

CAMPAIGNING FOR CARE in social services

TRADE UNIONISTS' GUIDE TO VALUE FOR MONEY

Value for Money (VFM) audits are increasingly used in public services to justify cuts and privatisation. The Tories' version of value for money, just like their version of care in the community, is to have the minimum level of service carried out as cheaply as possible.

Value for money audits and efficiency studies are providing accountancy firms and management consultants with fat contracts. Accountants and industrialists are increasingly being appointed to run the NHS and other public bodies. Money, spending leagues and numbers dominate – social needs, quality and standards are being relegated.

It is vital that the labour movement tries to establish definitions of real value for money and to use effectiveness and efficiency to justify improvements to and an expansion of public services.

This section of the Action Pack explains the different types of value for money audits, how they are used, and what action can be taken against management consultants and audits.

What is an audit?

The vast majority of organisations ranging from public bodies, companies, trade unions to local tenants groups and campaigns have



CONTENTS

- What is value for money
- Different types of audits
- Effectiveness, efficiency and economy described
- VFM as a political slogan
- Uses and limitations of value for money
- Myths exposed
- Use of management consultants
- Taking action



their accounts checked each year. An audit is simply an examination of an organisation's accounts to see that they are in order. It is usually carried out annually by a qualified accountant who is independent of the organisation. The accountant will not only check the books, comment on the organisation's overall financial standing, but may also make recommendations on how the books should be kept, ie the accounting system and the information recorded. Most audit reports are relatively precise, short and based on generally accepted accounting standards and principles.

What is value for money?

There is as yet no clear understanding of the term value for money. It has been developed and used more extensively in North America where a value for money audit examines the **economy** and **efficiency** of services or program-



mes in implementing policies. Value for money has been described as a 'blend of both conventional auditing and management consulting.

In Britain, the government is committed to 'increase value for money in public spending'. The Audit Commission, set up under the Local Government Act 1982, is

now responsible for appointing council auditors and ensuring that a council "has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The auditor also has to report on matters of 'public interest' which come to her/his attention and 'by examination of the accounts and otherwise' be satisfied about the council's practices, procedures and accounts. The wording is very wide and gives auditors a great deal of discretion. Nor does the Act define the public interest.

Every year each council will receive an 'Authority Profile' which will identify the main value for money issues to be investigated during the audit.

If the auditor is not satisfied with a local authority's 'progress' then under the Commission's Code of Local Government Audit Practice, they can issue a public report. An individual local authority can request the Commission to investigate the authority's cost effectiveness. The commission can also launch studies on the impact of a particular piece of legislation on local councils.

Value for money studies are also being initiated in other ways:

- The Audit Commission is undertaking a series of studies of particular services and costs. It has already covered refuse collection (see Public Service Action No. 10 for a detailed criticism), vehicle fleet management, non-teaching costs in secondary schools, and social services for the elderly. The latter, prepared by accountants/management consultants Arthur Anderson and Co, emphasizes costs and possible savings.
- The DHSS has set up a Social Services Inspectorate to carry out three types of value for money studies:
 - investigations ordered by the Secretary of State for Social Ser-

Other Audits

Different types of audit

There are other forms of audit:

Social Audit: As well as examining the effectiveness and efficiency of services a social audit would cover the wider aspects of policies and services including the hidden costs and values which cannot readily be quantified. For example, a social audit might include an evaluation of the council's employment practices, eg implementation of equal opportunities; the environmental impact of policies; the implications and costs to other public bodies and so on. Newcastle upon Tyne City Council recently carried out a social audit of the impact of government policy on the welfare of the city's residents (Social Audit 1979-84, £2 from Policy Services Unit, Civic Centre, Newcastle upon Tyne NE1). The audit included an assessment of the impact on employment, incomes, and the quality of life. Other local authorities have used social audits to assess the full impact of the closure of large factories.

Policy Audit: Value for money, efficiency and social audits tend to focus on the impact and management of existing policies. A public body may be highly efficient and effective at implementing existing policies but these policies may be inadequate to meet growing and/or changing needs. They may also conflict with the policies and needs of other public bodies. A

policy audit would examine existing policies and policy options. This type of audit is rare.

Jobs Audit: Emphasizes the employment impact of local and/or central government policies and spending or that of other major employers. A jobs audit was recently carried out by a consortium of the Labour Research Department, SCAT and Birmingham TURC for Sheffield City Council (Putting the Rates to Work, 60p from SCAT, 31 Clerkenwell Road, London EC1). This study examined the jobs supported by council spending and the importance of council spending on jobs in the local economy. It also examined the quality of council employment compared to the private sector.

Privatisation Audit: Examines the impact on jobs and services and the local economy when council services are contracted out to private firms. It also includes an audit of the full costs of privatisation on both local and central government. SCAT carried out a detailed privatisation audit of 12 services as part of the joint LRD, SCAT and Birmingham TURC jobs audit in Sheffield (a pamphlet detailing the privatisation audit is available from SCAT, 31 Clerkenwell Close, London EC1). A privatisation audit has also been used to describe the drawing up of a comprehensive list of contractors and agencies already involved in different council services.

ices under statutory powers

- investigations into particular aspects of social services e.g. home helps
- investigations into individual local authority social services departments

Value for money is not confined to local government. The National Audit Act 1983 provides for the Comptroller and Auditor General to review economy, efficiency and effectiveness in central government departments and other public bodies.

● There are increasing signs that the Government may introduce a series of 'Standard Costs' for services. For example, the 'standard cost' for a bed in a residential home should fall between £a and £b and local authorities would be penalised for 'overspending' if they exceeded the higher margin. Computers are already being used to determine 'average cost and charges'. The Local Authorities Management Services and Computer Committee (LAMSAC) computer model of refuse collection was used extensively in the Audit Commission's study of refuse collection costs.

What is effectiveness, efficiency and economy?

The following are brief descriptions of these terms:

Effectiveness: An effective organisation or service is one in which the activities being undertaken actually implement the authority's policies. Effectiveness can only be evaluated if there are clearly stated objectives, standards or performance indicators by which the degree of effectiveness can be measured or judged. Performance indicators or targets could include:

- achieving a certain occupancy level in residential homes
- the number of families assisted
- the average time taken to process applications
- reducing the number of complaints
- bringing new facilities into use by a set date
- achieving set standards e.g. cleaning, nutritional.

A further stage in determining effectiveness would be to examine whether services were effective in meeting social needs i.e. covering the gap between the council's policies and actual needs in the community. Determining effectiveness is difficult, more so in social services and education which are not easily measured or quantified. Effectiveness is not just about numbers, providing so many meals or beds but also about

the quality of the service and the manner in which it is provided.

Efficiency: An efficient organisation or service is one where the activities being undertaken are well managed and the maximum output is obtained from the resources (labour, equipment, money, buildings) made available. Alternatively, it means using the minimum level of resources to achieve a given level of service. It is measured in output per unit e.g. the cost of each meal produced compared to a national average.

Efficiency can be increased by using fewer resources to produce the same amount of output i.e. using fewer staff to produce the same quantity of meals, or using the same number of staff to increase the numbers of meals produced. Efficiency is not quite the

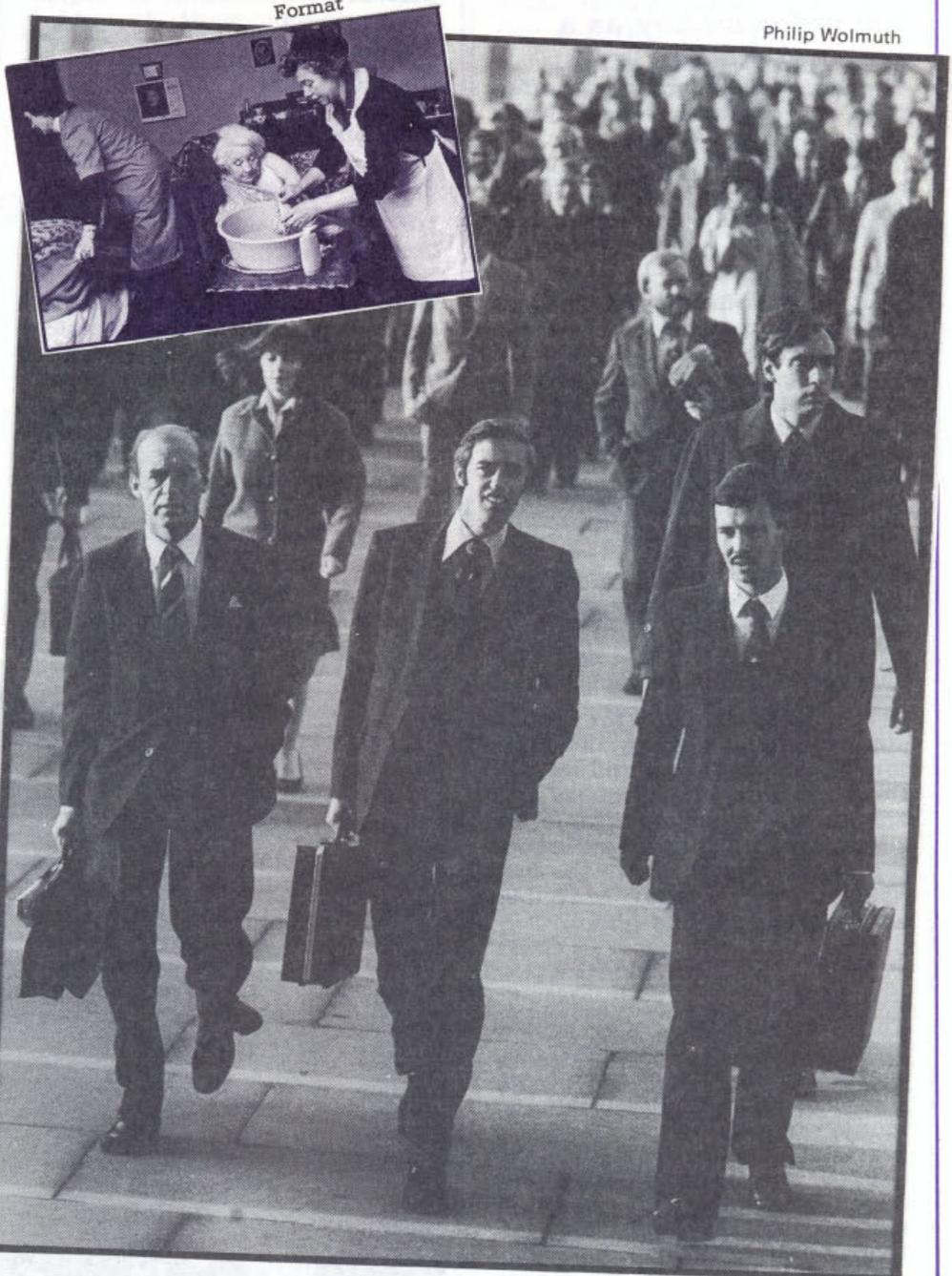
same as productivity. The former is the relationship of actual output and/or input to a performance standard. Productivity is the relationship between the amount of goods or services produced and the amount of resources used i.e. the arithmetical ratio between output and input. It may seem like splitting hairs but these subtle differences will be used by auditors in value for money studies.

Economy: An economic organisation uses resources at minimum cost. The emphasis is on least cost i.e. cutting out 'overstaffing', obtaining the same or similar quality goods cheaper through bulk purchase, and reducing operating costs to the lowest possible level.

So technically, value for money can only be determined by the

Format

Philip Wolmuth



combined analysis of effectiveness, efficiency and economy. Note the order starting with effectiveness in contrast with the Government's use of economy first and effectiveness last.

However, are effectiveness, efficiency and economy all to be treated equally and given the same importance? How do you measure and evaluate the relationship between all three? This is where value for money enters an even bigger black hole - the different combinations in a wide range of local authority services are endless. Not surprisingly, there is little discussion on this subject in books on VFM theory. The whole process is full of political decisions, assumptions and values and it is the height of dishonesty to imply otherwise.

Value for money as a political slogan

The term 'value for money' is often used as a political slogan by the Tories. It is not based on facts, evidence or an audit. It is simply claimed based on a set of assumptions that the private sector is better than the public sector because:

- it is more efficient because it is subject to competition and the marketplace
- private firms are more responsive to change and to customer requirements since they are supposedly better managed, technically more efficient, more innovative and more willing to introduce new ideas, techniques and equipment faster
- the private sector is more concerned with costs because it has stronger financial controls imposed on it and can therefore provide services more cheaply.

This version of value for money simply means getting the least for the cheapest cost and has little to do with effectiveness and efficiency. These predictable assumptions and assertions about the private sector ignore the fundamental advantages of public services.

Value for money cost comparisons

The Government has caused further confusion by announcing that it intends to force all local authorities to carry out value for money comparisons of the cost of providing services by direct labour and by private firms. The Green Paper (Competition in the Provision of Local Authority Services, DOE, February 1985) is very vague on how these value for money

comparisons will operate. However, this version of value for money is simply comparing public and private sector costs i.e. who can carry out the work at the cheapest cost employing the fewest workers and paying them the lowest possible wages. Again effectiveness and efficiency are completely ignored. The Government is proposing to force local authorities to:

- establish the full cost of current services (those specifically mentioned are architectural work, legal services, quantity surveying, management of leisure centres, data processing, printing and car parking although the Secretary of State will have powers to specify any other services to be included.)
- assess the cost of contracting out services
- publish the results of the comparison

The Government may also impose a statutory duty on local authorities to have regard to 'value for money' in carrying out all their functions.

Other uses of value for money:

- to find ways and means of cutting public spending
- to rationalise and reorganise services to make 'savings'
- to obscure reductions in the standard and quality of services
- to hide management's problems by passing the buck onto manual workers by focusing on productivity, bonus schemes etc.

The limitations of current value for money studies

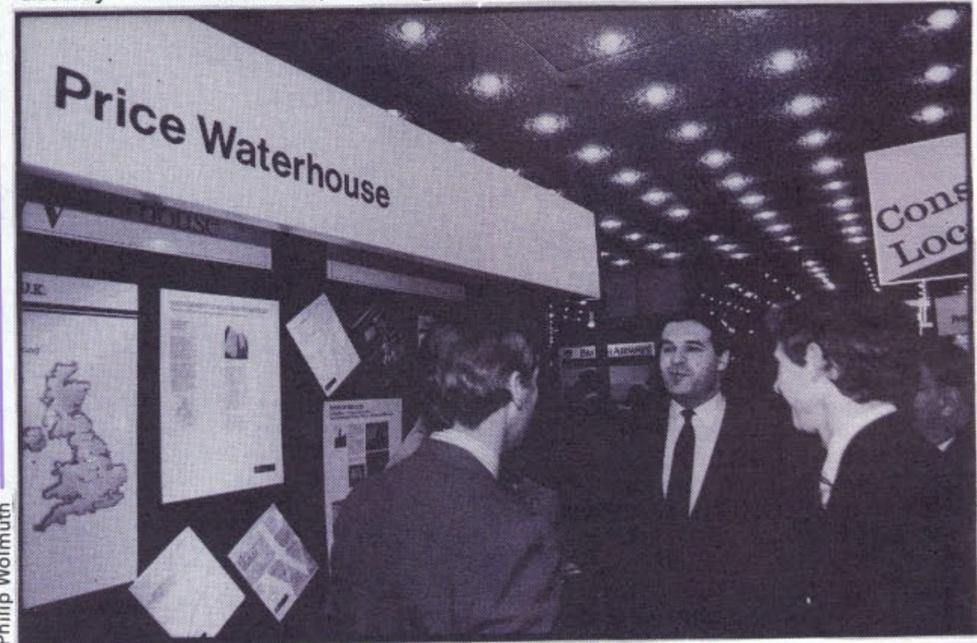
The vast majority of value for money studies are concerned only with economy and efficiency. Money and numbers, manage-

ment and organisation dominate. Accountants and industrialists are by training and experience the least efficient or effective people to carry out investigations into the effectiveness of public services - 'nearly all the recent developments in both firms of audit have been concerned with economic efficiency. This is true of the new role for the Monopolies and Mergers Commission, the Audit Commission and the voluntary code, and it is also true of the new developments in the NHS. There have been no major developments in respect of social concerns'.

(Auditing the Public Sector, Anthony Harrison, Public Money, June 1984).

There are other limitations:

1. Value for money has been developed much more fully in North America but it is in its infancy in Britain. There is yet no clear method of doing value for money work so don't let those involved in these studies or reviews convince you otherwise.
2. Many aspects of 'care' and 'service' cannot be quantified nor can they be readily compared between local authorities because of different policies, different population characteristics, different social needs and so on.
3. Value for money studies cost money and will have to be financed out of existing budgets.
4. The statistics and information needed to arrive at performance standards or indicators are often not readily available so initial value for money audits may be based on less than adequate data.
5. In the current economic and political climate the focus will be on using value for money to make savings and cuts. There is little interest or commitment to improve



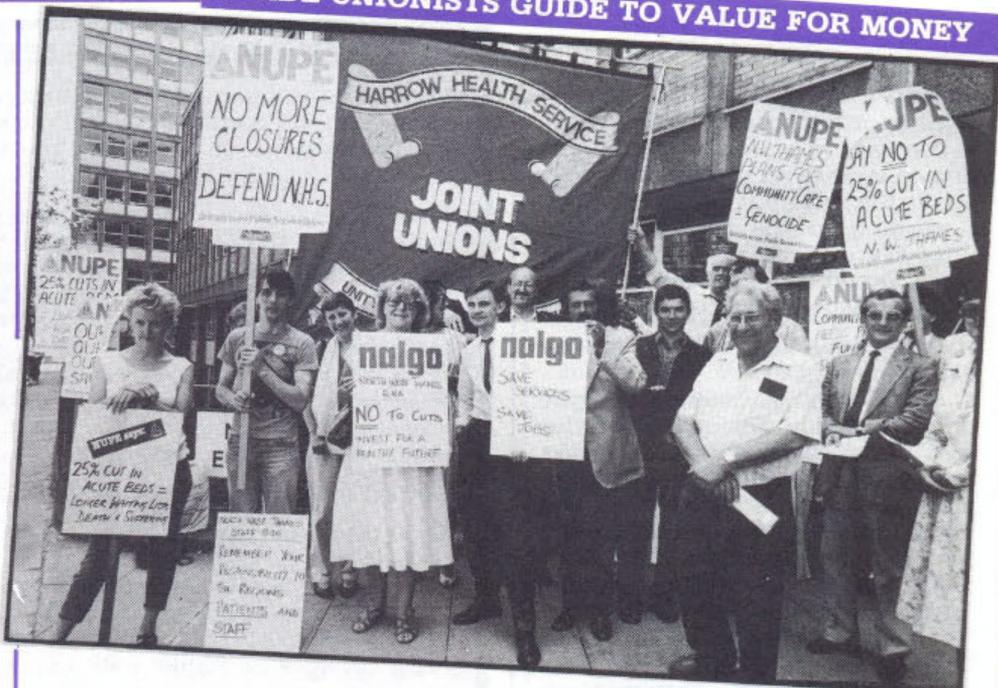
Philip Wolmuth

or expand public services so value for money must be seen as simply another management tool to rationalise or reorganise.

6. Almost anyone can go into a large department, company or bureaucracy and find ways of saving money in one way or another. Be very wary of management and consultants' claims about '£m savings with no effect on the quality of services'. There is a big difference between making recommendations and actual implementation and the effects on jobs and services. The real concern should be to improve effectiveness – see below.

7. value for money audits tend to assume that decision making in local authorities is more straightforward and ordered than it actually is or can be. Local authority decision making (both political and managerial) is complex because of competing needs and conflicting interests resulting sometimes in contradictory policies or their effects. It is complex because it is political.

8. VFM can be used to block at-



tempts to democratise services and to make them more accountable. Involvement of workers and users in decision making will be judged to be increasing costs and the preparation work seen to hinder increased efficiency.

Myth of independence

The Audit Commission and auditors make a big effort to claim independence and neutrality. The Controller of the Audit Commission, John Banham, recently attacked the 'lawlessness' and 'wilful misconduct' of councillors in Liverpool and Lambeth for their stand against rate capping. He defended the impartiality and independence of the auditors stating that it was 'quite simply wrong to claim that the auditors and the Commission that appointed them are Government agents . . . what is at issue is the rule of law, not local democracy, jobs or services'. The auditors were merely seeing that the law was upheld. A new book (*Value for Money Auditing in the Public Sector*, J. Glynn) takes the argument further claiming that 'the auditor is not concerned with policy' but 'with investigating the outcomes of policy and whether such effects correspond with the intentions of the policy. This is an apolitical monitoring function'.

Other auditors have stated that 'Questions of value for money are about political judgement – the judgement of what is value for money. Value for money does not remove political judgement – it may well increase the emphasis on it . . . however, the process of search and value for money is politically neutral, even though what is decided in that process will not be'.

Don't be hoodwinked by these claims. Firstly, the law is not neutral, and deciding whether to implement or defy it is a political decision. Secondly, the Audit Commission was set up by the Tory Government. It is controlled by 15 members drawn mainly from business and industry. Its controller was previously a director of management consultants Mckinsey and Co. The Commission aims to have 30 per cent of local authority auditing carried out by private auditors. Auditing, accountancy and management consultancy is big business. It is dominated by transnational companies and partnerships such as Coopers and Lybrand, Price Waterhouse, Peat Marwick and Mitchell, Arthur Andersen, Delotte Haskins and Sells, and several others. The same firms audit the accounts and work as consultants for the companies with and seeking further local authority, NHS and Government contracts. Thirdly, deciding which services or parts of a service to investigate for value for money, the emphasis of effectiveness, efficiency and/or economy, the criteria used, and the conclusions drawn from these studies are full of value judgements, assumptions and political decisions of one kind or another.

So much for the claims about independence, impartiality or neutrality.

Who undertakes a value for money study?

A value for money study is likely to be carried out by one or a combination of the following:

- a part-time team of councillors and/or officers
- a team of officers selected from within the department to be reviewed
- a team of officers drawn from other departments
- a team from management services, internal audit or other central department
- external management consultants

'It would not normally be necessary to deal with trade union officials directly as part of the review' claims Henry Butt and Bob Palmer in *Value for Money in the Public Sector* – both are authors of the Price Waterhouse Value for Money Auditing Manual.

Local authorities are being pressed to set up permanent Value for Money Units to carry out studies on a regular basis. When you see or hear reports or discussion about:

- performance review committees
- VFM Units
- economy and efficiency studies
- special audits

or similar sounding titles then this means that a value for money study of one type or another is planned or underway – and it is the time to take action (see Action section).

'Nothing is so cheap as efficiency: nothing is so inefficient as cheapness'
Lyttelton Gell, 1900

What is involved?

It is important to understand what is involved in value for money audits or studies as well as knowing about the different types of audit. According to the authors of the Price Waterhouse manual, a study team would be expected to carry out the following initial tasks:

1. Interview key officers in the department.
2. Gain a more detailed insight into the policy objectives for the area under review, ascertain how the success of these policy objectives is measured and how the management measures efficiency (productivity indicators etc).
3. Obtain broad staffing levels, the mix and relationship of staff levels to activity over the past three to four years.
4. Get copies of organisation charts and job descriptions.
5. Ascertain officials' own ideas for improvement. Often these can be worthwhile but may not have found favour with politicians or senior management for a variety of reasons.
6. Carry out more detailed cost and statistical comparisons.

At the end of this brief review a number of promising ideas should have been identified for detailed review. It must be borne in mind however, that the pilot study is concerned primarily with isolating areas for the detailed programme of work.

At the end of the pilot study therefore, it would be possible to draw up firm terms of reference and a work programme for agreement with top management.'

The next stage would cover three types of review:

1. *Input based reviews* – this approach largely consists of statistical analysis and comparisons including the use of performance measurement to evaluate economy and efficiency. The potential areas identified for improvement in this review lead into the more detailed 'systems based' review.
2. *Systems based review* – this covers a review of staffing levels, organisational structure, activity levels and procedures and is designed to uncover the root cause of problems identified in (1) above.
3. *Output based review* – a review of policy objectives, the activities required to achieve the objectives and the use of performance measures to assess the effectiveness of policies.

The first two types of review therefore are concerned primarily with the questions 'can the cost

THE USE OF MANAGEMENT CONSULTANTS

The role of management consultants in local government has been escalating in recent years. Some consulting firms have set up 'public sector divisions' to deal with the work. Local authorities often use consultants when they want:

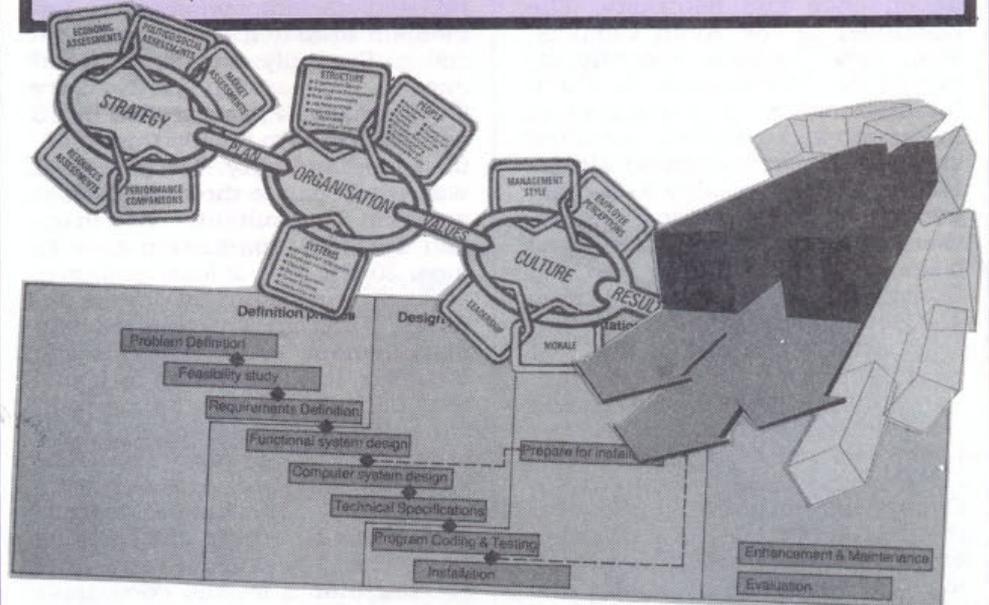
- to propose cuts, privatisation or other decisions which the council feels unable to propose or to 'sell' to the workforce and the public
- to rubber stamp and give respectability to judgements and decisions already made by councillors and/or management
- to add 'independence' and 'research' to back up the council's own evidence and policies
- to overcome internal managerial conflicts
- to actually manage part of a service e.g. some local authorities employ consultants to run their building works department or manage leisure centres.

But consultants may also be used for positive reasons:

- to draw on experience and skills not available within the council's own staff
- to assist in the implementation of new systems, equipment etc, which has been developed in the private sector
- to work with the workforce and local authority trade unions on jobs, services and links with users.

In addition to value for money studies management consultants are often used for the following:

- job evaluation
- evaluation of bonus schemes
- developing computer systems
- developing financial controls and information systems
- staffing and organisation and methods (O and M)
- companies in America and Canada including British firms like Pritchard Services Group, hire union-busting consultants and law firms to try to prevent trade union organising (see Fines, Failures and Illegal Practices in North America, Private Health Care Dossier, NUPE/SCAT 1985).



be reduced for the same output?' and 'can greater output be achieved for the same cost?'. The output based review relates to performance in achieving policy goals or objectives and, to a large extent, the ability to do this depends upon the clarity with which these objectives are stated.

The techniques used to do this work would include:

1. *Examining existing records* – e.g. management accounts and budgets, returns and work files.
2. *Written questionnaires* – the

use of questionnaires as "aide-mémoires" for experienced investigators is encouraged. These are particularly useful for "across the board" studies such as vehicle utilisation.

3. *Interviews and informal discussion* – with politicians, manageable and staff in the areas under review.

4. *Direct observation* – or where appropriate, by such techniques as activity sampling (i.e. measuring and comparing the output and productivity of selected staff or units).'

Exploding the myths

Firstly, the labour movement must not ignore or reject the concept of effectiveness, efficiency and economy of public services. As trade unionists, workers, users, taxpayers, and ratepayers.

- we don't want waste or bad management in public services
- we want the most effective use of resources like money, staff skills and experience, buildings, equipment
- we want to channel resources to improve and expand public services
- we want to improve the manner in which services are delivered and create greater job satisfaction for those providing the service.
- we should introduce a fourth element – **equity**, to judge the distribution of resources between and within services relative to needs. This is important in services like education where the spread of resources between areas may be unequal.

In short we want real value for money – the most effective, efficient and economical use of resources in the widest sense of the word. But the real acid test is applying these criteria to the private sector.

Secondly, some parts of value for money are common sense once the jargon and technocratic language is peeled away. It does not take highly paid accountants or management consultants to expose faults, problems and to suggest alternatives. Public service workers already know how to improve effectiveness and efficiency **and** improve services and jobs (see section 1 of the strategy).

Another top-down approach is not needed. Instead, public services need to be restructured to harness the skills and experience of those who provide and use the services – not drawing on ideas and proposals on the cheap but as part of arrangements for greater worker/user control, improvements to services, and increased job satisfaction. Other parts of value for money, particularly efficiency and productivity, are part of the fundamental conflict between employers/employee and the state/trade union which no value for money study will 'resolve'. In large organisations/departments providing often complex services there is a need to constantly monitor activities and to keep bureaucracy and red tape down to a minimum.

Thirdly, we *do* need to establish standards or performance indicators on the quality of services so that effectiveness can be deter-

mined. This should cover the management of services as well as their provision at the point of service. Comprehensive and publicly known standards should form the base line to campaign for improvements and will make it more difficult for management to implement 'hidden' cuts in jobs and services. Performance standards should cover not just how well a service is provided but also a large degree to which the service meets the overall social needs of the area.

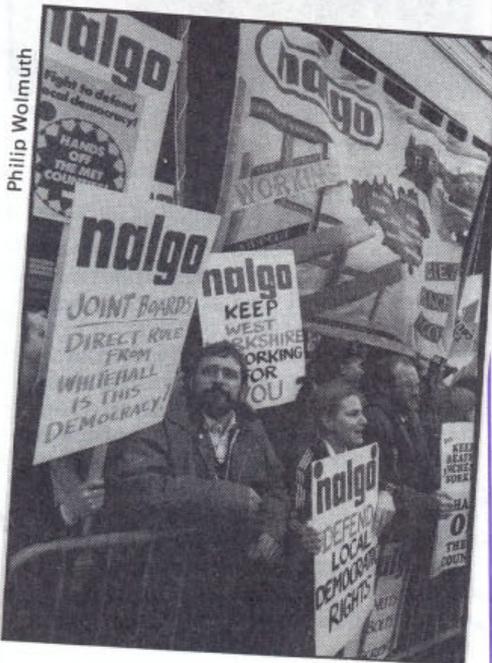
Fourthly, fundamental improvements in value for money will not be achieved until there is proper training of managers and supervisors in **public service management** the present trend to employ industrialists in senior management positions has to be reversed and an extensive education and training programme developed based not on business practice but on the best of public service practice.

Lastly, the key point about value

for money is who defines it, who decides the priority or weighting between effectiveness, efficiency and economy, who controls the work, who decides the aims of the study, and who carries out the investigation. The real purpose of value for money can be revealed by manual workers demanding that they control a VFM study of the effectiveness, efficiency and economy of management in their department.

Auditors, industrialists and consultants are trying to impose on the public sector models and methods of organisation used in the private sector. The latter can provide some lessons and experience but the provision of public services often requires complex organisation and has different decision making procedures. In fact, fully effective public services can only be achieved by emphasizing and maintaining the distinctive difference between public and private sectors.

TAKING ACTION



The following action should be taken irrespective of whether the value for money study is being done in-house or by consultants:

- **Immediately you see or hear about officers or consultants carrying out new or special studies/reviews or you are asked information about how you carry out your work, contact your shop steward and branch officials.**
- **Refuse to cooperate until you know:**
 - * terms of reference and aims of the study
 - * the timetable
 - * who will carry out the work

- * who will supervise the work
- * the working methods to be used
- * what the final product will be e.g. interim and final reports and whether these are public or confidential.

Then decide what action to take.

- **Try to negotiate the following trade union rights:**
 - * access to information and evidence produced throughout the study
 - * access to those carrying out the work
 - * representation on the working party or review committee supervising the work
 - * time and facilities for trade union education or training courses requiring in connection with the study
 - * access to draft interim and final reports
 - * the right to use counter expertise from union head office or from organisations like SCAT, LRD, local resource centres etc.

You will then have to decide a course of action depending upon the response to these demands and your analysis of the local political situation. Consider carefully all the advantages and disadvantages of cooperation and non-cooperation. Also remember the following:

- * officers and consultants will use jargon and technical language to maintain power and to confuse
- * don't allow trade union reps to get sucked in as another group of

'experts' and thus legitimise the study when it may not be in the member's or union's interests. Make sure that trade union's reps regularly report back.

* be very wary about agreeing to any aspects of confidentiality because this will hinder reporting back and your use of the information obtained in the study.

● **Always demand to know the qualifications and experience of consultants** and where they have carried out similar work. Contact union branch secretaries in these councils to find out how the consultants operated, their recommendations, and so on.

● **Demand that the council sets up its own in-house Value for Money Unit** with full trade union representation on a steering committee.

● **Consultants should be treated like any other contractor** - see section 7 Counter Offensive Against Contractors for full details of action to take on contract conditions, tendering, cost comparisons. See also a useful pamphlet *Management Consultants - Friends or Enemies*, TGWU Education Research Booklet No. 1, price 40p from Transport House, Smith Square, London SW1P 3JB.

● **Try to get an agreement with the council not to use consultants except in specific agreed circumstances.** LRD Bargaining Report, December 1984 is a special issue on management consultants and has a useful text of an agreement between NALGO and Telford Development Corporation covering the use of consultants.

● **If councillors and/or management refuse to negotiate the terms of the study or plan to use consultants, then you should consider taking the following union action:**

- * refuse to cooperate, talk with or supply any information to those carrying out the study. So,
 - do not communicate in any way with the consultants/officers
 - do not handle any correspondence to or from consultants/officers
 - do not take part in any meetings involving consultants/officers
 - do not collate or process information of any sort if you think it is for use by consultants/officers in the study/review
 - do not organise meetings involving consultants/officers relating to the review
- * taking selective or wider strike

There are many other ideas for action in the seven point strategy section. Please read all seven sections for further ideas on how to combat value for money studies and the use of consultants. It is vital to coordinate this section with organising and action on other related issues. Remember, value for money studies are just the means to an end.

Philip Wolimouth



action to coincide with the start of the study or whenever officers or consultants attempt to enter your place of work

* contact user organisations like tenants' associations, pensioner groups, women's organisations, trades council and so on to mount a picket to prevent officers or consultants entering your workplace. A two week picket of tenants combined with NALGO action prevented Grand Metropolitan officials gaining access to the Roehampton District Housing Office after the firm had agreed to do a feasibility study into privatising housing management in Wandsworth. Following a picket of Grandmet's head office the firm abandoned the study.

● **Prepare leaflets for workers and users explaining what the study is about, why you are opposing it, your own proposals and plans for action.**

● **If the study is being done in-house contact NALGO branch**

Don't fill in questionnaires

Instruct all members not to fill in any questionnaires about their job, work practices, acceptability of changes etc, without first seeking approval from branch officials and senior stewards.

officials to discuss their response, and the potential for joint action.

● **Consider preparing and publicising your own counter report** to coincide with the council's study. This could draw on your knowledge of the work, ideas for improvements, changes in the way the service operates, and point out management's problems and failures.

● **Consider responding in detail to the officers or consultants interim and/or final reports** - but there are obviously risks in waiting until then. NALGO produced its own page-by-page criticism of consultants Price Waterhouse's review of the Social Services Department in Birmingham (see *Cashing in on Care*, NUPE/SCAT p.23/24).

● **Use the idea of value for money in those sections which are already operated by contractors and agencies.** Demand that the council fully test the effectiveness, efficiency and economy of the contractor's and agency's work. Alternatively, draw up a short checklist of some basic points relating to effectiveness, efficiency and economy and publicise the contractor's failures and shortcomings. This could be done in conjunction with the Monitoring Sheets.

Value for money handbook

The Chartered Institute of Public Finance and Accountancy (CIPFA) to which local government finance officers and treasurers belong, has published a series of volumes in its *Local Government Value for Money Handbook*. These form the main reference work which officers will use in planning and undertaking audits and studies. The handbook includes 240 case studies of value for money audits, details of consultants, reading lists and so on. They cost a mere £22-£40 each. CIPFA also publish a wide range of statistical information on local government services (CIPFA, 3 Robert Street, London WC2N 6BH. Tel: 01-930 3456).

The Local Authorities Management Services and Computer Committee (LAMSAC, Vincent House, Vincent Square, London SW1P 2NB. Tel: 01-828 2333) also produces publications in its *Value for Money Studies in Local Government*.

Both organisations work closely with the Audit Commission and the Society of Local Authority Chief Executives (SOLACE).