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Key words: Best value; UK local government; performance indicators; community governance; local governance


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Performance Measurement and Best Value: An International Perspective

Abstract

The Best Value (BV) regime in UK local government became mandatory on 1 April 2000. This paper maps out the ways in which Best Value evolved from a range of international approaches to improving service delivery into an approach which is beginning the ambitious attempt to assess local government’s success in addressing the community and local governance agenda. It suggests that performance measurement under the Best Value regime is reaching a new level of maturity but that there is still in danger of unrealistic expectations about its potential, particularly on the part of central government. Further developments of BV in the UK should learn from important lessons in the international sphere.

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Introduction

Shortly after its electoral victory in 1997, the new Labour government in the UK introduced the Best Value (BV) approach to local government management, initially as a pilot programme. The regime became mandatory on 1 April 2000. This paper explores the international sources of the ideas behind BV and maps out the evolution of BV from an approach primarily directed at improving service delivery into an approach which is beginning the ambitious attempt to assess local government’s performance in addressing community and local governance issues.

The paper suggests that performance measurement under the Best Value regime is reaching a new level of maturity. This is partly because it is now regarded in a more relaxed light by many local authorities, as they become conscious that the use of performance comparisons for ‘find and punish’ purposes by central government is more difficult, and therefore less of a danger, than they had originally believed. Moreover, performance measurement is beginning to extend to measuring outcomes in terms of quality of life improvements for at least some stakeholders in local areas. The paper suggests that there is nevertheless still a danger of unrealistic expectations about the potential of performance measurement, particularly on the part of central government. Finally, the paper suggests that the UK approach to BV might incorporate further lessons from the international sphere to hone its ability to assess success in community and local governance.

Best Value - the antecedents

The roots of BV can be identified in a number of previous trends:
• The US and UK competition and contracting out regimes, from 1980 onward, used a number of mechanisms to assure citizens that they were getting the most for their taxes. Best Value in the US, originated in defence procurement of capital equipment, but more recently has been applied to finding and disseminating public service ‘best practice’ (e.g. through activities of the Clinton-Gore National Productivity Review (NPR) (Gore: 1993) and its successor, the National Partnerships for Reinventing Government). In the rest of federal government, the Franchise Funds experimental programme in the mid 1990’s (Halachmi and Nichols, 1996) allowed agencies to replace their own support personnel with similar support services from other Federal entities. This encouraged the exploitation of shared expertise, economies of scale and the enhanced service infrastructure and capacity, which were in turn made possible by the “revenues generated” from the franchising activities (Halachmi and Nichols 1996).

• The move to increased stakeholder consultation, which became widespread from the early 1990s in Anglo-Saxon government systems, particularly in the US, UK, Australia and New Zealand. Subsequently, in some of these countries, this became a concern with stakeholder engagement not only in planning and service delivery but in a more fully fledged ‘community and local governance’ model (Bovaird, 1998).

• Government reform projects with major emphasis on quality management in public services, which have spread quickly through OECD countries, particularly in the Anglo-Saxon government systems and in Northern Europe (Loeffler, 1996) since the early 1990s.

• The emphasis on performance comparison (‘benchmarking’) and standardisation, which was particularly evident in the move to systematic activity-based costing and output measurement in Dutch and German local government in the 1990s - the ‘Tilburg’ model in the Netherlands (Bräunig, 1994) and the ‘Neue Steuerung Modell’ in Germany (Banner, 2001).

• US and UK performance measurement regimes, which increasingly attempted to benchmark cost-effectiveness and outcomes in the 1990s. In the US, regular performance reporting was driven at the Federal level by legislation such as the Government Performance and Result Act (GPRA) in 1993 (Halachmi 1996a) and at the State and local levels by the Winter Report (Cox, 1994) and the Government Accounting Standards Board (GASB), which pushed Service Efforts and Accomplishment (SEA) reporting in the year-end financial report (Epstein 1996). In the UK, the National Audit Office and Audit Commission were highly influential in the introduction of systematic approaches to measure, report and compare performance.

The BV conceptual framework - grafting ‘community and local governance’ onto NPM

Best Value can be seen as the latest manifestation of the portfolio of managerialist approaches which are loosely referred to as the ‘New Public Management’ (NPM). In particular, Best Value tends to place a major emphasis upon:
• a procurement strategy which seeks to ensure a mixture of in-house and external providers (in the so-called ‘mixed economy of welfare’);

• a performance management framework which emphasises accountability and transparency;

• injection of entrepreneurship and management of risk by working with the private sector (Halachmi and Montgomery, 2000)

However, there are other major aspects of Best Value which clearly derive more from the recent movement towards community and local governance (CLG):

• the concentration on community involvement in all aspects of policy planning, performance review, and in some cases even in service management;

• the emphasis on ‘seamless services’ and ‘joined-up government’, leading to a major focus upon partnerships as the natural way to plan, commission and even to deliver public services;

Best Value can therefore be seen as a coming-together of the two very different movements of NPM and CLG. Seen optimistically, this allows Best Value to get the best of both models - for example:

• the ‘contract culture’ within NPM has been softened within Best Value to produce a balance between use of the market and in-house provision, as long as the latter can demonstrate its ‘competitiveness’;

• the adversarial contracting relationships which characterised (and bedevilled) CCT are being replaced in BV by an emphasis on working with contractors as partners, with negotiated tendering resulting in relational contractors which allow appropriate flexibility.

• the view of citizens simply as service users and taxpayers has been replaced by the -faceted concept of the ‘stakeholder society’, which recognises that citizens may engage with public service organisations in various capacities and at multiple levels, e.g. as service user, carer of service user, neighbour of service user, lobbyist in interest group on behalf of a service, worker in a service, vendor to a service, taxpayer, voter, etc.;

• requirements for performance improvement are based on locally-set targets as well as central prescriptions, agreed with local communities as part of Best Value Performance Plans;

• the ‘client-contractor split’, which under NPM divided service providers and the other parties, is being replaced by partnership commissioning of services (and even, in some cases, by user co-production of services).
However, Best Value has not eliminated some of the negative aspects of NPM, which, if they became dominant, might mean that BV would incorporate the worst of both models:

- the threat of competition to in-house service providers continues to have potentially damaging effects on staff morale and willingness to contribute to fundamental service reviews;

- the imposition of a rigid national performance targeting regime means that performance information flows are contaminated by the desire to report good performance at all costs;

- the insistence of central government departments on league tables and ‘name and shame’ tactics in relation to poor performers’ makes honest benchmarking unlikely;

- the overlay of audit and inspection processes significantly increases overhead costs in local authorities, imposing new performance measurement and accounting procedures which are not related to the risk of poor performance and may not bring gains proportional to their costs.

The Best Value Initiative in the UK

With the progressive introduction of the BV initiative in UK from mid-1997, the Blair administration honoured its promise to replace the much-hated CCT regime. From 1 January 2000 CCT no longer applied and the Best Value legislation took effect from 1 April 2000.

The government set up 38 pilot Best Value initiatives in December 1997, to test the scheme before its statutory introduction. One of the authors was part of the National Evaluation Team, commissioned by DETR to monitor and evaluate the pilots, which recently reported its findings (DETR, 2001).

In the ‘Twelve Principles’ of 1997 (reproduced in DETR, 1998a), DETR described BV as a duty which local authorities owed to local communities, which would have to be demonstrated to them, with the implication that the meaning of BV would be a matter for local negotiation.

The Local Government Act 1999 defined BV as: ‘the duty upon best value authorities to make arrangements to secure continuous improvement in the way in which they exercise functions, having regard to a combination of economy, efficiency and effectiveness’. However, this hardly captures the essence of BV as a concept. Actually, local authorities have had the duty to make arrangements to secure economy, efficiency and effectiveness since 1983, when the Audit Commission was established, and the duty to secure continuous improvement is at least implicit in most local government legislation. Consequently, it remains the case that the meaning of BV has to be negotiated locally by local authorities, working together with their local communities.

The biggest effect of BV in the pilot authorities was the change of culture which it brought. In contrast to CCT, where top politicians and officials spent a much time searching for loopholes in the legislation, the absence of a tight prescriptive framework in BV has meant that efforts focused on the positive task of finding improvements – an interesting example of how an apparently vague goal can actually liberate imaginative and innovative working.
In practice, most local authorities see the requirements of BV in operational terms, i.e. a set of activities, which must be carried out within national government guidance (DETR, 1999b):

First, **BV Reviews** must be undertaken of all services (within a five year timetable) and of a selection of important cross-cutting issues. Every review must apply the ‘4Cs’ methodology to the service or the cross-cutting issue; this consists of the following steps:

- Challenge the need for the service and the way in which it is carried out
- Consult with all relevant stakeholders
- Compare the performance of the service with other providers
- Compete – test the competitiveness of the service

As a result of the subsequent ‘Modernising Government’ White Paper (Cabinet Office, 1999), a fifth ‘C’ – Collaborate to test the ability of the service to work in partnership – is added by most authorities.

Secondly, **BV Performance Plans** have to be published each year, setting out improvement targets for all services over a five year period, consistent with the action plans agreed in each of the BV reviews and with the national targets set by DETR.

Thirdly, all authorities have to ensure that their BVPPs are consistent with the national guidance (as interpreted by the external auditors) and that all reviews comply with the national guidance (as interpreted by the various national inspectorates).

The government’s approach to measuring the success of the BV initiative has had several components. The dominant early approach was to encourage local authorities to set clear standards and targets in their BV Performance Plans and then to measure and publish their performance against them. This approach was very much in keeping with the original concept in the ‘Twelve Principles’ that BV was a duty owed to local communities, and that reporting of performance should therefore be primarily to those communities, which would hold their local authorities to account in relation to the promises they had made.

More recently, however, the government’s approach to assessing local authorities’ success in achieving BV has shifted to a much greater emphasis on the need for local authorities to meet nationally-set targets.

From April 2000 a new BV Inspectorate has undertaken statutory inspections in each local authority of its services and of the BV reviews carried out. These inspections, together with the audits of the annual BV Performance Plans, will be the main basis for decisions by the Secretary of State to intervene if any local authority is deemed to have ‘failed’ to secure Best Value in the delivery of services (Audit Commission, 2000).

Central to this approach is the government’s decision that, over 5 years, all local authorities must meet the performance levels currently achieved by the top quartile of local authorities, on all performance indicators (PIs) in a set drawn up by the government and the Audit Commission. In
total there are 170 Best Value National PIs and 54 Audit Commission PIs (although, of course, some of these will not apply in County or District authorities). These indicators are clustered into five ‘dimensions’ of performance:

- **strategic objectives**: why the service exists and what it seeks to achieve
- **cost/efficiency**: the resources committed to a service and the efficiency with which they are turned into outputs
- **service delivery outcomes**: how well the service is being operated in order to achieve the strategic objectives
- **quality**: the quality of the services delivered, explicitly reflecting users’ experience of services
- **fair access**: ease and equality of access to services

This clever tactic ensures that three-quarters of local authorities have to benchmark themselves against the ‘best’ quarter without central government having to set any targets of its own making. The accusation of ‘unfair’ targets can be rebutted by simply pointing out that a quarter of authorities already perform at this level. Moreover, the race to achieve these targets is potentially never-ending, since top-quartile authorities are likely to improve their performance during the five years when the rest are trying to catch up, setting new targets for the subsequent period.

However, there are signs that the system will not necessarily turn out to be as powerful as DETR hoped, partly because local authorities are now more mature in their approach to performance reporting systems. It is nearly ten years since national performance indicator systems were first imposed on local government, originally introduced by the Audit Commission at the behest of DETR and labelled ‘Citizens Charter PIs’, although at no stage has there been any real interest by citizens in such information. At first widely feared, this system has been largely ignored in more recent years, especially after it was realised that neither the general public nor the government were likely to make much use of the information, unless they had already been persuaded by other factors to take a particular stance towards the local authority concerned.

In any case, it has become clear that authorities which become concerned about their places in the ‘league tables’ can take steps to improve their position before serious action gets taken against them, either through intervention at national level by central government or its agencies, or through a local backlash by stakeholders who are displeased by such evidence of poor performance. (Sanderson et al, 1998). These steps include, of course, tackling any underlying problems which have resulted in the unfavourable PIs. However, this is not the only way in which poor performance reports can be addressed – changes to data measurement conventions and methods, data reporting procedures, and redefinitions of the bundle activities which is reported as a ‘service’ or an organisational entity, can all have the effect of reducing the apparent problems of performance under-achievement (Smith, 1995).

Consequently, if local authorities come to believe that Best Value has degenerated into a ‘numbers game’, in which they must prove to the Best Value inspectors and auditors that they are achieving the nationally determined targets, then they are likely to ensure that they do indeed ‘achieve’ the numbers required. The methods used will often produce significant biases in data collection and reporting methods, rather than actually changing professional and managerial
practices. The resulting data contamination is likely to weaken the service. Moreover, significant service changes may indeed be introduced, simply to improve the reported numbers rather than to enhance the service, as viewed either by the users or the providers. (This was the experience of many authorities under CCT). In this case, the ‘controllers’ have numbers reported to them which they interpret as evidence that the ‘controlled’ have complied with their instructions – and they duly confirm that compliance has occurred, in spite of the fact that the service has moved in ways different from those intended. This is an example of what we might term the ‘perverse control syndrome’, in which those who seek to be the ‘controllers’ become controlled by those who respond to the systems they impose, often with serious unintended consequences.

These problems, which are inherent in any organisational control mechanism, make it potentially unsafe for outsiders to jump to conclusions on the basis of the reported levels of BVPIs. Moreover, there are a number of potential flaws in the set of BVPIs which, in any case, mean that they give only very approximate signals about the success of an authority’s ‘continuous improvement’ drive:

- Many BVPIs have methodological weaknesses, which are accepted by both local government and the Audit Commission. These PIs therefore form a poor basis for judging performance.
- There are particular weaknesses in respect of the ‘quality’ PIs which are few in number, generally contentious in content and, in some cases, only tangentially related to what local people would associate with a ‘quality’ service (e.g. the PIs on response times to telephone calls or correspondence).
- If BV auditors and inspectors take up adversarial positions to local authorities on a widespread basis, contesting the meaning of performance data and even generating their own data in special investigations (as is possible under the Best Value legislation), then it is likely to be very difficult for BV audits and inspections to play a major role in the dissemination of best practice in the way the UK government has advocated to date.

Clearly, the future of BV is intimately bound up with the operation of the mechanisms used to determine its success. If these are appropriate to the purposes of BV, and sensitive to the predictable behaviours of local authorities in respect of imposed performance management regimes, then BV could endure as a new joint central-local approach to the tackling of critical local issues and the improvement of local services. Key factors in this occurring are likely to be:

- the Best Value audit and inspection processes should be seen to use the national PIs in conjunction with locally-defined PIs
- imaginative and experimental approaches in best value authorities should be given long enough to bear fruit
- local priorities should be allowed some weight in interpreting the success of a local authority.

If these conditions are met, then Best Value may continue to produce interesting, and even radical, differences in approaches to quality improvement and cost savings, as BV authorities rethink and redesign their role in the local area. However, if a punitive approach is taken to all those services which are labelled as ‘failing’ on the basis of these flawed PIs, then many local authorities are likely to adopt ‘regulation-avoidance mode’ (indeed many will remained in this
mode in the aftermath of CCT) and performance information systems will be irretrievably contaminated. In this bleak scenario, achieving Best Value would become impossible.

However, there are grounds for optimism that this will not occur. The first three years of BV working in the English pilot authorities have been particularly imaginative. Best Value has given local authorities a belief in the possibility and desirability of continuous improvement mechanisms to a degree not previously evident. Of course, not all pilots have displayed these characteristics in equal degree, and even the most enthusiastic have found the going rough at times. Since the pilots were self-selecting, they probably were keener to give the BV a real chance to work than will the rest of local government under the mandatory regime which was ushered in by the legislation of April 2000. Nevertheless, the BV regime has been widely welcomed and it appears that most authorities are willing to give it a real chance.

One of the ways in which this has been evident is the enthusiasm in many authorities to supplement the BVPIs laid down by DETR and the Audit Commission with local PIs which represent local priorities. Indeed, the Audit Commission and the Local Government Association (which represents all local authorities nationally) have launched an initiative to encourage and support such approaches, setting up a data bank of local PIs currently being used for different services and different issues. Furthermore, there is a national pilot experiment in compiling ‘Local Public Service Agreements’ between local authorities and central government, which also involves the setting of local PIs to monitor whether the agreements are being implemented.

Furthermore, some of the pilots have been active in pursuing the local governance agenda as a natural development of BV. Whereas the first two years of BV working in the pilots tended to place great emphasis on service reviews and service PIs, the most recent experience of the pilots has been pay more attention to cross-cutting themes such as community safety, environmental improvement, social care and economic development. In each of these issues the local authority provides only a small part of the overall resources devoted by the community, so that success depends, by definition, on working in partnership with other agencies and with the community itself. There is therefore a growing interest in finding PIs which can reflect the performance of local partnerships in dealing with these ‘wicked issues’.

This will, of course, be a major task and is likely to take a considerable amount of time and effort. It constitutes a radical move away from setting PIs within the NPM framework, which was essentially single-agency, single issue in its orientation, and advocated that PIs should only be set for variables which were within managerial control. A governance-oriented approach entails setting PIs for partnerships, over a range of issues, where no-one agency has control over the outcomes (and indeed where even the partnership may have only limited control variables at its command). Governance measures of this nature are likely to include:

- **Strength of democracy** - voting, membership of political parties, political activism
- **Strength of social institutions and civil society** - volunteering, activism in community organisations, donations to charities
- **Strength of sharing and collective behaviour in communities**, including environmental action
• Achievement of equality of opportunity and other aspects of equity (e.g. moving towards more equal outcomes, income & wealth, or access to public services

• Ability of communities to organise to meet needs not recognised or met by the state

The move from NPM-based to governance-based performance indicators is likely to be the biggest challenge to BV as it develops in the UK.

Lessons from international experience in Best Value working

In this section we look at how BV initiatives in other countries have evolved through a different trajectory than in the UK, and how they have taken different approaches to performance measurement.

BV procurement in the USA

In the US, Best Value originated in defence procurement of capital, originally in the Navy in 1989 and, more recently, in other military settings. After years of cost overruns and poor quality performance, the US military had learnt that procurement decisions should be based on more than simply costs and should give greater attention to quality. In the early 1990s, the Department of Defense adopted a series of procurement initiatives with the objective to “provide customers with the power to choose which commercial items represent the best value for the money in terms of price, delivery, and performance features.” Customers, in this case, were the operating forces (e.g., fleets, air wings, divisions) or other activities that created demand for support operations.

The U.S. Navy defined BV as a "process used in competition for negotiated contracting to select the most advantageous offer by evaluating and comparing factors in addition to cost or price”. In the Navy’s 10 Guiding Principles, number eight is “To procure goods & services with ‘Best Value’ Technique”:

- Evaluate bids & proposals on a total cost of ownership basis to seek out qualities other than lowest price;
- Use past performance as a key factor;
- Reduce the time and cost of making the award;
- Debrief [service providers] promptly and openly to avoid misunderstanding and protest.

The BV approach has been extended, tentatively, to other branches of government, but mainly at federal level, with only isolated examples in state or local government (Gibbs 1995). The Office of Management and Budget in June 1993 called for government-wide use of Value Engineering (VE) and required federal agencies to implement VE techniques in both contracts and in-house programmes (Halachmi and Montgomery, 2000). In 1996 Public Law 104-106 imposed upon every executive agency the duty to ‘establish and maintain cost-effective VE procedures and
processes’. VE was defined to include ‘an analysis of the functions of a programme, project, system, product, items of equipment, building, facility, service or supply of an executive agency performed by qualified agency or contractor personnel, directed at improving performance, reliability, quality, safety and life cycle costs’.

Clearly, VE defined in this way has many parallels with Best Value, just as there are parallels between the UK government’s overall modernisation agenda and the White House programmes driven by the National Partnerships for Reinventing Government. However, there are also some clear differences. Given the military provenance of VE, stakeholders are defined to include suppliers, internal customers, and legislators, but not citizens - citizen participation is neither sought nor encouraged in most cases, and there is only limited use of stakeholder surveys and focus groups, as opposed to more discursive consultation methods. Furthermore, procurement of current services has not yet been changed to fall in line with best value principles in the US.

Engaging stakeholders in OECD countries

There have been major drives towards stakeholder involvement in the local government of many OECD countries (Bovaird and Löffler, 2000), particularly in relation to public consultation, public involvement, user involvement, and citizen engagement in the affairs of the local authority, including its budgeting arrangements. This move to public involvement is especially marked in the United States and New Zealand, as well as the UK. In the US and New Zealand, this process has been especially evident in relation to budget-making, whereas in the UK it has focussed on the Best Value reviews of services (Bovaird, 1998). In New Zealand, for example, each council in its budget preparation is required to:

- publicly notify that it is seeking public submissions;
- allow not less than 1 month for public submissions;
- consider the submissions at a public meeting;

These provisions were intended to make councils more accountable to the public and to encourage transparency by explaining what is being funded and why councils are involved. It entails that each council must provide sufficient information to enable informed decisions, allow sufficient time for the public to make its views known and be open minded and willing to change (Melton, 1998). The formality of the public consultation provisions, especially in relation to the annual budget, go well beyond what has so far been imposed on UK local authorities.

While the Best Value pilot authorities in the UK believe that they have significantly improved the range and depth of their public consultation procedures since 1997 (DETR, 1999a), there are a number of initiatives in stakeholder engagement from other countries around the world which have not yet been incorporated into the UK Best Value model, including:

- advocacy-based service planning - particularly common in the US, but in the UK only really embedded within children’s services in social care
- citizen-led benchmarking and performance review - common in such US authorities as Phoenix, Arizona and San Diego (Bovaird, 1998), but not utilised in the UK
- stakeholder involvement in budget-setting - common in the US and New Zealand, but only
sporadic in the UK
• community audits of ‘who gains, who loses’ - such as the requirement upon New Zealand local authorities to publish information on the extent to which different groups benefit from council services and how much they pay for them.

Best Value and European Quality Initiatives in the Public Sector

Throughout OECD countries in the 1990s there was a shift of attention to quality initiatives, particularly in Northern European and Netherlands local government. Löffler (1996) noted that the organisational and managerial criteria in these awards focused strongly on the local authority as a service provider and gave little attention to its ‘community and local governance’ role. Nevertheless, these national quality awards have been a powerful motivator for change in local government in their countries. During the 1990s, European local authorities have increasingly used the EFQM ‘Excellence’ model, originally modelled on the US Malcolm Baldridge Award. However, the absence of criteria for ‘community and local governance’ limits this model as a tool for assessing achievement of BV. Bovaird and Löffler (2000) have developed the concept of ‘world class local authorities to describe those local authorities which are not only excellent at service provision but also in the performance of local governance roles.

The German ‘Neues Steuerung Modell’

The ‘Neues Steuerung Modell’ in German and Dutch local government has a number of strong similarities with the NPM approach, perhaps partly because it emerged in a period of severe budgetary restrictions (Banner, 2001). One key element is a systematic approach to defining local authority outputs, which was developed originally in the Dutch municipality of Tilburg. The Tilburg model has over 230 outputs or products, defined and measured each year (Bräunig, 1994) and the budget is constructed around these outputs. German municipalities, in developing this model of outputs, have moved to activity-based costing. The value of these German and Dutch developments is only slowly becoming appreciated as local government systems elsewhere in the world become conscious of the poverty of their costing approaches. While the ‘Neues Steuerung Modell’ has a narrower focus than BV in the UK, it clearly provides a valuable springboard from which the quality-price trade-offs in BV could be made. Nevertheless, it must be noted that, even in this model, the outputs are not entirely comparable between municipalities since every local authority has used some discretion in developing its own definition of outputs.

Conclusion

Up to the present, BV in the UK has been given a more favourable reception by local authority politicians, managers and staff than any other recent management approach imposed by central government. The National Evaluation Team research study has concluded that there have been significant process improvements and useful initial service improvements in the pilots (DETR, 1999b; DETR, 2001).

However, these are still very early days in the initiative and it is still at a formative stage.
Although much of the provenance of BV was in previous national and international experience, the concept has remained sufficiently loose and flexible for UK local authorities to feel that they have been ‘making it up as we go along’, which has had the productive side-effect of bringing a feeling of joint ownership in central and local government. Of course, now that BV is a statutory requirement, and is being monitored by central auditors and inspectors, things may change. Local authorities may simply try to do the minimum necessary to pass through the hoops posed by central government and its agencies.

It would be a pity if this occurred. We have argued in this paper that BV can best be seen as model which potentially incorporates the best elements of NPM and CLG, while eliminating some of the less desirable characteristics of NPM. Of course, this makes BV an ambitious and therefore risky project. Its value lies particularly in moving away from the mechanistic ‘control-oriented’ aspects of NPM and focusing on active engagement with external stakeholders (including local communities) and the active encouragement of organisational learning (involving all internal stakeholders). If a performance assessment regime can be devised, agreed and implemented, so that both central and local government believe they have a clearer idea of which elements of local governance are working, and which are not, then an enormous stride will have been taken in making performance assessment real rather than simply nominal in the UK local government context.

However, there is a long way to go before we can be confident this is going to occur. Experience in the UK BV initiative to date has demonstrated real difficulties facing local authorities wishing to provide and demonstrate Best Value to their local communities. Moreover, the BV initiative needs to take more account of international experience if it is to help local authorities move from being simply excellent providers of services to becoming ‘world class local authorities’ within excellence systems of community and local governance.

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