

efficiency | quality | accountability

“Environmental Excellence:

Efficiency and Innovation in Action”

APSE Seminar : Thursday 7<sup>th</sup> May

Benchmarking and Demonstrating Best Value

**Colin Mair, Chief Executive  
Improvement Service**

## Scope of Presentation

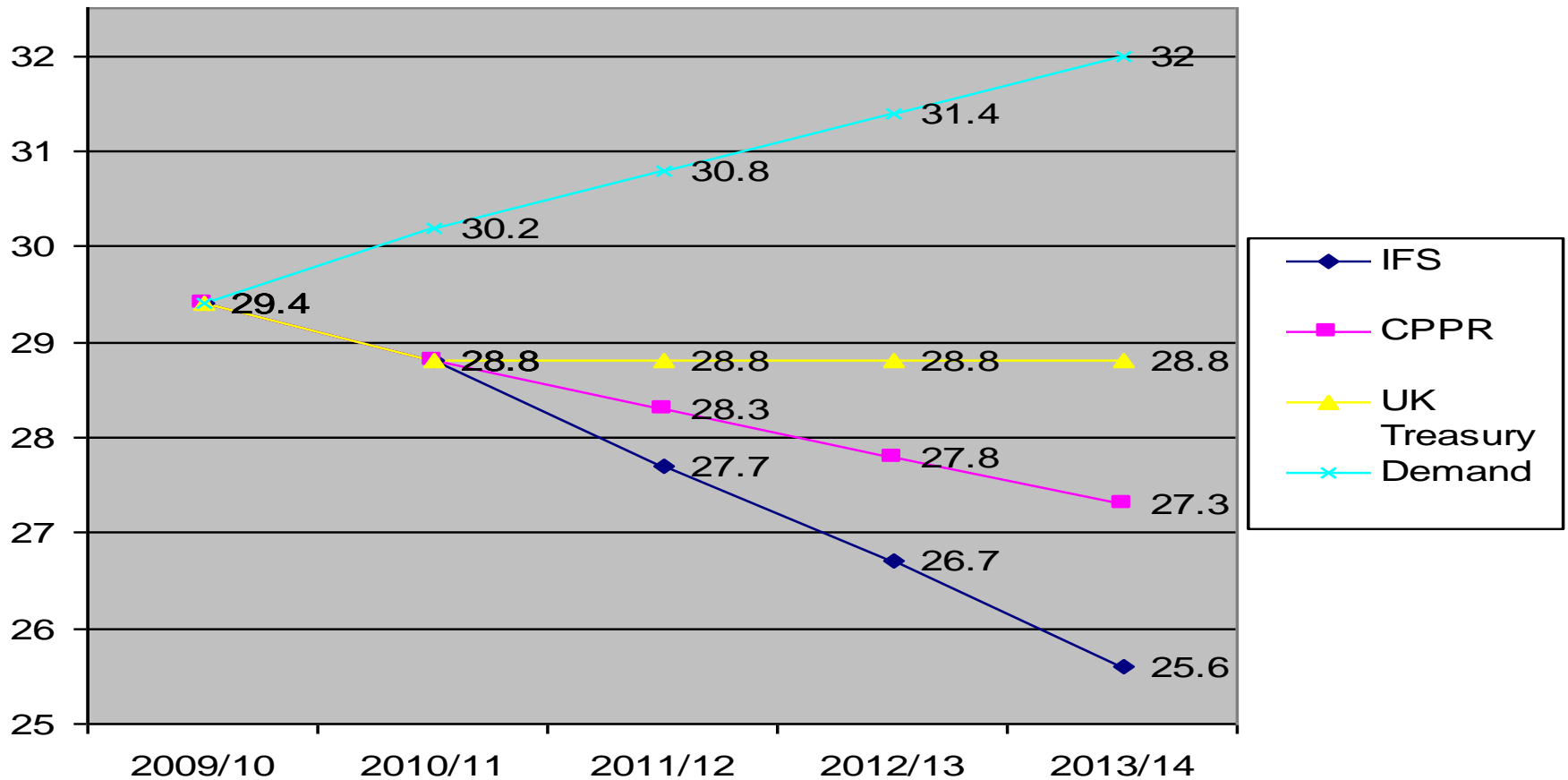
- The changing context: Best value, outcomes and financial realities
- Implications of change
- Best value: Going forward
- End Points

# The Changing Context

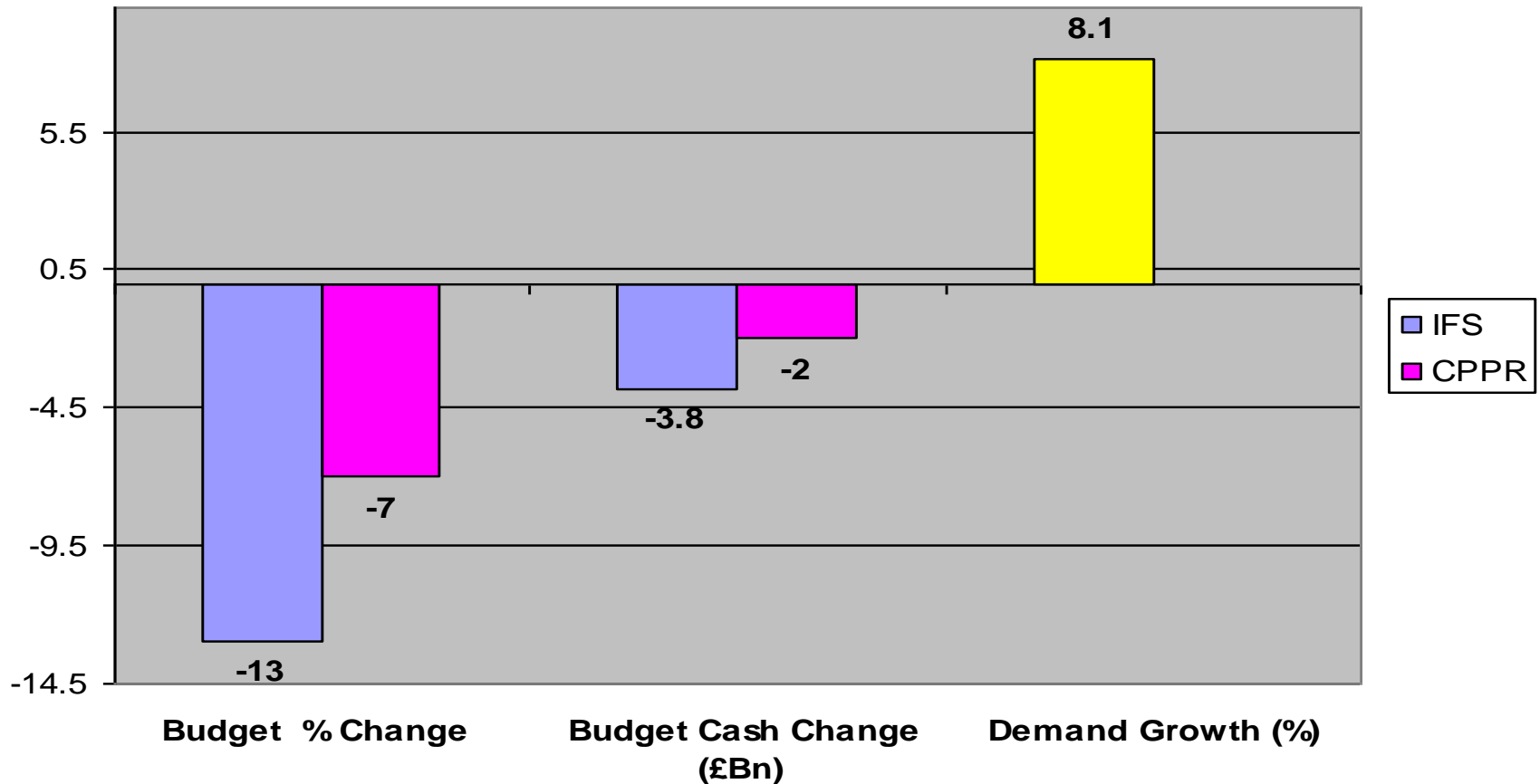
- The Concordat: Partnership in governance
- Outcome agreements underpinned by robust performance management
- Reduced ring-fencing: Rationalised national reporting
- Post Crerar: 'Proportionality' and 'Self Assessment'

**Councils and partners need to do it for themselves**

## Finance & Demand 2009/10 – 2013/14 (Real Terms £Bn)



## Budget & Demand Changes (Real Terms) 2009/10 – 2013/14



## Longer Term (13/14 – 17/18)

- Structural gap in public finance opening up – 6.3% national income by 2017/ 18
- Tax rises & spending cuts (25/75 balance) will claw back 50%, remainder to be identified – “2 Parliaments of pain”
- If 25/ 75 balance maintained spending will rise 1% real terms per annum (1999 – 09 we averaged in real terms over 4% per annum)
- IFS predict 2017/ 18 onwards tight fiscal period – current debt level will be repaid through till 2040/ 41
- IMF warning impact of long term demographic change kicking in...

# Implications

- Significant gap between spending & demand - pressure for significant efficiency & productivity improvement
- Need to prioritise & rethink business models
- Need to look 'whole system' – redesign around outcomes
- Medium term real cuts followed by long term low growth (at best)

# BV2 Corporate Assessment Framework

- Outcome focused audit - 'proportionality' in audit & inspection
  - Vision & direction
  - Effectiveness of partnership working
  - Community engagement
  - Governance & accountability
  - Use of resources – includes competitiveness
  - Equalities
  - Sustainability

## Key Points

- Linking cost, quality and outcome
- The appropriateness and sustainability of business models is critical (LLPs; Joint Ventures etc)
- Benchmarking → comparability →  
competitiveness → contestability → context
- Scaling, sharing and efficiency
- The ten year view: 2020 vision and models (the minus 15 test)

# End Points

- Best value and efficiency ethical not just technical requirements
- New models, trends and engagement
- Governance, performance and accountability critical