spfm/Accountability>

4. Guidance on Best Value was issued to both local authorities and central government public service organisations in Scotland in late 2003 / early 2004. This guidance contains the 9 key principles of Best Value, which are:

- Commitment and leadership
- Responsiveness and consultation
- Sound governance arrangements at strategic, financial & operational levels
- Sound management of resources
- Use of review and options appraisal
- Accountability
- Joint working
- Sustainable development
- Equal opportunities

The guidance for local government fulfilled the statutory requirements of the 2003 Act, and was immediately adopted. That for central government was issued in draft form, for consultation, and has not been adopted at this stage <http://www.scotland.gov.uk/consultations/finance/bestValue.pdf>.

5. In December 2004, the Scottish Executive published the responses to the consultation on the draft Best Value guidance for central government public service organisations <http://www.scotland.gov.uk/library5/finance/ercwps-00.asp>. The consultation responses demonstrated a broad acceptance of the principles of Best Value, but pointed to a need for clearer secondary guidance for Accountable Officers, and also to the need for effective

knowledge management networks amongst public service organisations, coupled to a clearer audit regime.

6. In August 2005, the Minister for Finance & Public Service Reform issued a letter to all central government public service organisations in Scotland. This letter informed them of the Scottish Executive's decision not to legislate on Best Value for central government at this point; and of the Minister's desire to refresh and renew Best Value activity by consulting on the nature of the improved guidance, toolkits and knowledge management arrangements requested in the 2004 consultation.

The Consultation

7. The **aim** of the consultation is (as posted on the Scottish Executive website <http://www.scotland.gov.uk/Consultations/Forthcoming/Q/rowId/7#conRow7>):

- to refresh and embed Best Value in central government public service organisations, leading to the development of new, practical guidance materials.

8. Specific **objectives** for the consultation are:

- to offer the opportunity for all central government public service organisations to influence the development of the Best Value guidance materials.
- to facilitate the exchange of information amongst public bodies on good practice in Best Value in Public Services.
- to ensure that the Scottish Executive is fully aware of the current state of Best Value within public service organisations; and of the practical steps necessary to ensure that it is well-embedded by April 2006 through the production of relevant guidance.

9. The consultation process will be innovative, in that it will not be paper-based, but will focus on a series of five **stakeholder engagement seminars**, organised in September and October 2005, followed by the creation of an **external reference group** from public service organisations and other interested parties, to advise on the production of the necessary materials.

10. This formal consultation period follows on from a period of **informal engagement** with 10 public service organisations during June and July 2005 to help scope the consultation. A written analysis of these discussions was fed back to these organisations at the end of August 2005, and a number have expressed an interest in membership of the external reference group.

11. Attendance at the stakeholder engagement seminars will be restricted to central government public service organisations, and their sponsoring Scottish Executive departments, given the specialised remit of this consultation. Wider stakeholders from local government, the trade unions, the Scottish Consumer Council, Audit Scotland, the voluntary sector and academia are being kept informed during the process in bilateral discussions, and submitting their views.

12. Wider comment from any other interested parties on how to refresh Best Value arrangements for central government public service organisations in Scotland would be welcomed, and written responses can be submitted to:

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13. The **closing date** for the consultation is 31 December 2005.