

'DOUBLE WHAMMY' THREAT TO LOCAL AUTHORITIES

If there is one thing that is certain in local government it is the long term threat of change and uncertainty. If there is a moral in all of this it must be 'Be prepared', as we don't know what is round the next corner and many juggernauts such as CCT and local government reorganisation have hit us in the past.

The Labour government unexpectedly proves the point. Like the previous government commentators felt that they could confidently predict the policies to be followed, in particular less prescription and increased spending. So do we or do we not enjoy these benefits? As construction professionals there has been some loosening of their fiscal screw, notably with PFI and the New Deal for schools, but the threat of a single pot for future capital funding, with a substantial percentage subject to competition between authorities, means that future funding levels are by no means certain.

What also of fee bidding and the removal of competition from CCT? These will remain until beyond the year 2000 when best value kicks in. The challenge is that best value has the potential to be just as demanding in its application as CCT, requiring on-going and regular reviews of services with a heavy reliance on performance as a measure of achievement. Unlike CCT, local authorities do not have the luxury of sitting back and sniping at the legislation, which is based on sound management principles with the laudable aim of increasing efficiency. Failure to respond will result in alternative arrangements for service delivery.

So what of the latest public spending proposals by the Chancellor? Comments have been mixed, for although the proposals increase government spending from 40%

to 40.7% of national income over the next three years, keeping the public finances in deficit, the average yearly rise in current spending - on public services and the pay of public sector workers - will be lower than under the previous government.

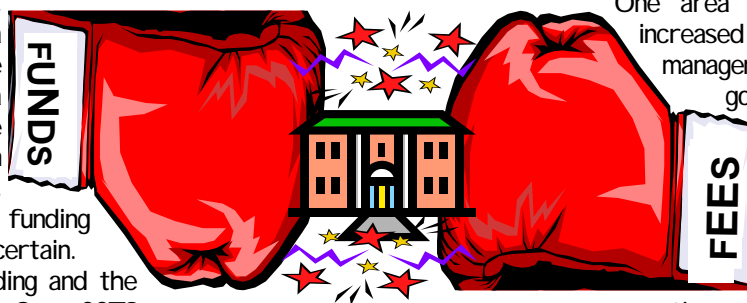
Adding further to the uncertainty is the effect that the spending plans for the next three years will have on government departments budgets, which are to be separated into current and capital spending limits, in itself decreasing the room for manoeuvre. It is also likely that spending will be targetted more, benefiting particular manifesto promises such as cutting NHS waiting lists and cutting primary school classes.

One area that will come under increased scrutiny is that of asset management, with both the government and local authorities needing the income from sale of assets.

The economy is the major factor that will affect this complex

equation and after a long period of growth the forecast is less encouraging. Inflation is at a six year high, with unemployment edging up again, and there is also the effect of the financial

turbulence in the Far East. If the government stick to their spending plans and the economic situation deteriorates then there will be greater pressure on the pound and higher interest rates, repeating the spiral of boom and bust which the Chancellor is trying to break out of. Substantial change and better value for money is being demanded of local government at a time when the challenges have never been greater and the future more uncertain.



'If you are unwilling or unable to work to the modern agenda then the government will have to look to other partners to take on your role' - Tony



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Your guide to **SCALANEWS**



SCALAFEATURE

This or a similar logo signifies feature articles on topical issues such as the SCALA responses on best value and asset management in this issue



SCALANET

Your 24 hr. contact point on the Internet for the full range of SCALA services and information sources updated regularly at www.scala.org.uk



SCALADIARY

A reference list of dates for future SCALA meetings and events including those for the regions and associated organisations



SCALACONTRIBUTION

A pertinent article on best value written by Rob Tate, SCALA President, for the 'Local Authority and Public Service Yearbook 1999'.



SCALA'98 : 'Building on Best Value'

An overview is on P16 with all the details of this informative 3 day event on a highly topical issue on P8. Book the date in your diary now.



SCALALETTERS

A section devoted to letters from readers on topical issues or matters of individual concern. Please send me your letters for the next issue



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P16 SCALA'98 - an overview of this informative event on a highly topical issue - 'Building on Best Value'

Due to lack of space there is no SCALAECHANGE in this issue - Ed.

Book for SCALA'98 before 31 August and save £20



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*Ian
Vincent
Chair-
man of
Prof.
Affairs
Comm.*

SCALARESPONSE to the Green Paper entitled 'Improving local services through best value'

1. ABOUT SCALA

As the Country's largest owners and operators of buildings Local Government continues to have a major impact on Architecture and Property Management.

It relies upon highly skilled and dedicated property professionals for advice and support. SCALA was formed in 1974 to assist its members through the sharing of knowledge. Its strength is in its regional network meeting regularly to discuss property issues and share developments. SCALA relies on the support of fellow professionals and actively contributes towards the national debate on construction related issues. SCALA has developed a unique position in that its members represent all types of Local Authority from Unitary, District, Metropolitan, City, County and London Boroughs. We also support both client and contractor organisations working in the true spirit of partnership and Latham, so we can justifiably claim that we speak with authority on the whole range of property issues.

SCALA supports quality and best value in the design and management of property and welcomes change as an opportunity to develop rather than a threat to the status quo.

SCALA, therefore, on behalf of local authority construction and property professionals, welcomes the opportunity to work with the government to achieve:

Improved management and procurement techniques

Greater focus on the needs of the community and local people

SCALA fully accepts the need for local accountability in the provision of local authority services. However, to be truly accountable authorities must have the freedom to manage to suit local needs and conditions. As a consequence best value should be a statutory duty without enforcement machinery and detailed prescription thus avoiding the pitfalls of CCT.

2. COMPETITION AND PARTNERSHIP ISSUES

SCALA and the Federation of Property Services (FPS) together with the LGA have initiated discussions with private sector contractors to explore the potential for partnerships in the context of Best Value.

Local authority professionals are experts in understanding front-line service

requirements and developing proposals to match them - and SCALA members have always, necessarily, worked closely with the private sector (ie: contractors and developers) in a way that other sectors of local government have not had the advantage of doing, and we are seeking to build on that experience. However to do this will require movement by both sectors to enable their methods to match.

For example rules on competitive tendering may have to change to match the private sector's way of doing things - which are more result than transparency orientated. This will enable true partnerships to be formed, as opposed to traditional tender/provider contracts.

In Nov. 1993 SCALA's Technical Committee produced a publication entitled 'The Enabling Authority' in which the concept of the multi point delivery of services was considered:

'The use of private consultants to help deliver services is widespread in local authority property activities. It has always made sense to maintain a judicious mix of in-house and external professional teams, and both sectors have benefited from the relationship. Some authorities have chosen to shift the balance in one direction or the other, but virtually none would claim that partnership with private sector firms does not benefit clients and the community. SCALA has argued consistently that professional services in design activity do not need to be made subject to compulsory market testing, and that design and building quality will surely fall as a result of highly competitive fee bidding. The case stands equally for the wider range of integrated property activity.'

'In the area of core services proactive team work using a range of resources is absolutely critical. It is difficult to achieve this with people coming in and out as a result of competitive tendering. This is an area in which total confidentiality, loyalty and sole commitment to the objectives of the local authority are paramount. The Enabling Authority will require a core of experienced and knowledgeable professionals to tender advice in the privacy of the council's in-house discussions with only the council's interests and aims in mind.'

The document also explores Benchmarking:
'In particular, it is important that the policy makers, commissioners and those



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SCALARESPONSE

(Cont.)

establishing and monitoring standards, budgets and programmes, do not become isolated from the real work, they must be able to test their policy and learn from direct experience. There is a need to link these professionals with their fellow practitioners in the private sector in the interests of the end product and to allow satisfactory career progression by maintaining an in-house capability.

and Customer Orientated Services:

However, the more fundamental change in the consumer-led culture of local government is reflected in the increasing demand for citizens to be seen as customers and not as passive recipients of local authority services. The enabling authority sees its customers as the most important people with managers existing to serve those who serve their customers.

In consequence, if services are to become customer driven there will be a requirement to reduce debilitating negative controls, stimulate more innovation, encourage a more entrepreneurial culture amongst managers and those who directly serve customers and provide customer choice between service options.

The development of such results-orientated authorities will require that the authority develops budget mechanisms consistent with funding outcomes and not inputs. This culture of management by results, empowering rather than serving, will need not only to recognise the opportunities for multi-point delivery of service, but also to encourage self actualisation amongst staff and sweep away negative controls.

People work harder when they feel they have ownership of their own work.

The advent of such a consumer based service will inevitably place greater demands upon the core. There will be a need for anticipatory local government and a level of strategic planning which will include:

C Analysis

C Diagnosis

C Establishing the aims of authority and a vision to achieve those aims

C Developing a strategy appropriate to the authority's vision and aims

C Determining a time scale to implement the authority's aims

C Formulating a method of monitoring and evaluating achievement of the authority's aims

Such a change in culture should aim to improve value for money within the concept

of the provision of quality services, particularly if the requirement for in-house professionals is accepted. It will also, by placing the customer first, ensure the culture of the Citizens Charter promoted by central government is the driving philosophy of the successful local authority.

as a way of producing Best Value in the delivery of all property related services.

As you can see SCALA has been giving serious consideration to the concept of Best Value for some time and firmly believes that it provides the much needed opportunity to radically review service delivery in the Public Sector.

3. DEFINING BEST VALUE

There is as yet no clear and simple definition of best value. SCALA has adopted the phrase 'Securing quality services for the Future' which encompasses all stakeholders, including the business community.

The duty of best value should apply to all those involved in the provision of services to the community. This will ensure a greater understanding of the aims and objectives of best value and wider participation, as well as involving the business community in the social aspects of the initiative. All of this would be much more difficult to achieve if the duty of best value and the duty to consult were prescribed in detail. It is SCALA's considered view that it is impossible to separate the support services that SCALA members are involved in from the services they support and that to isolate any support service would seem to miss the whole point of Best Value.

4. IMPROVING PERFORMANCE: BEST VALUE IN PRACTICE

The success of best value is reliant on a comprehensive corporate initiative fully supported and properly resourced by all the stakeholders, in particular the authority's client and service departments. SCALA is concerned that many authorities support the principles of best value but are unable to put them fully into practice. There are of course many reasons for this, not least the style of reactive management that has resulted from a continual stream of government initiatives over the years such as local gov. reorganisation, CCT and ever reducing budgets. This is a further reason to keep it simple, avoid prescription and give authorities greater freedom to manage their affairs. Indeed, it could be argued that the democratic deficit in local government results partly from this history of interference by the government of the day.



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SCALARESPONSE

(Cont.)

SCALA agrees with the principle of setting targets as an essential element of best value but the current proposals place too much faith in a prescriptive solution relying on performance indicators which are insufficiently understood and at too early a stage of development for many of the services affected by CCT. By the government's own definition they apply where relationships are ambiguous and where they tend to be influenced by more than one variable.

They are also open to interpretation and the cause and effect relationships are unclear. As a result SCALA recommends:

Cjoint research between central and local government bodies, including the Audit Commission, to explore and highlight the issues to promote better understanding prior to producing a set of meaningful indicators

Cthat no prescriptive indicators be produced at the present time and that those used be for information purposes and furthering the research into meaningful indicators

Cthat 20-25% of services are reviewed each year selected by each authority on criteria of their choice, as there can be no basis for selection on the basis of quality of service given the lack of objective criteria for judgement

Cthat until meaningful indicators are available performance targets be for guidance and development of the best value process and as a consequence be based on the top 50% of authorities within an authorities family group.

The best fiscal and proprietorial safeguards are achieved by open competitive tendering, but SCALA accepts that this process does not always answer the needs of new funding and procurement techniques developed in response to increased funding from the private sector. A parallel issue is that of greater budget delegation and increased stakeholder influence, leading to the likelihood of differing aims and objectives and the methods of achieving these. Where new partnership initiatives, such as joint venture company, are proposed SCALA recommends the following safeguards in the interests of value for money and propriety:

- Cproof of a rigorous approach to best value
- Capproval of a chief officer with the authority designated for this purpose with the power of referral to the Audit Commission for comment if appropriate

5. AUDITING PERFORMANCE

Meaningful Local Performance Plans are essential to the success of best value. The contribution of the external auditor in the development and application of these will be far more beneficial to the process than acting as a policeman to ensure compliance with statutory guidance and performance targets. In any event these need to be flexible enough to suit the varying needs of each authority's stakeholders.

The last thing local government needs is another layer of bureaucracy and a break in the bond of trust that has built up between auditors and the commission over many years. SCALA recommends:

Cthat the Audit Commission retains its current role of helping to ensure efficient service provision, which would include assessment of Local Performance Plan

Cthat a designated best value chief officer be appointed within each authority reporting annually on the progress of best value as part of the Local Performance Plan

Cthat the annual report by the best value chief officer be endorsed by the major stakeholders, including the business community

Cthat if a public interest report is issued by the external auditor relating to best value that it be investigated initially by the government office for the region

6. TACKLING PERFORMANCE FAILURE AND REWARDING SUCCESS

The Green Paper focuses on the rare cases of intervention necessary following a major breakdown in the provision of local authority services. SCALA does not dispute that this may occasionally be necessary but advocates prevention rather than cure. In parallel with developing pilot schemes additional resources should be allocated to improve and develop the management structures and techniques necessary to achieve best value. As the Warwick and Cardiff business schools are assisting in evaluation of the pilot schemes, so grants could be provided for similar centres of expertise to assist in the rapid development of best value and modernising of local authorities.

The discretionary element in the allocation of limited funding is of growing significance to authorities. Bearing in mind the problems of introducing meaningful performance measures it would seem reasonable that until progress is made in this area that a bid for discretionary funding be dependent from the financial year on a successfully audited Local Performance Plan or the acceptance of that service as a best value pilot scheme.

7.0 TIMING AND LEGISLATION

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SCALARESPONSE

(Cont.)

There is a great uncertainty amongst authorities who are currently not exempt and still have to implement CCT as to whether they will have to make the major commitment in resources necessary to commit services to tender. To make it even more confusing there is a competitive element to best value in proving the cost effectiveness of in-house services which overlaps with CCT. As a consequence SCALA proposes:

Cthe suspension of CCT which could be kept as a reserve power by the Sec. of State
Cthat while meaningful performance measures are developed over a longer period Local Performance Plans should be in place by April 1999 to maintain progress on best value

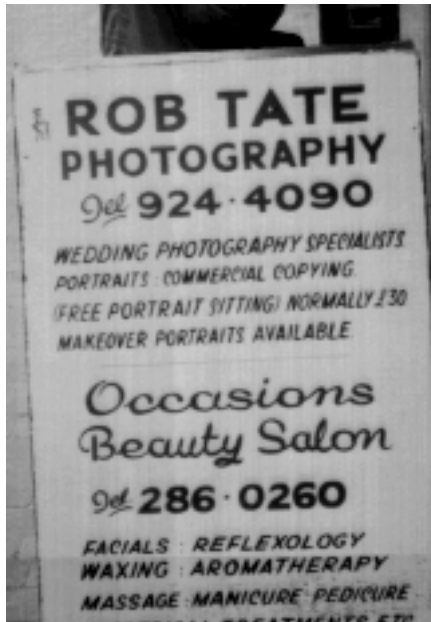
Professional Affairs Committee April 1998
24 April 1998



SCALALETTERS

I enclose a photo that may be of use in SCALAnews!

I have heard of people making provision for retirement but this is ridiculous!!



PS: I don't think he is into 'Beauty Salons' as well.

Geoff Naylor

Obviously Geoff and Rob are on the lookout for new openings. I think the ARB could be concerned at the failure to mention his architectural qualifications -



SCALAYEAR BOOK SCHEMES

If you are one of those members who meant to put a scheme in for the Yearbook but haven't quite got round to it NOW IS THE TIME!

There is still room for more HIGH QUALITY schemes less than a year old with SUPER PHOTOS

Please send your submission to David Kimmins with a note of the value, completion date and

*****REMI NDER*****

COMMITTEE INFORMATION FOR NEW AND EXISTING MEMBERS

Rob Tate has asked committees to co-ordinate their work on best value which, with portfolio management, is the corporate theme for his presidency. Other areas of focus include:

PROFESSIONAL AFFAIRS

Asset management plans and best practice in addition to the committee's normal work on forms of contract, professional indemnity insurance, EU matters, CDM and similar issues of concern to members.

Contact Ian Vincent (Tel. 01327 302447)

TECHNICAL COMMITTEE

Technical issues and techniques, asset management plans and the Maintenance Survey, which is the definitive publication for maintenance data on most local authority buildings. The committee also has responsibility for the annual Study Day.

Contact Mukund Patel (Tel: 01712736151)

HOUSING & REGENERATION COMMITTEE

Stock management & maintenance, plus research into improvements in service delivery for a multifaceted client with a different set of agendas and measurements for success. There are also a number of competitions for innovative housing the committee may become involved in offering pointers to meeting the future housing challenge.

Contact Ian Atkinson (Tel: 0114 273 6035)

All committees welcome new members-Ed



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SCALALLETTERS

ICE Best Value Taskforce
Securing Best Value in the Built Environment

(Cont.)

Bringing together the expertise of professionals employed by local authorities, consultants and contractors to help secure Best Value services for local people is the aim of the Institution of Civil Engineers Best Value Taskforce.

Under the Chairmanship of Past President David Green, ICE has assembled a group of 20 Local Authorities, (including Mets, Counties, Unitaries, Districts and the Corporation of London) and 12 major firms of engineering consultants and contractors. This group has committed itself to hacking its way past the volumes of discussion and philosophising engulfing the concept of Best Value to produce a practical guide to securing Best Value in the broad area of the Built Environment. While everyone concerned recognises that it would be against the spirit of Best Value to seek to prescribe solutions, we do hope to be able to:

- clarify the options that are open to Authorities
- advise on methodologies
- show up the advantages and disadvantages of different approaches



SCALANET SITES

Audit Commission:
www.audit-commission.gov.uk/
CIPFA CAS Advisory Service on Best Value:
www.cipfa.org.uk
Central Office of Information:
www.coi.gov.uk/coi/
European Law-current developments:
<http://www/community.co.uk/disclaw/law/data>
European Commission TUPE/ARD Site:
<http://europa.eu.int/en/comm/dg05/soc-dial/labour/memo/memoen.htm>
HMSO:
www.hmso.gov.uk/stst.htm
Local Government Commission:
www.lgnet.com/
Local government information:
www.local.doe.gov.uk/
National Audit Office:
www.open.gov.uk/nao/home.htm
Quality links:
www.sfp.gov.ar/sitios.html
Welsh Office:
floor.ccta.gov.uk:8080/Wales/Press.nsf/
Let me know any other useful web sites- Ed.

- provide some illuminating case studies.

Launched in December 1997 with the support of Local Government Minister Hilary Armstrong, the Taskforce has set up four working parties to investigate different aspects of Best Value:

Group 1 is looking at how to discharge the proposed duty to consult as part of a rolling programme of service reviews. As well as a range of consultation methods, we are examining how to define the service which is to be consulted on and ways of conducting reviews which get down to the fundamentals of service provision

Group 2 has perhaps the biggest task, looking at benchmarking and performance measurement. Group Chairman Graham Beattie of LB Barnet is busy networking with a plethora of other groups looking at benchmarking in the public and private sector and is looking at how to trial some of the most promising methods. The Group would also like to develop some benchmarking "templates" and has started preliminary work on templates for refuse collection, street lighting and highways maintenance.

Group 3 is tackling forms of contract and procurement issues. Best Value provides an opportunity for the public and private sector to work together in new constructive relationships. These relations will need to be codified into new contractual and working relationships and some existing legal constraints need to be overcome.

- In the end of course Best Value will have to be delivered by people committed to delivering high quality services. Group 4 is looking at the staff issues relating to the introduction of the new regime: from personal development to trade union involvement, there are a range of crucial issues which must be addressed if staff motivation and support is to be maintained.

The taskforce has set itself the challenging timescale of producing some early recommendations by September 1998 with a draft of the guide to be completed by March 1998. The guide will be produced in a form which allows it to be updated and extended on a regular basis.

The taskforce is busily networking with as many other groups and individuals as possible but is always looking to here from fellow professionals concerned with Best Value. If you would like more information contact the Taskforce secretary, Andrew Crudginton at the Institution of Civil Engineers, 1 Great George Street, London, SW1P 3AA, Tel 0171 665 2212, Fax 0171 233 1806, e-mail crudginton_a@ice.org.uk.

As best value gathers pace local authority services are keen to benchmark through benchmarking clubs of which this is one.



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29 to 31 October 1998
Chamberlain Hotel
Birmingham

BEST VALUE EVENT OF '98



SCALAEVENT SPEAKERS

Government speaker:

To be announced

The Approach to Best Value:

Matthew Warburton- *Head of Housing and Best Value Manager at the LGA*

Option Appraisal and Briefing:

Tony Comer- *Assistant Director Asset Management Herts CC & LGA Advisor on Asset Mngmt.*

The Millennium Village:

Bernard Hunt

Value Engineering:

WS Atkins (World Cargo Bldg. Heathrow)

Best Value in Construction:

Peter Lennon- *President of Inst. of CoW*

Building the Globe Theatre:

John Greenfield

Consulting your Client:

To be announced



BEST VALUE EVENT OF '98
SAVE £20-BOOK BEFORE 31 AUGUST !

NO. BEING
BOOKED

Members booking prior to 31 August @ £110

Members booking after 31 August
& non-members @ £130

Additional day delegates from same office @ £90

Retired members @ £60

Buffet meal on Thursday evening @ £15

Buffet and B & B Thursday night @ £55

Double room, buffets and B & B
Thursday night @ £70 for two

Conference dinner Friday evening @ £22

Conference dinner and B & B Friday night @ £62

Double room, conference dinners
and B & B Friday night @ £84 for two

Please indicate any special dietary requirements:

Please **DO NOT INCLUDE PAYMENT** with your booking as you will be invoiced separately. All prices are subject to VAT at the standard rate.

Name:

Title:

Dept:

Auth:

Address:

Post code:

Tel:

Fax:

Email:

Please note that bookings cancelled between 31 August and 30 September will be subject to a cancellation charge of £50 and that no refund can be given after that date.

Please return your completed booking form to:



David Kimmins
SCALA Finance Manager
3 Manor Park
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Email: policy@scala.org.uk

'Building on Best Value'



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SCALARESPONSE to DfEE consultation document on asset management plans

The following is a summary of the April '98 response by the SCALA Technical Committee:

- Preventive maintenance/risk management (eg. difficulty of estimating and budgeting for the cost of vandalism).
- Benchmarking issues- distortion by different ages, systems and location of buildings
- Elemental breakdown of costs will support optimum commercial packages for maintenance contracts. This also suggests that joint contracts between authorities may be beneficial to achieve optimum scala in line with government best value policy.
- Timescale of maximum 5 years taking into account the need to accommodate fluctuating numbers. Assessing suitability will take 2/3 years but guides to priorities (primary first?) and the criteria for assessment are required from the DfEE. Suitability should ideally be based on curriculum analysis of each school to ensure objectivity.
- Devolution of a high % of maintenance to schools will lead to a lack of corporate control making it difficult to implement asset management plans particularly as schools seem to spend less than half the devolved budget on maintenance.
- Rewarding local authorities that have allowed poor building conditions to develop through lack of maintenance expenditure.



SCALADIARY

JULY

3 - SCALA Professional Affairs Committee at RIBA
 SCALA Policy Committee at RIBA
 SCALA Council at RIBA

19- SCALA Housing & Regeneration Committee

SEPTEMBER

11- SCALA Professional Affairs Committee
 SCALA Policy Committee
 SCALA Council at RIBA

NHTPC lunch seminar on 'Brownfield Regeneration' in London (Tel:0181 982 7415)

25- Eastern Region meeting at Bury St. Edmunds
 SCALA Housing and Regeneration Committee

OCTOBER

29- SCALA AGM at Birmingham and evening social event
 30- SCALA '98 at Birmingham on 'The Value of Architecture' and Presidential dinner
 31- SCALA '98 : cultural tour of Birmingham and pub lunch

NOVEMBER

17- South West Region meeting at Taunton Deane
 20- SCALA Housing & Regeneration Committee

CIPFA/SCALA 11th. series of workshops on Construction & Property Services:
 June 24 Builth Wells, June 25 Preston, June 26 Coventry. June 29 London.

CIPFA/SCALA 12th. series of workshops on Construction & Property Services:
 Sept 4 London, Sept 9 Exeter, Sept 11 Durham, Sept 14 Leeds, Sept 16 Builth Wells,
 Sept 17 Preston, Sept 18 Coventry, Sept 28 & 29 Stirling, Sept 30 London.

CIPFA/SCALA 13th. series of workshops on Construction & Property Services:
 Nov.23 Durham, Nov.24 Leeds, Dec.1 London, Dec.2 Exeter, Dec.3 & 4 Stirling, Dec.9
 Builth Wells, Dec.10 Preston, Dec.11 Stratford on Avon, Dec.14 London.

For info. on the CIPFA/SCALA Advisory Service on Best Value workshops for
 Construction & Property Services contact Ed. or CAS direct on 0171 543 5780



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SCALAFEEDBACK on the Daventry event



SCALA STUDY DAY

Promoted in partnership with the :

CIPFA Advisory Service on Best Value

Over a hundred delegates filled the Saxon Hall at Daventry Leisure Centre for the event on 22 May as well as representatives from the nine companies who had taken display stands. The day was a mix of presentations from a varied selection of SCALA and CIPFA speakers with time left for question and answer sessions and a full discussion period at the end. Brendon McCarron spoke first on 'Lessons from the Outside', outlining the forces for change and how change must be and can be successfully addressed, ending with the four C's of best value- Challenge, Consult, Compare and Compete. The origins and implications of Labour's 'Third Way' on quality service provision, together with a possible agenda for the future and the effect on local government and the services it provides, were then outlined by Bernard Wyld. He was followed by Mukund Patel, the new Chairman of Technical Committee and Head of the Architect's and Building Branch of the DFEE, the ideal person to present to delegates the views of stakeholders and how to answer their needs. John Ollerton then outlined the views of SCALA members, which he had canvassed on behalf of the Best Value Working Party, raising a number of areas of concern and introducing a healthy shot of scepticism. The opportunity to probe speakers on aspects of their presentations was eagerly seized upon by delegates, as were the complimentary drinks before lunch located by the exhibitors stands displaying a range of interesting products and services and to whom we are grateful for supporting the event. Jill Bluestone took the stage after lunch impressing delegates with her knowledge of best value and the key role of performance indicators, emphasising the need to improve the quality of service overall rather than focus solely on the performance of indicators. A best value model for service provision was presented by Alan Tyler, who is President of the FPS and chairs the committee which developed the model. He explained how the report covered a best value approach to the provision of property services and the work taking place to develop the various modules within the model. This report entitled 'Best Value in the Property Estate' is now available through SCALA (please see the current list of publications). The day ended with a full discussion session which allowed delegates to probe the speakers on best value issues and to raise matters of specific concern to them.



Rob Tate Mukund Patel Kirsten Gillingham Jill Bluestone David Kimmins Brendan McCarron Bernard Wyld Alan Tyler John Ollerton

Feedback from the day has been very good with 40% of questionnaires received to date. On average both the venue and speakers were rated highly satisfactory, which is just as well as most of the speakers were from SCALA and the building was designed by a member! The event proved the high level of interest in best value, further cemented the mutually beneficial link with the CIPFA CAS Advisory Service on Best Value, and showed that we had hit the mark in providing a nofrills hands on event. The Best Value Event of '98 entitled 'Building on Best Value' takes place in Birmingham from 29 to 31 October and is a natural follow up from the Study Day (see P8 & 16). See you there.



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*Alan
Tyler
Immediate
Past
President
and
Chairman
of the
FPS*

*Copies of
overheads
presented
at the
Study
Day*

SCALASTUDY DAY: a report by the FPS on 'Best Value in the Property Estate'

<p>PROPERTY IS ONE OF THE KEY RESOURCES AVAILABLE TO LOCAL AUTHORITIES IN DELIVERING SERVICES TO THE COMMUNITY</p> <p>VALUE</p> <ul style="list-style-type: none"> ◆ September 1997 (CIPFA) £115 Billion <p>TYPES</p> <ul style="list-style-type: none"> ◆ Direct Service Property ◆ Tenanted Service Property ◆ Investment Property <p>PROFESSIONAL SKILLS</p> <ul style="list-style-type: none"> ◆ Wide Range of Specialist Skills ◆ Property to Match Service Requirements ◆ Strategic Direction and Development 	<p>BEST VALUE AND QUALITY PROVISION IN THE PROPERTY ESTATE IS ACHIEVED WHEN IT'S PROPERTY SERVICES ARE:</p> <ul style="list-style-type: none"> ◆ Responsive ◆ Subject to Continuous Improvement ◆ Provided in a Cost Effective Manner <p>PRINCIPLES</p> <ul style="list-style-type: none"> ◆ Challenge ◆ Consult ◆ Compare ◆ Competition
<p>PERFORMANCE PLANS</p> <ul style="list-style-type: none"> ◆ At Corporate Service and Individual Levels ◆ Clear: Conise: Achievable ◆ Appropriate Quality <ul style="list-style-type: none"> Quality Assurance Investors in People Business Excellence Model ◆ Whole Life Costs ◆ Service Planning Process <p>PERFORMANCE INDICATORS</p> <ul style="list-style-type: none"> ◆ Small Number of National Indicators ◆ Service Indicators Set by those who are involved ◆ Meaningful 	<p>BENCHMARKING</p> <ul style="list-style-type: none"> ◆ Understand what is to be achieved ◆ Select your Partners ◆ Use of what exists (COPROP-SCQS) <p>INTERNAL REVIEW</p> <ul style="list-style-type: none"> ◆ Adopt an Appropriate Member Process ◆ Ensure C.E & Snr. Managers on Board ◆ Senior Officer to Drive Process across all Services ◆ Involve Community - Voluntary Sector - Business ◆ Complaints Procedure ◆ Culture of Improvement not Blame



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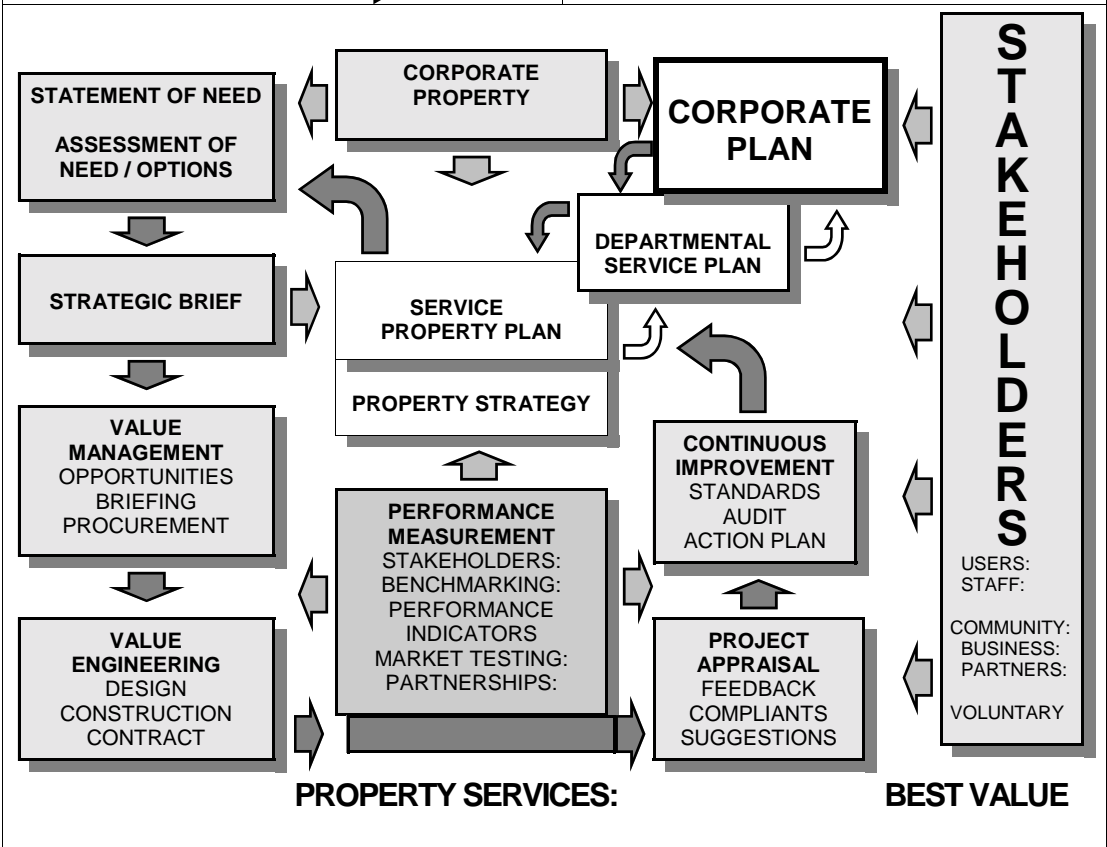
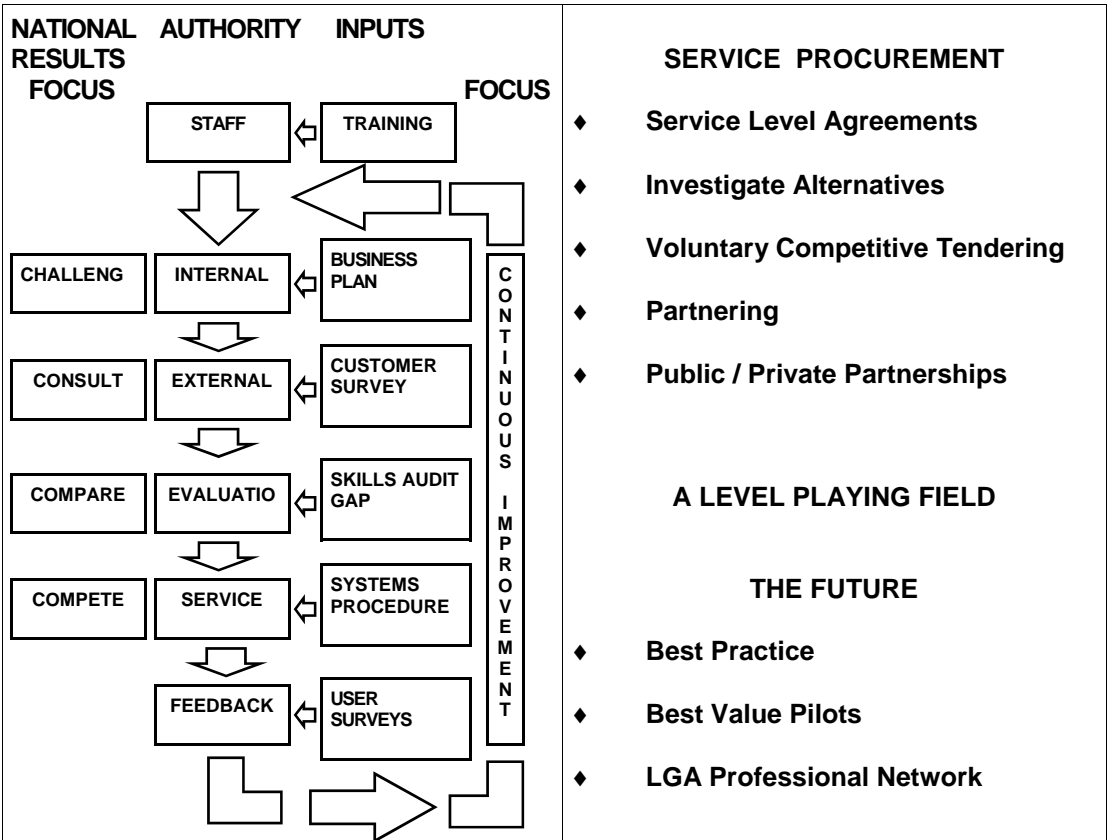


SCALASTUDY DAY: a report by the FPS on 'Best Value in the Property Estate'

Alan Tyler

(cont.)

NB: for further info. see the SCALA publications advert.



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*Rob
Tate
SCALA
President*

SCALACONTRIBUTION to the Local Authority & Public Service Yearbook 1999

Best Value! Hilary Armstrong, in introducing this exciting new Government initiative, has said that the public sector must rise to the challenge of providing "services the public wants at the price it can afford". I wanted an Armani suit and I could afford £100, but I'm afraid the shop in Bond Street wasn't interested in meeting the challenge -- unless I added a nought to my budget. How then will the private and public sectors work together to perform better?

Under the Compulsory Competitive Tendering regime the previous government knew the price of everything and the value of not very much. Through Best Value our new government have introduced value more firmly into the equation. However, the summer '97 edition of **SCALANEWS**, the **Society of Chief Architects in Local Government's** newsletter, led with "Best Value Bolted onto CCT Regime?" forecasting CCT would remain in parallel with Best Value. Last autumn **SCALANEWS**, in an article entitled "Joint Initiative on Best Value" on **SCALA's and CIPFA's Competition Advisory Service**, warned that the playing field may be more level than before but the goal posts are still moving! We are at that interesting stage in any new initiative where it can mean all things to all men.

But, Best Value, Value for Money? What's the difference? It's fundamental. The latter is assessed on the cost effectiveness of providers, the former on the value of services received by the consumer as perceived by the consumer. The first issue for the customer is whether he or she wanted the service in the first place and whether they were aware of having received it - if they didn't and/or weren't it isn't "Best Value"! Secondly, for instance, customers will perceive and assess the education their children receive, not the qualities or value for money of the local authority's education department staff or property professionals. Best Value aims at "front-line" services, but support services must be careful it doesn't hit them first. If it does, Best Value will not be best served!

Professional support services exist in both public and private sectors and levy fees which can be compared. Local authority front-line services are often unique to the public sector and are not so easily "benchmarked". There is, therefore, already a tendency in the name of Best Value, to examine existing organisations

and their services and to concentrate on those with easy measurables, like fees and building costs, even though they have already been tested under CCT. Whilst this keeps the heat off the establishment, it isn't Best Value, which requires fundamental consideration of what services are required, as well as how they can best be provided. Innovation is the key. That will require traditional barriers (in which customers are not interested) to be dissolved, not only between the private and public sectors, but between and within local authorities. Partnerships.

Public sector construction professionals should not feel threatened by this, but they must be assertive in seeking to ensure their authorities approach Best Value in a proper creative manner. All construction professionals are used to working together and with contractors across the public/private divide and, in so doing, coming up with ever more creative methods of procuring value. The construction industry itself recognises this in the Latham report which promotes partnership, as opposed to isolationism and confrontation, in pursuance of true value, creativity and innovation. The private sector should see this as an opportunity, even though **SCALA's** experience to date is that it has yet to do so. The public sector, however, will have to learn to enjoy the satisfaction of making things happen, using their skills to enable, often in lieu of the satisfaction of completing a nice drawing! There will be plenty of drawings to be done and the fluidity required between partners should provide plenty of opportunities to do them. However, that fluidity will require changes to local government rules. Competitive tendering versus negotiation is one issue, public sector offices working for private sector companies is another. Both issues are being encountered in trying to improve the Private Finance Initiative and they represent significant challenges to ancient public sector principles, particularly those concerning probity and (lack of) trust. True partnerships are not formed through a competitive tender process, but by like minded parties bringing their contributions to the table and taking away their share of the benefits.

I see an interesting network of partnerships developing to deliver redefined front-line



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SCALACONTRIBUTION to the Local Authority & Public Service Yearbook 1999

(Cont.)

services through combinations of local authorities, other public bodies and private sector organisations large and small. The key will be (genetically!?) engineering the right horse for the course. The mix of genes required is going to shake up local government and most of all the existing front-line service organisations. Construction professionals are well equipped for such value engineering, but they must establish themselves at the strategic core of their organisations through their ability to think strategically and make things happen. Strategic thinking is the currency of design professionals and, whether in master planning or procuring, requires an understanding of the organisation and its corporate objectives which cannot be bought from those outside the organisation. Implementation services can be bought on the open market. Strategy relies on feedback from implementation, and that relationship depends on efficient procurement processes, which construction professionals are skilled in managing. To develop strategies and to manage this process in the context of both Best Value and PFI requires professionals' design and contract management skills, so they mustn't be afraid of becoming mere administrators!

The opportunities for professionals to demonstrate the value of their unique skills are coming thick and fast. Along with PFI the most prominent is Asset Management Planning, promoted by both the DfEE and DETR independently, and on which SCALA is pleased to be working in co-operation with the DfEE, the Local Government Association and the other local government property societies. This involves preparing comprehensive development and management plans for property portfolios, based on a detailed knowledge of the condition and potential of the property asset. That requires condition surveys, analysis through inception and feasibility studies, development planning and project management. This must be in the context of a thorough understanding of the organisation's corporate objectives and can clearly only be achieved by integrated teams of front-line service leaders and property professionals. However, there are still property professionals in both public and private sectors who see their roles as aesthetes reacting to the design requirements of their clients. Often the reaction to clients

who complain of insufficient support is not to provide the support they need but to criticise them for the inadequacy of their briefs! I despair of such blinkered and old fashioned professionals - and of the professional institutes who often seem unable to see beyond the traditional roles of their members or recognise an opportunity when it stares them in the face!

However, I believe most public sector property and construction professionals will recognise the opportunity and take it. I advise them to become enablers, think more strategically, make things happen and fight for a place in the strategic core of their authorities. That is an old message from me, started with SCALA's published study of the "Enabling Authority", but it has been further underlined by Best Value. SCALA will continue to support its members in their Best Value efforts, not least for the benefit those efforts will bring their authorities.

Well, so much for the ideal some regarded as impossible not so long ago, but is now an exciting prospect. What about the miracles that traditionally take a little longer - like the services of an Armani suit at a cost Rob Tate can afford? While she's waiting, someone will have to tell Hilary Armstrong that demand and budgets don't always equate, no matter how good her public sector construction professionals may be. Any offers.....?

SCALA

Serving design professionals who serve the public sector.

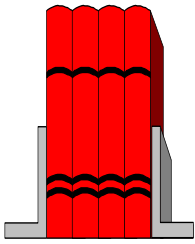
It's interesting to see how prophetic the lead article in SCALAnews can be. Let's hope that the headline at the beginning of the year, 'Public Sector faces toughest year yet', is not fulfilled, although fellow professionals I meet at the CIPFA CAS workshops are on overload and value the independent advice they get. The current issue is over the threatened 'Double whammy'. Read on! - Ed.



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A Report by the Federation of Property Societies showing how both Property and Property Services can benefit service departments in the delivery of their Best Value services to the community.

Included is a Best Value model for service delivery.

only £5 a copy



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BEST VALUE EVENT of '98

29 to 31 October 1998
Chamberlain Hotel
Birmingham

Thursday 29 October :

*Annual General Meeting- our members forum
Buffet & social event- meet fellow professionals*

Friday 30 October :

*'Building on Best Value' seminar- quality and
environmental issues in a best value regime
The Presidential dinner- not to be missed*

Saturday 31 October :

*Cultural tour of Birmingham- see the sights
Pub lunch- a chance to review and reflect*

*NB: This is a **Best Value and CPD seminar***



£110_{+vat} for the first member if booked before 31 August
£90_{+vat} each subsequent delegate from the same authority
for attendance at the seminar. Turn to page 8 for the booking
form and further information on all the events listed above.

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