

**Report to Finance and
Management Committee**

AGENDA ITEM 6

**Special Project to assess the
Council's**

**Best Value
Review Process**

Authored By: Corporate Scrutiny Committee



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Preface

By Councillor Stuart Murphy
Chairman, Corporate Scrutiny



In July 1998 the Government published a White Paper entitled "Modern Local Government – In touch with local people." This paper detailed the new framework for improving local services.

The Local Government Act 1999 (Part 1) sets out the building blocks for Best Value. DETR Circular 10/99 "Best Value" provides guidance on what authorities need to do to comply with the requirements of the Act. The duty of "Best Value" came into effect on 1st April 2000. However, in order to prepare for the requirements of the Act, the Council commenced 'pilot' reviews in April 1999.

The principle of "Best Value" places a duty on an Authority to deliver services to the highest standard achievable whilst giving due regard to cost and quality through the application of tests for effectiveness, efficiency and economy.

It is fair to say that Best Value was launched at a difficult time for the council. The financial crisis in 1999 was only just being realised, the resulting reduction in establishment and fear over job security that this brought had its effect on morale.

With this in mind it is testament to the spirit, ingenuity and commitment of all involved that the authority finds itself in such a promising position today.

This review is a consequence of that spirit and commitment to delivering the best possible services to the residents of South Derbyshire. The 'ethos' of continual improvement and the management tool that is the Best Value Process are vital to ensuring the Authority is fit for purpose and delivers on the ever increasing demands for greater effectiveness and efficiency in delivering customer centred services.

We want to see all reviews deliver significant change where there is significant change to be made. The targeting of Best Value and the skilled application of the process are key to meeting this aim.

A handwritten signature in black ink, appearing to read "Stuart Murphy".



Summary

Background

1. The 'Best Value' regime came into effect on the 1st April 2000, it required local authorities to *'make arrangements to secure continuous improvement in the way functions are exercised, having regard to a combination of economy, efficiency and effectiveness.'* As a result, councils are required to develop a corporate strategy and undertake a programme of reviews to **'challenge'** the purpose of every function; **'compare'** functions with other providers; establish the most **'competitive'** way of procuring services; and, **'consult'** with local stakeholders and produce performance plans.
2. In 1999, the Council commenced 'pilot' reviews, in order to prepare for the requirements of Best Value. This was at a difficult time for the Council, with the financial crisis just being realised.

Reasons for Review

3. Since 1999, Nine reviews have been undertaken. Some have been extremely effective and positive changes have occurred. Others have been less dynamic, although all have introduced some positive changes.
4. The focus of new statutory guidance now links Best Value performance planning to Comprehensive Performance Assessment outcomes, improvements and priorities. While the "Gershon" Report emphasises the need to make 'efficiency' gains, there is a need to ensure all these requirements are reflected in Best Value Reviews.

Terms of reference

5. To review the Best Value process and identify limiting and enabling factors for performance.
6. Make recommendations to address identified factors for implementation and produce a final report that will benefit both the Best Value Review and CPA improvement processes.



Methodology

7. This Project began in August 2004 and has taken 5 months to complete. It was based round a series of interviews with 'key' people who had taken part in Best Value reviews. Factors, such as staff knowledge and experience and the time period when the Review was undertaken were considered.
8. A selection of questions from a national survey commissioned by the ODPM¹ were used in a questionnaire issued to the Corporate Management Team, senior Elected Members, Divisional Heads and Best Value Review Team members. The information obtained enabled comparisons to be made with the national survey and augmented the interview process.
9. Although other Public Bodies are different to local authorities, both have a common duty to deliver Best Value. Thus, it was important to establish whether significant differences in approach and resource allocation would bring value to this review.
10. The Committee examined the issues from four perspectives.
 - Process
 - Personnel issues
 - Delivery
 - Member involvement

Findings

The evidence gathered by the Committee emerged into four themes:

Strategic ownership of Best Value

11. CMT and leading Elected Members must take greater collective ownership of Best Value within the authority. The process is a strategic tool; it is expensive and 'resource hungry'. It must therefore be used carefully, in a targeted and focussed way.
12. There is clear evidence that a number of reviews have suffered from a lack of focus and gravitas that greater strategic ownership would bring.

¹ Evaluation of the long-term impact of the Best Value regime, Baseline and first interim report ODPM.



13. The Committee recommend the creation of a commissioning team with members from CMT, the Policy & Economic Regeneration Division and Policy Chair representatives.

The Best Value Process

14. The quality of reviews has increased as experience and understanding has grown and is in line with the Council's peers.²
15. The Council's "Best Value Framework Document" (conforms to ODPM guidance "best custom and practice")
16. Effective monitoring and evaluation processes need to be employed. It is recommended that Policy staff should be included in the review process to provide the commissioning team with an "independent witness" to the review.
17. However, the Committee doubt that without material realignment of responsibilities or significant additional resources for this key Division, that Best Value will progress as required.
18. If accepted, review recommendations are subsumed in a relevant Service Plan. This results in a disconnection in the delivery of outputs and the achievement of outcomes with Best Value reviews. This devalues the Best Value process and makes the Policy Committees' role in performance management difficult.
19. Employees and Elected Members stated that they had carried out effective challenge during the review process. This is contradicted as they also stated that there was no testing for competitiveness.
20. Many contributors considered the process easy to understand. However a number felt that there was a lack of understanding of what Best Value is and how it fits into the "day job"
21. The majority of interviewees felt that adequate time was given to carry out their review although some quoted the pressures of the "day job" as a time limiting factor

² Evaluation of the long-term impact of the Best Value regime, Baseline and first interim report ODPM.



Culture of the Authority

22. Many of the issues identified are cultural and people related. However, some weaknesses in processes have been identified.
23. Effective 2-way communication, throughout the whole of the organisation is required. Stakeholder participation and the contributions made to policy and service delivery processes need to be improved.
24. The Committee consider that change and the management of change within the organisation should become a business priority. This issue requires further work to fully identify the barriers and opportunities that exist within the Authority.

Member Involvement

25. Members see their role as “challenging through the application of common sense” but their lack of involvement in the review process and subsequent lack in understanding of the issues has at times led them to accept what they are being presented with by officers as “expert evidence.” This has weakened their role and has resulted in a lack of challenge in reviews.



Conclusions and Recommendations

Strategic use of Best Value			
Conclusions	Recommendations	Responsibility	Completion Date
<p>Reviews have suffered from a lack of guidance and direction from senior management.</p>	<p>CMT and leading Elected Members commission all BV reviews and as such must take greater collective ownership of Best Value.</p> <p>The Committee recommend the creation of a commissioning team consisting of officers of CMT, Policy & Best Value Division (w.e.f. September 2004 the Policy & Economic Regeneration Division) Senior Members and Policy Chair representatives.</p>	<p>Chief Executive & Leader of the Council</p>	<p>April 2005</p>
<p>The ethos of Best Value is not considered as key in improving performance.</p>	<p>The commissioning team should create a project plan for this change to be implemented.</p>	<p>Chair of Commissioning Team</p>	<p>Plan produced May 2005 Implementation commence June 2005</p>
<p>In the absence of clear Terms of Reference being provided. Best Value Review Teams (BVRTs) have created their own. This has led to a lack of focus and often a loss in control over reviews.</p>	<p>Every review pivots on the clarity of purpose the Terms of Reference provides. A clear statement of expectation together with a project plan must be negotiated with each review team (including the level of resources required)</p>	<p>Chair of Commissioning Team</p>	<p>Within 2 weeks of commissioning a review</p>



The Best Value Process			
Conclusions	Recommendations	Responsibility	Completion Date
<p>The framework of the process is laid down in the Council's "Best Value Framework Document" which fully conforms to ODPM guidance and best practice.</p> <p>Current practice does not provide an independent monitoring and evaluation process.</p> <p>Although Best Value Review Teams have addressed all elements of the process within their reports, it is evident that reviews have not robustly applied the 4 Cs in all cases.</p> <p>The robust application of the four Cs is essential to the quality of the review and resulting recommendations.</p> <p>The Best Value Review process ends when a final report is presented to the relevant Policy Committee. This results in a disconnect in the delivery of outputs and the achievement of outcomes with Best Value reviews.</p> <p>The result is a loss of performance management on key issues. This devalues both the review process and the experience of taking part.</p> <p>Some reviews were essentially individual pieces of work with little or no team participation. This is outside of the agreed guidance and is also a contributing factor to poor performance</p>	<p>The adoption of the process recommended in Diagram 1. will provide the independent monitoring required</p>	<p>Deputy Chief Executive</p>	<p>April 2005</p>
<p>The Committee recommend the introduction of an audit trail that clearly identifies review recommendations throughout their life cycle. This will aid Policy Committees in their performance management role. It will also ensure that outcomes are associated with BV reviews and the efforts of the BVRT</p>	<p>The creation of a commissioning team together with the proposed changes to the process will address the weaknesses identified in current practice</p>	<p>Deputy Chief Executive</p>	<p>April 2005</p>
<p>Some reviews were essentially individual pieces of work with little or no team participation. This is outside of the agreed guidance and is also a contributing factor to poor performance</p>	<p>The creation of a commissioning team together with the proposed changes to the process will address the weaknesses identified in current practice</p>	<p>Chief Executive & Leader of the Council</p>	<p>April 2005</p>



The Best Value Process cont'd				
Conclusions	Recommendations	Responsibility	Completion Date	
<p>Many considered the process easy to understand although a true understanding of what the four Cs mean in practice was lacking in some cases. The Committee found that reviews benefited from team members who had experience of the Compulsory Competitive Tendering process.</p> <p>The majority of interviewees felt that they were given adequate time to carry out their review although a number quoted the pressures of the day job as a limiting factor on their available time.</p>	<p>The Committee feel that there is opportunity for greater cross department learning in this area and recommend an internal workshop study into the issue</p>	<p>Deputy Chief Executive</p>	<p>July 2005</p>	
<p>The majority of interviewees felt that they were given adequate time to carry out their review although a number quoted the pressures of the day job as a limiting factor on their available time.</p>	<p>The commissioning team must have cognisance of the workloads involved in reviews, capacity issues must be addressed at the earliest possible stage</p> <p>The Committee recommend an urgent and high-level study into this sections responsibility, its capacity and ability to deliver an effective service. (Post report note. Following departmental restructuring in September 2004, the division has now merged with the Economic Development Division and 2 new posts have been created. In particular one is a new Principal Policy Officer post)</p>	<p>Chair of Commissioning Team</p>		
<p>The Policy and Best Value Division are under resourced and are unable to take an effective role in any BV review.</p>		<p>Deputy Chief Executive</p>	<p>July 2005</p>	



Culture of the Authority			
Conclusions	Recommendations	Responsibility	Completion Date
<p>62% of reviews started with the aim of producing 'sustainable improvement' and not 'step change' in service delivery.</p> <p>All stakeholders do not understand the BV process. There is a disconnection in people's minds with the process and any value it may bring to corporate priorities and the "day job".</p> <p>Although there are contemporary examples of improvements in internal communication, the Committee question whether existing practice creates an inclusive and effective 2-way dialogue on service delivery improvement.</p> <p>CMT consider themselves to be aspirational. However their aspirations are not effectively communicated throughout the Authority.</p> <p>It is essential that staff understand the reasons why they are being asked to target their energies on best value reviews.</p> <p>Many of the issues identified by the Committee are cultural and people issues. They are not necessarily process based although some weaknesses have been identified.</p>	<p>The creation of a commissioning team together with the proposed changes to the process will address the weaknesses identified in current practice</p> <p>The Committee feel that more can be done to create a climate in which a culture of challenge and change can exist.</p> <p>This issue requires further work to fully identify the barriers and opportunities that exist within the Authority.</p> <p>The Committee consider that change and the management of change within the organisation should become a business priority.</p>	<p>Chair of Commissioning Team</p> <p>Chief Executive</p>	<p>April 2005</p> <p>Start April 2005</p>



Member Involvement				
Conclusions	Recommendations	Responsibility	Completion Date	
There are instances where Elected Members played little or no positive role in a review. This has weakened their role and at times resulted in a lack of challenge in the reviews.	The creation of a commissioning team together with the proposed changes to the process will address the weaknesses identified in current practice	Chief Executive & Leader of the Council	April 2005	
The Committee conclude that the way in which BV is managed in the authority coupled with the deficiencies in monitoring and evaluation and performance management lead to a reduction in the effectiveness of Members in the process.	The inclusion of the relevant Policy Committee Chair and/or their representative in the Commissioning team will tie the Policy Committee into the earliest stages of the review. This is intended to clarify their role and encourage greater understanding with a direct responsibility to report to the Policy Committee involved.	Chief Executive & Leader of the Council	April 2005	



Background

Reason for review

26. Nine reviews have been carried out since 1999. Some have been extremely effective with the introduction of the "Clean Team" and positive changes that have occurred in the cashiers' office. Others have been less dynamic, although all have introduced some positive changes.
27. The Comprehensive Performance Assessment (CPA) has produced an improvement plan that will require change and improvements to services.
28. The Council along with its peers is now required to make efficiency gains in line with the Gershon Report
29. The ethos of Best Value and the Council's ability to deliver value for money services are inextricably linked and have rarely been so important.

Terms of reference

30. To review the Best Value process. To identify limiting and enabling factors for performance. Make recommendations to address identified factors for implementation. Produce a final report in a timely way that will benefit both the Best Value Review and CPA improvement processes.

Methodology

Interviews

31. The Committee has carried out 11 interviews³ with contributions from the Corporate Management Team, senior Elected Members, Divisional Heads and a Trade Union representative. Interviews were structured around a series of 44 questions that examined past review outcomes, stakeholder perception on their success and the inclusivity of the review. Other factors, such as staff knowledge and experience of the Best Value Review process and the time period when the Review was undertaken were also considered.

³ Individual interviews were 40-60 minutes long.



Documents

32. The committee considered it important to widen their work to include public bodies other than local authorities. Although there are many differences it was considered that their common duty to deliver Best Value might well lead to significant differences in approach and resource allocation that would bring value to the review.
33. The Committee researched 2 external best value reviews, one from Derwent District Council - assessed as excellent by CPA inspectors and one from Derbyshire Fire and Rescue Service. A detailed study of the Council's Human Resources Best Value Review and the "reality check" undertaken by a consultant was also carried out.

Comparative data

34. Comparison was made on approach with the above bodies. In addition a selection of questions from a national study commissioned by the ODPM⁴ were also used in a postal questionnaire sent to 70 stakeholders in order to augment the interview process. It was intended for this information to provide some quantitative information whilst allowing some comparison to be made with peer councils that took part in the national survey.

Approach

The Committee examined the issue from four perspectives.

Process

35. Examination of the process itself for compliance with Government guidance. Internal reviews were examined alongside external examples to test for commonality. Best Value Review Team (BVRT) members were asked about their understanding and their use of the process together with qualitative questions on its usability and perceived relevance to corporate priorities.

⁴ Evaluation of the long-term impact of the Best Value regime, Baseline and first interim report ODPM.



Personnel issues

36. Existing SDDC guidance was used to establish whether BVRT members felt that they had the necessary competence and ability to carry out an effective review. Time pressures and motivation issues were also explored. BVRT members were asked about their understanding of the process, and if any links to corporate priorities, including improvements to 'client centred' outcomes were considered by them.

Delivery

37. Capacity of the organisation and individuals to deliver BV reviews was tested along with questions on whether perceived financial constraints limited their work or recommendations. The culture of the organisation and the degree and extent to which change and improved performance is considered to be integral to every day activity was tested.

Member involvement

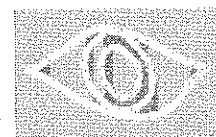
38. All BVRT members, including Elected Members were asked to comment on the extent and effectiveness of member involvement. The role of members was tested, including any "added value" they brought to the process

The Best Value process

39. The Best Value Review process consists of 6 stages. Although separate they are not necessarily discrete items.
40. There are times through out a review when stages will need to be revisited, this iteration is perfectly normal and helps the team build their understanding.

The Stages:

1. Establish the Authorities Vision, corporate objectives, priorities and review programme.
2. Set the review boundaries.
3. Carry out the review.
4. Design a solution.
5. Procuring for delivery.
6. Managing the delivery, monitoring and evaluating performance.



Stage 3 in more detail

41. Stage 3, is essentially the application by the BVRT of the 4 Cs. These are the tools by which the service under scrutiny is measured and assessed.

They are:

Challenge

42. Questioning the need for the service, why and how it is delivered. It is a fundamental rethink about the needs the service is intended to address.

Compare

43. Comparison is the basis of performance management. Comparison with other Public sector bodies as well as private and voluntary sectors should be sought. This stage allows the service under scrutiny to be bench marked; this can be useful in identifying the scope for efficiency improvements.

Consult

44. The requirement is to consult with service users and partners about the service. It is a two way process in which we inform stakeholders what we are doing and they tell us how well they think we are doing it.

Compete

45. This is the application of the information gained in the above two stages with an assessment of effectiveness, efficiency and economy.

Findings

46. Interviews were held over three sessions and were well received. They were invaluable in providing a 'feel' for what people think of Best Value and how it affects their 'day to day' professional lives. Information received during these sessions was not fully considered until all methods of data collection and research had been completed.
47. The postal questionnaire produced a 52% response rate (36 out of 70) from employees and Elected Members. However, a disappointing 30% response rate (6 out of 20) was received from CMT, Heads of Service and Policy Chairs and Vice Chairs.



48. This poor response further compounds the weakness of a questionnaire that investigates the views and feelings of contributors. The findings of the survey must therefore be treated with a greater degree of caution than would otherwise be the case.
49. However, there was some agreement with the findings of the survey and the interview process. The findings of both proved useful in this Committees work.
50. The evidence gathered by the Committee emerged into four themes:
- Strategic ownership of Best Value
 - The Best Value Process
 - Culture of the Authority
 - Member involvement

Strategic ownership of Best Value

“We do not have a BV strategy with desired outcomes, we have a process”⁵

“Managing the BV process has been a major challenge for the Authority”⁶

51. CMT and leading Elected Members commission all Best Value reviews and as such must take greater collective ownership of Best Value within the authority. The process is a strategic tool; it is expensive and ‘resource hungry’. It must therefore be used carefully, in a targeted and focussed way.
52. The Committee consider that both CMT and leading Elected Members should raise the profile of Best Value. There is clear evidence that a number of reviews have suffered from a lack of focus and gravitas that greater strategic ownership would bring.
53. The Committee recommend the creation of a commissioning team with members from CMT, the Policy & Economic Regeneration Division and Policy Chair representatives.

⁵ Quote from interview

⁶ Response from questionnaire



54. It should be the priority of the team to:
- Create a Strategic approach to improving services that complements the Corporate plan and emerging Community Plan.
 - Raise the profile of Best Value in the Authority.
 - Implement changes to the Best Value process as recommended by this report
 - Ensure the effective and efficient delivery of all Best Value reviews
 - To provide a 'clarity of purpose' for every review with a Terms of Reference
 - To approve a project plan with the review team at the earliest opportunity upon commissioning a review.
55. The above will serve to involve senior management and key Elected Members more closely in the process. The subsequent improvement in understanding of the fundamental purpose of the review will increase ownership of the review by the Policy Committee and improve their performance management role.

The Best Value Process

Process

56. The Committee wished to test the premise that some of the poorer performing reviews were a victim of their timing as much as anything else. Factors such as the financial crises, a lack of experience or poor understanding of the process due to being amongst the first reviews being carried out was considered.
57. The quality of reviews has increased as experience and understanding has grown, this is to be expected and as such the Council is in line with its contemporaries.⁷
58. However, the Committee did find that reviews benefited from having team members who had experience of the Compulsory Competitive Tendering process. On the whole those with this experience took part in a more inclusive, team led review that employed the 4 Cs fully. These members also exhibited a greater satisfaction in the review process and their role in it.

⁷ Evaluation of the long-term impact of the Best Value regime, Baseline and first interim report ODPM.



Compliance

59. The spine of the process, as laid down in the Council's "Best Value Framework Document" is a comprehensive guide, taking the process from review inception to the attainment of 'client centred' outcomes. It also conforms to ODPM guidance and peer authorities custom and practice.

Monitoring and control

60. The process does not however, include an independent monitoring and evaluation process

"Control over BVRTs' is impossible. Once they start a review they become the experts, if the review moves away from what we want, it is impossible to challenge them."⁸

61. Support from Policy and Best Value staff is only sought when a review is obviously struggling. By this time the Policy Officers were received as 'fault finders' rather than 'critical friends'.
62. This makes their job difficult and has, at times resulted in friction and resentment amongst BVRT members.
63. Having commissioned the review the involvement of the commissioning body must be maintained with an effective monitoring and evaluation process that will ensure the review remains on track.
64. The inclusion of the Policy and Best Value staff in a structured way in the review process will remove any opportunity for friction resulting from ambiguity of roles and responsibilities. It will afford the commissioning team independent witness to the review and enable effective control.
65. The Committee recommend the amendments to the process as detailed in Diagram 1.
66. The role of Elected Members in the review will be clearer, providing structured involvement and greater responsibility to the relevant Policy Committee.

⁸ Quote from Interview



Terms of reference

“If the Terms of reference are specified better we would have an improvement in outcomes”⁹

67. Reviews are given the worst possible start if the commissioning team are unclear with what they are trying to achieve.
68. Every review pivots on the clarity of purpose the Terms of Reference provides. A clear statement of expectation together with a negotiated project plan is essential to maintain momentum and keep the review focussed.
69. The Committee found that some reviews created their own Terms of Reference, there was no project plan or expectation made clear by the commissioning body. Consequently, team members reported a loss of focus and momentum; which had a detrimental effect on the review.
70. One review took over 2 years to complete with team members losing sight of the purpose of the review and their role in it.
71. One might ask that if the commissioning team are unable to distil their purpose for the review into a concise Terms of Reference and project plan then what right have they to expect the review team to deliver a successful review.

Performance management

72. Present practice results in reviews ending when the BVRT Leader presents the final recommendations to the relevant Policy Committee. If accepted, the recommendations are subsumed in a relevant Service Plan and the actions are delivered along with all other elements of a Service's work.
73. This has two consequences:
 - It results in a disconnection in the delivery of outputs and the achievement of outcomes with Best Value reviews.
 - The anonymity of recommendations once they have become part of a Service Plan makes the Policy Committees' role in performance management difficult.

⁹ Quote from Interview



74. The result is a disconnection in people's minds with Best Value and improvements in service delivery. This contributes to employees failing to make a connection with improving services and Best Value; all goes to devalue the ethos of Best Value and the process itself.
75. The Committee recommends the introduction of an audit trail that clearly identifies review recommendations throughout their life cycle.

Use

76. Employees and Elected Members stated that they had carried out effective challenge during the review process. This is contradicted as they also stated that there was no testing for competitiveness.
77. Further doubt over the use of the process is cast by questionnaire returns that stated that recommendations were not ambitious. This should be of little surprise if the challenge and compete elements of the process were not carried out effectively.
78. The robust application of the four Cs is essential to the quality of the review and resulting recommendations.

“The analysis of the 52 Best value Reviews in the 11 case study authorities provided strong evidence that rigorous Best value reviews which deployed all of the four Cs were much more likely to produce recommendations for major change than reviews where one or more of the four Cs had been disregarded”¹⁰

79. The changes proposed to the process for independent monitoring of the review team are intended to address this issue.

¹⁰ Evaluation of the long-term impact of the Best Value regime: First interim report ODPM.



Competence

80. A number of interviewees stated that they were happy with the support, skills set, and time allocated to undertake a review. Interviewees stated that if any individuals lacked particular skills they would either be addressed through training or compensated for through having a good skill mix within the team
81. Many considered the process easy to understand. However a number of contributors felt that there was a lack of understanding of what Best Value is and how it fits into the "day job"
82. Team members felt competent in carrying out reviews although those with experience of the Compulsory Competitive Tendering (CCT) process had greater confidence and understanding of the Best Value process.
83. It is evident that experience of the CCT process resulted in a better review. The Committee feel that there is opportunity for greater cross department learning in this area.

Time pressures

84. The majority of interviewees felt that they were given adequate time to carry out their review although a number quoted the pressures of the day job as a limiting factor on their available time.
85. The Policy & Best Value Division is line managed by the Deputy Chief Executive. It comprises 3 officers. However, for the best part of 18 months between the periods when Best Value Reviews were being undertaken by the authority, the Division had a vacant post. Duties of this Division include supporting Best Value Reviews including the production and monitoring of the Best Value Performance Plan, all general policy matters and the facilitation of the CPA improvement plan.
86. The Division is the first point of contact for the District Auditor as well as being responsible for Scrutiny Committee facilitation.
87. This extensive and critical portfolio at times leaves the Division over-stretched and results in an inevitable bottleneck in all of the above processes.
88. In September 2004, the Council carried out a restructuring exercise, whereby the Policy & Best Value Division was merged with the Economic Development Division. A new position of Principal Policy Officer has been created. The recruitment to this



post is now underway. The net change in staffing for Policy elements of the Division is ½ post.

89. The Committee are aware that the proposed changes to the Best Value Review process imposes greater responsibility on this already hard pressed Division. The Committee doubt that without material realignment of responsibilities or significant additional resources for this key Division that Best Value will progress as required.
90. The Committee recommend an urgent and high-level study into this Divisions responsibility, its capacity and present ability to deliver an effective service.

Culture of the Authority

Ethos of change

91. Best Value is an ethos of continuing improvement in service delivery. For it to thrive the culture of the organisation must imbue all with the confidence to challenge existing custom and practice. This is only possible if there is effective 2-way communication throughout the whole of the organisation. Every stakeholder must feel that they can influence the day-to-day business in a positive way. This requires high levels of trust and confidence and is as much about the culture of the organisation as it is about opportunity any structure or process managers may create.
92. 62%of reviews set off with the aim of producing 'sustainable improvement' and not 'step change' in service delivery.
93. Whilst exploring possible reasons for this fact one possible explanation was encapsulated by a statement made by a Committee Member.

“You're not going to get turkeys to vote for Christmas”

94. The idea of working towards an end that will result in either role reduction or ultimately to redundancy is not an attractive one. This may well explain why the elements of challenge and compete were not carried out effectively in all cases.
95. Given that the most important contemporary change the Authority has experienced is the restructuring following the financial crisis of 1999, it is understandable if this attitude exists.



- 96. It remains for Senior Management and the Political Leadership to drive home the message that it is no accident the Authority finds itself in the promising and financially secure position it is in today.
- 97. The period of crisis management has been successful but is now over. The Authority has moved on considerably and is meeting the challenges that being one of the fastest growing Districts in the region brings.
- 98. We are now in a time where aspiration and strategic goal setting must move to the fore. The harnessing of the talents of all employees must be a priority. Change for this authority must now mean positive, role enhancing improvements that lead to improved service delivery.

Motivation towards a Common Goal

- 99. A pre requisite for such a climate is the setting of a common goal, around which everyone can mobilise. This common purpose must be seen and understood by all and must be recognised in everything the organisation does.
- 100. Asked whether staff can see the links with the Best Value process, the Corporate Plan and authority priorities; responses tended towards the position that the majority of staff could not make or see the link.
- 101. It is essential that staff understand how their day to day work and efforts in a BV review fit into the aims of the organisation.

“There must be a clear line of sight from the corporate objectives to the jobs that people do, so that teams and individuals understand what they personally have to do in order for the organisation to achieve its’ aims”¹¹

- 102. When interviewees were asked “Do you believe CMT is aspirational and would consider radical ideas and changes to service delivery?” responses on the whole were positive. Although a number of interviewees felt that this was not always conveyed well to everyone in the Authority

¹¹ Performance Breakthroughs Audit Commission



Communication and the management of change

103. The Authority has done much recently to elicit the thoughts and perceptions of staff with the recent Employee Survey. There are weekly team briefings. This is to be applauded but more can be done to increase the quality of information that flows upwards to CMT.
104. Communications tend to be top down with little opportunity for effective upward travel.

Currently:

- There is no staff suggestion scheme
 - Team briefings tend to be used by management to convey rather than receive information.
105. It is easy to create processes that give opportunity for this to happen but for it to happen effectively and regularly requires a culture in which *all* feel that it *is* their "day job" to improve performance.
106. Further more, people need to feel that their voice will be heard and taken seriously and that when they exercise it will be welcomed.
107. Many of the issues identified by the committee are cultural and people issues. They are not necessarily process based although some weaknesses have been identified.
108. Effective communication, stakeholder participation and the harnessing of contributions made to policy, as well as service delivery processes can be improved upon.
109. This issue requires further work to fully identify the barriers and opportunities that exist within the Authority.
110. The Committee consider that change and the management of change within the organisation should become a business priority.



Member Involvement

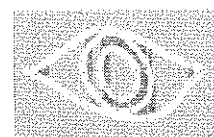
111. The Committee found the involvement of Members varied between two extremes (i.e. having little or no role to having a full and constructive role).
112. This observation is supported by questionnaire returns which stated that

“Political Leadership was not instrumental in driving performance in the Authority.”

A telling response is also agreement with the statement:

“Members do not determine the Authorities approach to BV.”

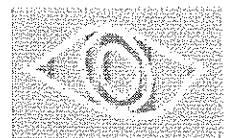
113. This is considered important in so much that when questioned about member involvement during interviews, the consensus was that the role of a Member is to provide challenge; another role is to ensure performance.
114. Members see their role as “challenging through the application of common sense” but their lack of involvement in the review process and subsequent lack in understanding of the issues has at times led them to accept what they are being presented with by officers as “expert evidence.”
115. This has weakened the role of Members and has at times resulted in a lack of challenge in reviews.
116. The Committee conclude that the way in which Best Value is managed, coupled with the deficiencies in performance management lead to a reduction in the effectiveness of Members in the process.



Appendices

Documents reviewed

- BV Framework Document SDDC 2000
- ODPM Circular 10/99
- ODPM Circular 03/03
- Evaluation of the long-term impact of the BV regime, baseline report Exec summary July 2003. ODPM.
- Evaluation of the long-term impact of the BV regime, First Interim report 2004. ODPM.
- Performance breakthroughs Audit Commission (GA R2858)
- West Midlands Fire Service BV Guidance
- Derwent District Council: HR 2001
- Derbyshire Fire and Rescue Service: Training and Development Review 2002



Acknowledgements

The committee would like to thank all those who contributed to this review. In particular the committee would like to thank those individuals who very kindly gave their time to be interviewed (see below)

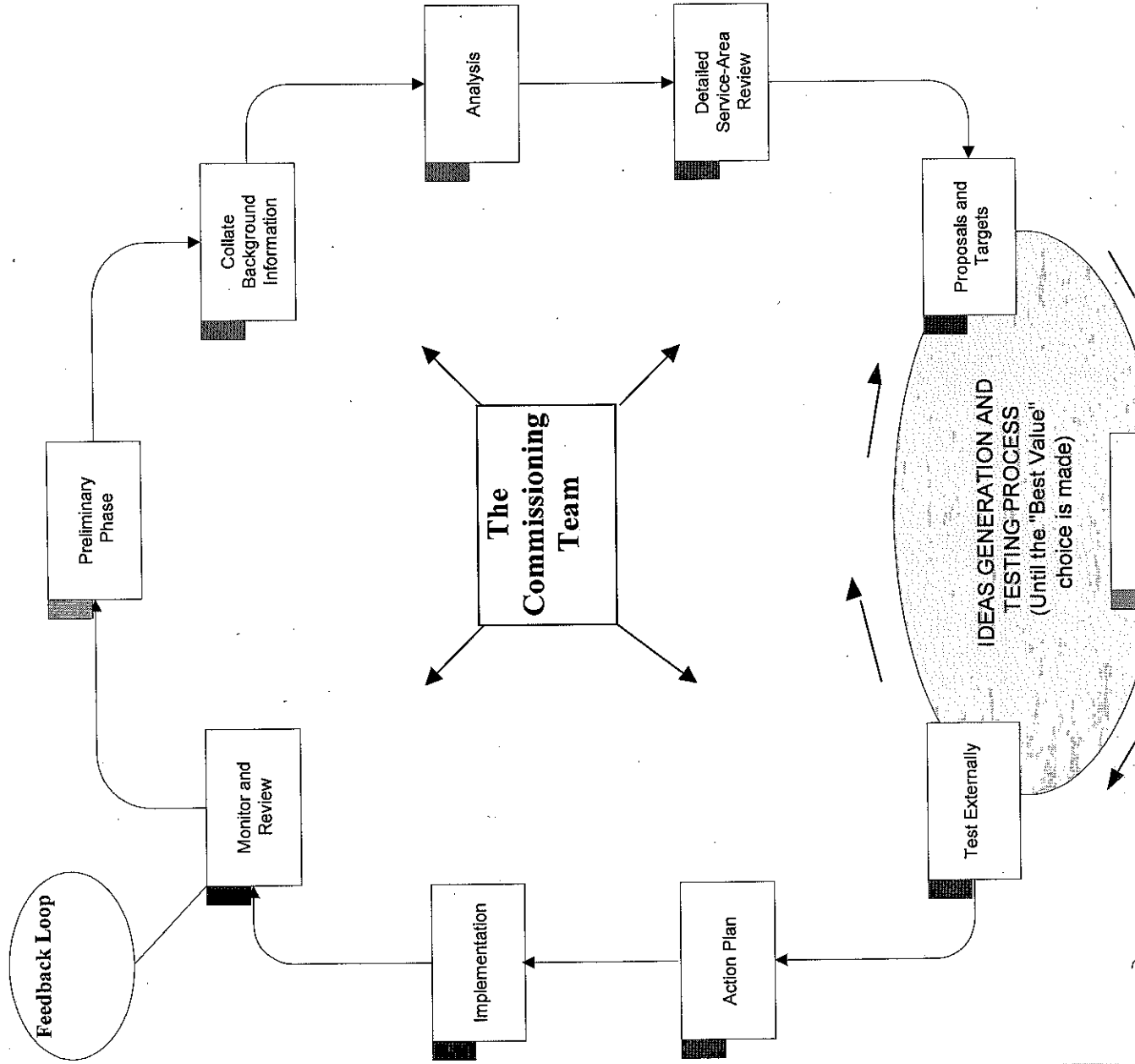
As always a special thank you to Ian Reid and his team for their hard work and continuing support.

List of those interviewed

Cllr John Wilkins	Chair Finance and Management Committee
Cllr Trevor Southerd	Chair Environmental & Development Services Committee
Frank McArdle	Chief Executive
Ian Reid	Deputy Chief Executive
Mark Alflat	Director of Community Services
Barry Nichols	Personnel Officer
Kevin Stackhouse	Financial Services Manager
Chris Swain	Revenue Manager
Paul Evans	Direct Services Manager
John Birkett	Planning Services Manager
Barrie Jones	Unison rep



Diagram 1



RESPONSIBILITIES

- Service Area Review Team (ST)**
- Appoint a Service Review Team Manager and select Service Team representatives.
 - ST answers review questions from BVT
 - Identify comparative data collected and its accuracy.
 - Self examination, think the unthinkable, analyse the business and ask challenging questions.
 - ST Sets targets (to be reviewed by the BVT)
 - Team Manager sponsors proposals at Policy Committee and has opportunity of championing alternatives.
 - ST review and comment, as necessary, on feed-back from external consultation.
 - ST generate action plan including specific, measurable, agreed, realistic and timely (SMART) targets.
 - ST implement Best Value Action Plan.
 - Monitor, review and report back to Policy Committee, CMT and Best Value Team.

RESPONSIBILITIES

- Best Value Team (BVT)**
- Training and establishment of the Service Team
 - Gather information to produce an outline description of the Service Area being reviewed.
 - Identify P1's, check for relevance and analyse data
 - Obtain Benchmarking data from comparable sources, manage processes and agree review programme / deadlines.
 - Develop proposals, set challenging, achievable, targets. Perform leading role only where restructuring is envisaged.
 - Present proposals and targets to the Commissioning Team
 - Consult internally and externally with respect to the agreed proposals and targets.
 - Agree action plan with the ST and submit it to the Commissioning Team and Policy committee.
 - Report on progress and results of reviews in Best Value Performance Plan.
 - Continue monitoring completed reviews and reporting progress in subsequent BVPP's.