

CITY OF WOLVERHAMPTON COUNCIL	Governance and Ethics Committee 22 February 2024
--	--

Report title	Best Value Standards and Intervention Guidance	
Cabinet member with lead responsibility	Councillor Paula Brookfield Cabinet Member for Governance and Equalities	
Accountable Director	David Pattison, Chief Operating Officer	
Originating service	Strategy and Policy	
Accountable employee	Laura Collings Tel Email	Head of Strategy and Policy 01902 550414 Laura.collings@wolverhampton.gov.uk
Report to be/has been considered by	None	

Recommendations for decision:

The Governance and Ethics Committee is asked to:

1. Note that Government has released new draft statutory guidance for local authorities on the Best Value Duty (appendix 1)
2. Review and comment on the self-assessment (appendix 2) undertaken to benchmark the City of Wolverhampton Council's performance against the new draft guidance.
3. Agree to receive future reports once Government has published the final guidance.

1.0 Purpose

- 1.1 The purpose of this report is to outline new draft statutory guidance on Best Value for local authorities and to demonstrate how the Council is meeting its Best Value duty against that new guidance.

2.0 Background

- 2.1 Under the 1999 Local Government Act, local authorities must legally deliver what is termed 'Best Value' – a council must be able to show that it has arrangements to secure continuous improvement in how it carries out its work. In practice, this covers issues such as how authorities exercise their functions to deliver a balanced budget, provide statutory services, including adult social care and children's services, and secure value for money in all spending decisions.
- 2.2 The Secretary of State has powers under section 10 of the 1999 Act to appoint a person to carry out an inspection into an authority's compliance with the Best Value Duty.
- 2.3 In July 2023, Government released new draft guidance on the Best Value Duty. The guidance provides greater clarity to the local government sector on how to fulfil the Best Value Duty by describing what constitutes best value, the standards expected by the department and the models of intervention at the Secretary of State's disposal in the event of failure to uphold these standards.
- 2.4 The guidance comes at time where government have introduced a number of other measures to oversee local government efficiency and effectiveness. The Office for Local Government (Oflog) was launched in July 2023 to oversee local government performance and the announcement by the Secretary of State that councils would need to submit productivity plans.

3.0 Best Value Standards and Intervention Framework

- 3.1 We are awaiting the final guidance which has been subject to consultation between July 2023 and August 2023. However, the draft guidance sets out seven overlapping themes of good practice for running an authority that meets and delivers best value. These seven best value themes build on the lessons learned from past interventions. While these themes are all interdependent, strong governance, culture, and leadership underpin effective partnerships and community engagement, service delivery, and the use of resources.
 - Continuous Improvement: Make effective arrangements to secure continuous improvement in the way in which all its functions are exercised on an ongoing basis and at pace.

- **Leadership:** Effective political and administrative leaders who have a clear vision and set of priorities for their area, are key to building local economic growth, social cohesion and a healthy local democracy.
- **Governance:** A well-run council will have clear and robust governance and scrutiny arrangements in place that are fit for purpose, appropriate to the governance arrangements adopted locally (executive/committee system), understood by politicians and staff alike and reviewed regularly.
- **Culture:** The culture of a local authority is determined by its shared values, ethics and beliefs, how decisions are made, as well as how elected members and officers behave, interact and carry out their roles.
- **Use of Resources:** An authority must have in place and properly deploy an effective internal control environment to safeguard the use of resources, and clear and effective processes to secure value for money.
- **Service Delivery:** Poor individual services can often be an indication of broader governance and financial weaknesses within an authority.
- **Partnerships and Community Engagement:** Authorities should have a clear understanding of and focus on the benefits that can be gained by effective collaborative working with local partners and community engagement in order to achieve its strategic objectives and key outcomes for local people.

3.2 The guidance is clear that there is no single version of 'good' – different aspects might look different in different areas – but these seven themes represent the key areas where authorities should be able to demonstrate they are making effective arrangements to secure continuous improvement in the way in which its functions are exercised.

3.3 More clarity is provided in the document on the use of powers where the Best Value Duty is not, or is at risk of not, being met. Where these standards are not upheld, it sets out the models of statutory and non-statutory intervention available, with stages of escalation.

4.0 City of Wolverhampton Council Self-Assessment

4.1 Alongside each of the seven themes are corresponding 'characteristics' of a well-functioning local authority and indicators used to identify challenges that could indicate failure. The guidance notes that it is an illustrative list of indicators including both qualitative and quantitative data.

4.2 A detailed mapping exercise using a RAG rating approach has been undertaken with officers to benchmark the council against the characteristics outlined in the guidance. A self-assessment of Wolverhampton's performance is available at appendix 2.

4.3 The Council's self assessment includes details as to why the Council believes that it meets the requirements of the Government's draft guidance and the work being undertaken by the Council. As further report will be brought back to Committee once the final draft has been released.

5.0 Financial implications

5.1 There are no direct financial implications arising from the recommendations of this report.
[LD/06022024/A]

6.0 Legal implications

6.1 The Best Value Duty relates to the statutory requirement for local authorities and other public bodies defined as best value authorities in Part 1 of the Local Government Act 1999 ("the 1999 Act") to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness".

6.2 The new draft statutory guidance on the Best Value Duty is issued to local authorities in England under section 26 of the Local Government Act 1999 and they are required to have regard to this guidance under the 1999 Act.

[SZ/070202024/P]

7.0 Equalities implications

7.1 There are no equalities implications arising from this report.

8.0 All other Implications

8.1 There are no other implications arising from this report.

9.0 Appendices

9.1 Appendix 1: Best Value Standards and Intervention Draft Guidance

9.2 Appendix 2: City of Wolverhampton Council Best Value Benchmarking