



best value in public services

GUIDANCE TO ACCOUNTABLE OFFICERS

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**Guidance to Accountable Officers
approved by the Scottish Ministers on
THE DUTY TO ENSURE THAT ARRANGEMENTS ARE IN PLACE TO
SECURE BEST VALUE IN PUBLIC SERVICES**

Status of the Guidance to Accountable Officers and audit requirements

1. This document is the revised Guidance issued by Scottish Ministers on the duty of Best Value, placed on Accountable Officers of the Scottish Administration and Accountable Officers of other public bodies. It summarises the duty of Best Value and the 9 key characteristics of a Best Value organisation.

2. The [Public Finance and Accountability \(Scotland\) Act \(2000\)](#) sets out the rules for spending money, accounting requirements, accountability of officials and auditing arrangements. The main responsibility for ensuring adequate control is given to Accountable Officers, via the [Memorandum to Accountable Officers from the Principal Accountable Officer](#) and the [Memorandum to Accountable Officers of Other Public Bodies](#). Accountable officers are personally answerable to the Scottish Parliament and the duty of Best Value is listed as a specific duty in both Memoranda, which are published in the Accountability section of the [Scottish Public Finance Manual](#). Since April 2002, there has been a duty on Accountable Officers, “to ensure arrangements are in place to secure Best Value”.

3. Scottish Ministers expect all Accountable Officers of the Scottish Administration and Accountable Officers of other public bodies to comply with the duty of Best Value placed upon them. Compliance with the duty of Best Value is an auditable requirement under the terms of the Public Finance and Accountability (Scotland) Act 2000.

Other guidance and advice materials

4. This Guidance to Accountable Officers is part of a suite of Best Value guidance and advice materials issued by Scottish Ministers. The related [Secondary Guidance](#) gives greater detail on each of the nine Best Value characteristics, and articulates how each of these individual characteristics work together to support one another. Best Value Toolkits on particular characteristics will offer further suggestions on potential ways that organisations can secure Best Value, whilst a [Self Assessment Questionnaire](#) will assist organisations in improving their performance.

Public services and continuous improvement

5. The Scottish Executive’s ambition is for world class public services, designed to make sure the interests of those who use them come first. In the context of rising demands for higher quality public services and long term demographic pressures, the public sector must continue to pursue continuous improvement and lead the way in efficiency and innovation, to deliver highly effective services where and when they are needed.

6. Effective public service delivery means having a clear sense of priorities and effective delivery mechanisms to achieve them. Public services must promote social

justice and equality; and must build for the future, by fostering sustainable change, which supports a growing economy, a better environment and strong communities. This is achieved by:

- User focus – putting the customer first, giving service users and communities a stronger voice and greater control over resources;
- Joining Up – responding to customers’ needs to provide modern, personalised, joined-up services;
- Efficiency – rigorously considering opportunities to improve efficiency (including resource efficiency) and productivity;
- Quality & Innovation – securing an appropriate balance between the quality, cost and sustainability of services;
- Accountability – balancing trust, accountability and risk.

7. In short, Best Value provides a common framework for continuous improvement in public services in Scotland and is complemented by other aspects of Public Service Reform activity, such as Efficient Government and Community Planning.

The duty of Best Value

8. The duty of Best Value is as follows:

- To make arrangements to secure continuous improvement in performance whilst maintaining an appropriate balance between quality and cost; and in making those arrangements and securing that balance,
- To have regard to economy, efficiency, effectiveness, the equal opportunities requirements, and to contribute to the achievement of sustainable development.

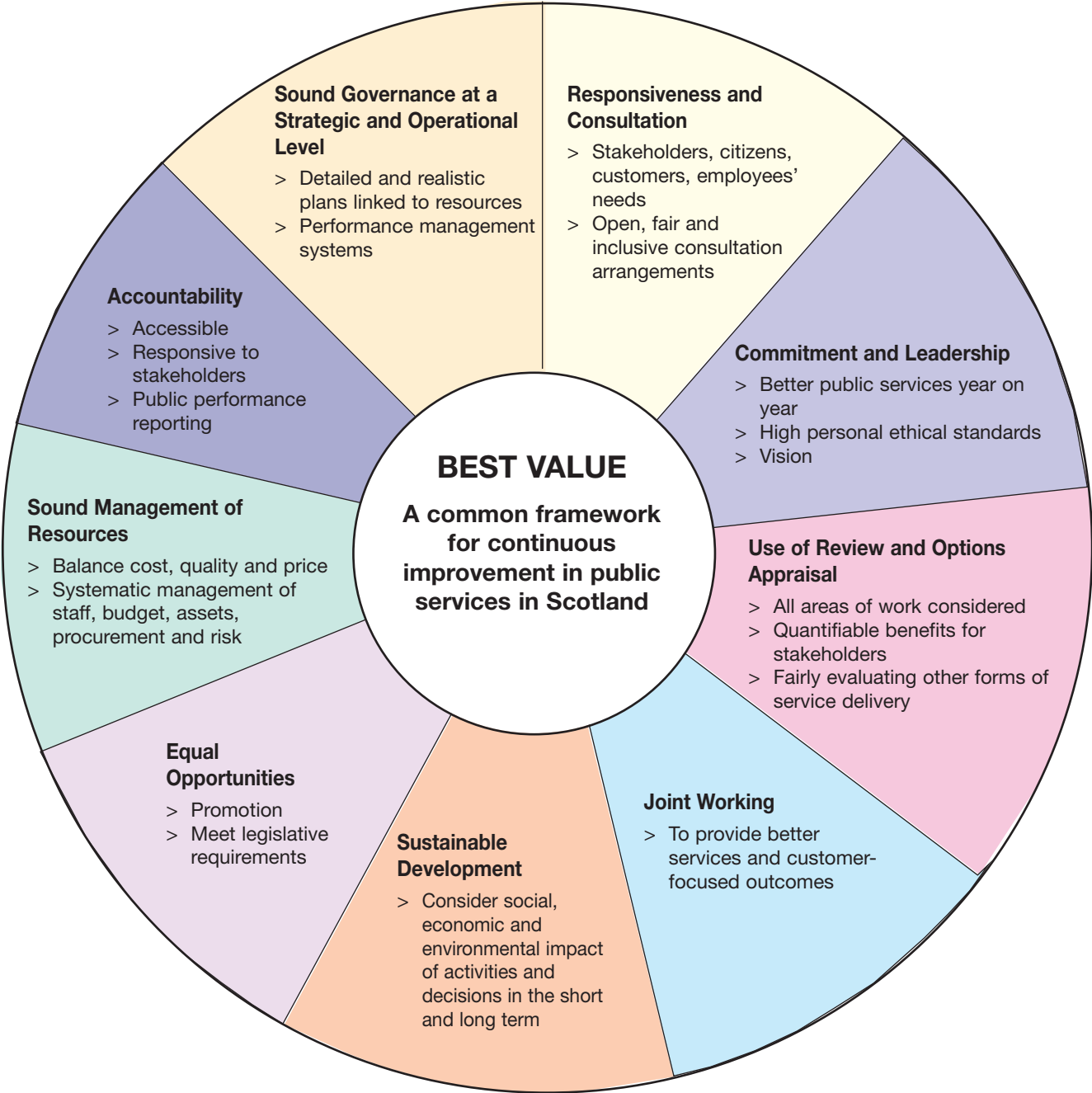
The characteristics of a Best Value organisation

9. There are nine characteristics of Best Value that public service organisations are expected to demonstrate, as summarised in the diagram overleaf. These characteristics are described in full detail in the [Secondary Guidance](#), which should be read in conjunction with this document.

10. Any organisation which has a duty of Best Value must be able to demonstrate how it achieves each of these characteristics. It must also strive for continuous improvement around each characteristic, prioritising where change is necessary.

11. There are three cross-cutting themes to the Guidance. These are joint working, equal opportunities and sustainable development. They should inform and influence every aspect of Best Value work – from planning to delivery and review. An organisation which fully embraces these concepts will manifest them in its management structure, its corporate planning and derived plans, its consultation with stakeholders, its communications with staff and others, its codes of governance, its allocation of resources, and its review practices.

The nine characteristics of Best Value



Implementing the Duty

12. This guidance identifies the characteristics of an organisation that wants to secure Best Value. It does not specify process. It is drawn from a philosophy of creating a Best Value regime which is descriptive rather than prescriptive. Each organisation is free to determine the route by which it intends to achieve Best Value and arrive at the identified goals. It is the outcome of these efforts that matters, and not the detail of the processes.

13. Best Value should be appropriate to, and proportionate to, an organisation's:

- priorities
- operating environments
- scale of business
- nature of business

and should be implemented accordingly.

Further advice

14. Further practical suggestions and case studies on implementing the Best Value duty are contained within the [Secondary Guidance](#) and Toolkits that accompany this Guidance to Accountable Officers (a glossary of terms referred to in this guidance is given at Annex A and links to useful sources of information are given in Annex B). The Guidance and Toolkits do not replace existing business management, improvement or change frameworks – e.g. European Foundation for Quality Management (EFQM), International Organisation for Standardisation (ISO), Investors in People (IIP), and Chartermark. It is likely that organisations which systematically employ such frameworks across their full range of activities will be well aware of improvement opportunities. Applying that knowledge is an essential part of achieving Best Value.

Glossary of Key terms

Accountable Officer

The Permanent Secretary of the Scottish Executive is the Principal Accountable Officer (PAO) for the Scottish Administration by virtue of the Public Finance and Accountability (Scotland) Act 2000. Accountable Officers are personally answerable to the Parliament for the exercise of those functions determined by the Principal Accountable Officer. The essence of the Accountable Officer's role is a personal responsibility for the propriety and regularity of the public finances for which he / she is answerable and for the economic, efficient and effective use of all available resources. The functions of Accountable Officers designated by the PAO are set out in the [Memorandum to Accountable Officers from the Principal Accountable Officer](#) and the [Memorandum to Accountable Officers of Other Public Bodies](#).

Best Value

[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, equal opportunities arrangements, and sustainable development.

Community Planning

[Community Planning](#) has a key role in improving public service delivery in Scotland, placing communities at the heart of decision making, leading to healthier, safer, more vibrant communities. Building upon a tradition of partnership working, Community Planning aims to:

- Make sure people and communities are genuinely engaged in the decisions made on public services which affect them; allied to
- A commitment from organisations to work together, not apart, in providing better public services.

Efficient Government

Efficient Government is a programme of activity that places a greater focus on improving efficiency in public services and is a central part of the Scottish Executive's programme of investment, reform and modernisation. An efficiency improvement is any activity that improves the ratio of outputs to resource inputs. Public service organisations should identify opportunities for efficiency improvements as part of their annual corporate and business planning processes and include these in an efficiency plan along with the arrangements for measuring, monitoring and reporting efficiency savings. They should also have efficiency performance indicators such as the cost per unit/service which allows them to continually monitor the efficiency of their operations. Efficient Government will have succeeded when efficiency is fully part of a culture of continuous service improvement – everywhere in the Scottish public sector.

EFQM Excellence Model

The [EFQM Excellence Model](#) was developed by the European Foundation for Quality Management (EFQM). It is widely used as a framework for continuous

improvement activity by private, public and voluntary sector organisations, as well as for judging prestigious quality awards.

Public Bodies (NDPBs)

Bodies which have a role in the processes of national Government, but are not a Government department or part of one, and which accordingly operate to a greater or lesser extent at arm's length from Ministers.

Public Service Reform

The ambition for public services in Scotland is to deliver what we know to be world-class services, built around the needs and aspirations of the people who use them. The values underpinning our commitment to public services are that they must:

- promote social justice and equality; and
- build for the future – fostering sustainable change, which supports a growing economy, a better environment and strong communities.

Public services will be user focused and personalised, drive up quality and encourage innovation through continuously and demonstrably improving efficiency and productivity, joining up services and strengthening accountability.

The Scottish Administration

The Scottish Administration comprises the Scottish Executive - the Scottish Ministers (including the Lord Advocate and the Solicitor General for Scotland) - plus junior Scottish Ministers and offices in the Scottish Administration which are not ministerial offices (eg the Registrar General of Births, Deaths and Marriages for Scotland, the Keeper of the Records of Scotland, the Keeper of the Registers of Scotland).

Scottish Public Finance Manual

[The Scottish Public Finance Manual](#) (SPFM) is issued by the Scottish Ministers to provide guidance to the Scottish Executive and other relevant bodies on the proper handling of public funds. It is mainly designed to ensure compliance with statutory and parliamentary requirements, promote value for money and high standards of propriety, and secure effective accountability and good systems of internal control.

Links to Useful Sources of Information

There is a wealth of information and material available on all aspects of continuous improvement, business development toolkits and organisational change, all of which will offer advice and guidance. You may find the following websites particularly useful and relevant for sharing good practice and networking. Additional sources of useful information are provided in the Best Value Toolkits which accompany this Guidance.

Performance Improvement

- The Open Scotland website- <http://www.scotland.gov.uk/Topics/Government/Open-scotland>- which includes the comprehensive - *Promoting Excellence in Scotland: a guide to quality schemes and the delivery of public services*.
- The Scottish Executive's Public Appointments website - <http://www.scotland.gov.uk/Topics/Government/public-bodies/introduction>- which provides contact details, a directory of public bodies and publications.
- The Chartered Institute of Public Finance and Accountancy website www.cipfa.co.uk and the [Good Governance Standard for Public Services](http://www.cipfa.org.uk/pt/download/governance-standard.pdf) (CIPFA and OPM) <http://www.cipfa.org.uk/pt/download/governance-standard.pdf>.
- The Quality Scotland website - <http://www.qualityscotland.co.uk/> promoting Business Excellence across Scotland in the private, public and voluntary sectors.
- The Audit Scotland website - <http://www.audit-scotland.gov.uk/>.
- The Public Sector Benchmarking site – www.benchmarking.gov.uk which promotes knowledge transfer and effective benchmarking.
- The Office of Government Commerce website – <http://www.ogc.gov.uk> and [Cabinet Office](http://www.cabinetoffice.gov.uk) website <http://www.cabinetoffice.gov.uk>.

Sustainable Development

- The Sustainable Development UK Framework - www.scotland.gov.uk/Topics/Environment/SustainableDevelopment.
- The Sustainable Development Scottish Strategy - www.scotland.gov.uk/Topics/Environment/SustainableDevelopment.
- The Framework for Economic Development in Scotland - www.scotland.gov.uk/library5/government/fedsm-00.asp
- Smart, Successful Scotland - www.scotland.gov.uk/library5/enterprise/sssen.pdf.
- Closing the Opportunity Gap – www.scotland.gov.uk/Topics/People/Social-Inclusion/17415/opportunity.

Equal Opportunities

- The Commission for Racial Equality – <http://www.cre.gov.uk/scotland>.
- The Disability Rights Commission – <http://www.drc-gb.org/>.
- The Equal Opportunities Commission - <http://www/eoc.org.uk>.
- The Equalities Unit in the Scottish Executive
<http://www.scotland.gov.uk/Topics/People/Equality>.
- The Scottish Executive's Mainstreaming Equality site -
<http://www.scotland.gov.uk/mainstreaming/?pageid=403>.

Joint Working

- Scotland's Community Planning website -
<http://www.communityplanning.org.uk/index.html>.
- Cabinet Office Toolkit for Shared Services -
http://www.cio.gov.uk/shared_services/toolkit/index.asp.

Best Value in Local Government

- The Scottish Executive's website -
<http://www.scotland.gov.uk/Topics/Government/14838/Local>.

Efficient Government

- The Efficient Government website -
<http://www.scotland.gov.uk/Topics/Government/Open-scotland/efficientgovernment/intro>.



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