

B/P with PM
response AT 6/2

C/AW



2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

5 February 1985

Dear Nigel,

COMPETITION IN THE PROVISION OF LOCAL AUTHORITY SERVICES

We agreed at E(A) on 16 October last (E(A)84.24 Meeting) that I would prepare and issue a consultation paper outlining our proposals to extend competition in the provision of local authority services with a view to legislation as soon as possible.

The enclosed draft has been prepared in close consultation with other interested departments. In general it follows the line we agreed at E(A) but there are three points to which I should draw attention. On the possible inclusion of buses provided for education services, officials in DES and DTP have considered this but have concluded, I understand, that this would not be appropriate given:

- a. The wider legislative proposals on buses generally; and
- b. That with the single exception of the ILEA no authority operates school bus fleets on any scale

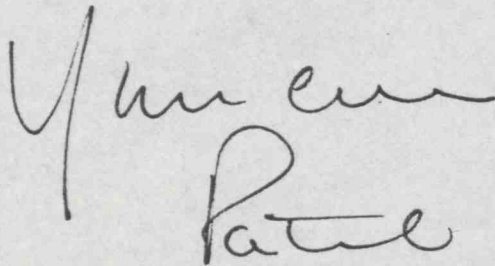
and are so recommending to Ministers. I see no reason to disagree with that conclusion and the paper is therefore silent on this question.

The second point is that of the imposition of a specific value for money duty on local authorities. The issues here are first whether such a duty would be effective and second how it would relate to the much wider common law fiduciary duty on local authorities. These issues have not yet been resolved but I know that Treasury officials in particular are very keen to see the possibility of such duty at least canvassed in the paper. Paragraph 8 of the paper reflects this.

Finally, manpower implications. For local authorities there will, of course, be some additional requirements, particularly in setting up the new arrangements but these should be easily offset by the longer term savings from increased competition. For central government our experience of existing DLO legislation is that any additional requirement would be small and would generally fall on my Department. The one major area which will fall elsewhere is, of course, school meals and you will have seen Keith Joseph's letter to me of 29 January.

If we are to meet our timetable for the preparation of legislation and still allow reasonable time for the consultation process we need to issue the paper as quickly as possible. My aim is to arrange for publication as early as possible next week and I would be grateful if any comments could therefore reach me by close of play on Friday 8 February if at all possible.

Copies of this letter and the draft paper go to the Prime Minister, members of E(A) and to Norman Fowler and Keith Joseph and to Sir Robert Armstrong.

A handwritten signature in cursive script, appearing to read 'Patrick Jenkin'. The signature is written in dark ink on a light-colored paper.

PATRICK JENKIN

COMPETITION IN THE PROVISION OF LOCAL AUTHORITY SERVICES

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COMPETITION IN THE PROVISION OF LOCAL AUTHORITY SERVICES

DRAFT CONSULTATION PAPER

PART I - INTRODUCTION

1. Growing public criticism of the performance and efficiency of local authority direct labour forces engaged in construction and maintenance work during the 1970's led the Government to take powers in the Local Government Planning and Land Act 1980 to require local authority direct labour organisations (DLOs) to compete with the private sector for the majority of their construction and maintenance work. The Act also requires the preparation of separate annual accounts showing the results of the DLO's performance. Directions made under the Act require authorities to earn a 5% rate of return on capital employed on such work, calculated on a current cost accounting basis.
2. Many critics foresaw major technical and management problems in the operation of such legislation, notably the difficulties entailed in creating a sound basis for competitive tendering for very large numbers of minor maintenance jobs. There have indeed been some teething problems but in general the Act's objectives have been successfully achieved. Thanks to a great deal of hard work in the great majority of local authorities schedules of rates have been created or improved, ordering and costing systems have been drastically revised and lines of command have been clarified and rationalized. Outmoded bonus payment schemes have been brought up to date and uncompetitive practices have been exposed and abandoned. Moreover, authorities have been able to identify those areas of activity where DLO costs were clearly uncompetitive and private sector firms have been given increased opportunity to undertake local authority work.
3. The driving force underlying this change and the benefits which have been secured has been the stimulus of free competition with the private sector.

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The case for further action

4. At a time when it remains of paramount importance to restrain public expenditure local authorities' resources must be used so as to secure the maximum possible value for money. With this end in view it is the Government's declared and continuing intention to promote the extension of free competition in the provision of local authority services.

5. While it is acknowledged that local authorities customarily obtain some services through the normal contracting process there are also substantial areas of activity which are traditionally performed by in-house employees. Following the DLO legislation some local authorities have made savings by exposing other services to competition. In some cases further contracts have been let to the private sector. But far too many authorities appear to have been unwilling to open services to competition particularly where traditions of in-house provision remain strong. Nor have all who have invited tenders, whether under the existing DLO legislation or for other services, necessarily done so with a real intention of abiding by the result.

6. The Government has therefore concluded that further action is now needed. It is proposed to introduce further legislation to secure the extension of the principles of competitive tendering to a wider range of local authority services and activities. Paragraphs 10 to 29 below deal with some of the general issues which arise and the identification of suitable activities. Part III of the paper discusses the application of a compulsory tendering regime to a number of specific activities.

7. Whilst the extension of compulsory tendering in this way will go some way towards the general objective set out in Paragraph 4 above the Government believes that additional measures need to be taken in order to promote a wider acceptance of the principles of competition across the whole range of local authority activities. It is therefore proposed that the legislation should also place authorities under a duty to establish and expose to the ratepayer, the potential contractor and the public at large the

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comparative costs of in-house and out-house provision of designated activities or services. This proposal is discussed in Part IV below.

8. Although it has been established in the English courts that authorities already owe a common law fiduciary duty to their ratepayers and to the recipients of their services, the view has been expressed that in order better to promote the efficient, effective and economical carrying out of all functions local authorities should be subject to an explicit statutory duty to have regard to value for money in relation to the exercise of all their functions. This would complement the existing statutory duty placed on auditors by Section 15(1)(c) of the Local Government Finance Act, 1982. In Scotland the statutory provisions are different but local authorities are also expected to exercise their functions with due regard to value for money and the same general considerations apply. The Government would welcome views on this proposal.

9. For the purposes of these proposals 'local authorities' includes, in England and Wales, county and district councils, London boroughs, the Council of the City of London and the Council of the Isles of Scilly. In Scotland it includes regional, islands and district councils. The joint police and fire authorities and the new inner London education authority proposed in the Local Government Bill would also be included. Further consideration will be given to the question of applying the proposed duties to development bodies as defined in the 1980 Act. While recognising that they carry out a limited range of relevant functions compared with local authorities, the Government's present view is that there is no reason in principle to exclude such bodies. It is not proposed to bring parish and other local councils within the scope of the legislation.

PART II - EXTENSION OF COMPETITIVE TENDERING

10. The general principles of Part III of the Local Government Planning and Land Act 1980 ("the DLO legislation") are now well established and well understood. The Government therefore proposes to take these general principles as the basis for the extension of compulsory competitive tendering. Summarized briefly, this approach would:

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a. give to the Secretary of State power to specify particular types of work which could be carried out by directly employed local authority manpower only if that work had been successfully competed for against outside contractors. This would require the "in-house" organisation to submit detailed tenders, on exactly the same basis as outside competitors, and to be subject to the normal requirements of standing orders in relation to such tenders once submitted. The proposal would not affect work which is already contracted out.

b. require authorities who use directly employed labour to carry out any such work to account separately for it. The effect would be to place the internal organisation at full arm's length in accounting terms from the parent authority. The only income payable to the special account would be the tender price quoted and thus 'charged' to the client authority. The expenditure side would reflect actual costs incurred in the execution of the 'contract'. It should be emphasized that the way in which the authority chooses to finance the cost of such work will not in any way be affected by, nor will it affect, this accounting requirement.

c. give the Secretary of State the power to lay down financial targets in relation to each category of work.

d. require the preparation and publication of annual reports and accounts for each category of work.

Which type of work or activity?

11. The range of work and activities carried out by local authorities which could be performed by the private sector is extremely wide. In other countries, for example the United States and West Germany, contracting out of work to the private sector is widespread and examples can be found across virtually the whole of local government activity. In this country the tradition of provision of services by directly employed staff is more deep rooted; though many authorities have long made use of

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private sector resources to provide specialist services or to reinforce in-house manpower. More recently there has been some wider use of the private sector particularly for refuse collection and cleaning services.

12. The particular discipline of a compulsory tendering regime on DLO lines is not appropriate for all activities which could be contracted out to the private sector. The proposals in this paper should not, therefore, be taken as limiting, in any way, the Government's wish to encourage the widest possible application of the principle of competition. The Government recognises that the imposition of compulsory tendering will have significant implications for both local authorities and for the private sector, and that care is needed to ensure that change proceeds at a pace which both sides can handle without detriment to the provision of services to the community.

13. Bearing these considerations in mind, the Government has concluded that the following areas of activity appear to be the most suitable for compulsory tendering and separate accounting on the lines of the 1980 Act provisions.

Refuse collection/street cleansing
Cleaning of buildings
Vehicle maintenance
Ground maintenance
School meals

Fair competition

14. It is of the essence of the Government's policy that competition between local authority direct employees and outside contractors should be fair. There should be no built in bias in favour of either side. This means, in effect, treating the "in-house" team as nearly as possible as just another contractor competing for the job in question.

15. Experience of the present DLO legislation has revealed a need for action against two related categories of behaviour which

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have the effect of either frustrating or negating the intentions of the legislation. The first involves the imposition of conditions which have nothing to do with the contractor's ability to perform the work which is the subject of the contract. The second category covers a number of anti-competitive actions: Work has been so arranged that no outside competitor can realistically tender for it; DLOs have been allowed to adjust tender prices in the light of outside bids received; in some cases DLOs have simply been given work without regard to outside tender prices. The result is not simply that realisable savings have not been achieved; such actions undermine the basic concept of fair competition and create justified disillusionment amongst tenderers who in good faith have spent time, money, and effort tendering for work which they had in practice no chance of winning.

16. The Government therefore proposes to include in legislation provision the effect of which would

a. in relation to any local authority contract or invitation to tender for the supply of goods or services declare void any term or condition which is not directly related to the required performance by the contractor, his sub-contractors, or suppliers, in respect of the quality, timing or cost of the specified goods or services. This would not, of course, affect the contractor's duty to comply with any statutory requirements, eg. on health and safety.

b. in relation to activities which are subject to statutory competition requirements enable the Secretary of State to take action against authorities which, in his view, unreasonably either set aside or negate the results of competition or act in such a way as is intended or likely to limit competition. This provision would apply both to activities covered by the existing DLO legislation and to the new proposals contained in this paper.

17. In further pursuance of the general aim set out in Para 14 above the DLO legislation includes a requirement that the DLO

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shall achieve a specified rate of return (currently 5%) on capital in relation to each designated area of activity. Such a rate of return requirement is clearly relevant to activities which employ significant amounts of capital, but where an activity is essentially labour intensive, such as most DLO work, rates of return on capital can vary widely. This has led to representations that under the existing DLO regime an alternative target should be set, for example a rate of return on turnover. Nevertheless, the Government's present view is that the existing provision has adequately achieved the objective of putting DLOs as closely as possible on the same footing as outside contractors in requiring the costs of capital to be covered. It also has the undoubted advantage of simplicity. The present intention, therefore, would be to set a similar rate of return requirement for the activities covered by the present proposals. The Government would, however, welcome further views on this point.

Powers of the Secretary of State

18. Under the DLO legislation the Secretary of State has clear powers to call for information from authorities, but his powers to take other action are limited to the provision in section 17 of the 1980 Act to direct that a local authority shall cease to use directly employed staff to undertake the particular description of work in question, with or without limitation of time and subject to such conditions as may be specified. Where an authority consistently fails to achieve the required financial targets this remains an appropriate sanction but more flexible powers are, in the Government's view, required in the context of the sort of anti-competitive actions referred to in Paragraph 15 above.

19. The Government therefore proposes that where work which is subject to compulsory competition has been awarded to directly employed staff and the Secretary of State is of the view that this has been done in a way which unreasonably limited or negated the results of such competition he shall have power to direct the authority to reissue invitations to tender for that work on such conditions and within such time as may be specified; and that in

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such circumstances he may also require that a DLO shall not, without his consent, be awarded the work in question unless it is the lowest tenderer. It is not the intention that the Secretary of State should monitor each and every tendering exercise; the objective is to provide power to take action, where necessary, on cases which are brought to his attention. It is, however, recognised that the lowest tender may not always offer the best value for money and the Secretary of State would have regard to this in considering such cases.

20. Where, in the view of the Secretary of State, a local authority consistently acts in such a way as to negate or set aside competition, eg. by repeated unjustified rejections of lowest tenders or repeated imposition of unreasonable requirements on contractors, it is proposed that he shall have power to direct that the authority cease to undertake work of the description specified. As with the present powers available under Section 17 of the 1980 Act, it is proposed that such a direction should operate for such period and on such conditions as the Secretary of State may determine.

The process of implementation

21. When the present DLO legislation was introduced, the essentially project related nature of the work and the existence of large numbers of building and construction firms of varying sizes made a phased process of introduction relatively simple. The process was based upon two variables, first, size of job and second, percentage of work subject to competition. Using these two variables it has been possible to increase progressively the volume of work subject to competition.

22. The extension of compulsory competition to 'service' activities such as is now envisaged may require a different approach. In relation to some types of work there is a less widespread and well established private sector capacity; experience of contracting out by local authorities is less; work will not normally be on a job-by-job basis. It is the Government's firm intention to extend the proposed compulsory

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competition regime to all authorities as soon as practicable but some form of phased introduction of the competition requirement may be necessary. The following options might be considered:

i. a 'percentage' approach, under which each authority would be required to submit a specified percentage of the relevant work to outside competition; such percentages being variable by direction of the Secretary of State;

ii. a 'total expenditure' based approach, under which competition requirements could be introduced progressively according to the size of authorities' expenditure on the activity concerned.

23. There is no single and self-evident best approach, and indeed the answer may vary from activity to activity. The Government would particularly welcome views on this issue.

Competition free allowances/exemption from competition

24. In one sense this is the opposite side of the same coin, but there are more specific questions to be addressed, namely whether there should be, in relation to all or any of the specified activities:

a. any total de minimis exemption on the lines of that which applies to very small DLOs;

b. any aggregate value of work or other measure which an authority should be able to carry out in-house without recourse to competition (This would not exclude such work from the separate accounting requirements referred to in Para 10).

25. Taking the 'de minimis' exemption first, acceptance of this

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principle does not imply that there will be no scope for competition in such cases, nor that the Government wishes in any way to discourage such competition. The question is simply whether, in cases where the level of the activity is very small, it is appropriate to impose the full statutory accounting and reporting requirements. It is unlikely, however, that the same measure will be appropriate for each activity. In the case of the DLO legislation exemption is given for authorities employing less than 30 people; but a 30 man workforce employed on refuse collection would represent a very significant volume of work.

26. The two most obvious criteria against which to set a 'de minimis' exemption in relation to a particular activity are total expenditure and total manpower. The Government would welcome views on the application of these criteria to each of the activities referred to in Paragraph 13 and, more particularly, on levels which would be appropriate for 'de minimis' exemption purposes.

27. A similarly differential approach seems appropriate to consideration of whether an authority should, notwithstanding that a particular activity is generally subject to competition, be entitled to carry out some specified amount of work without competition. There will certainly need to be provision enabling authorities to handle work arising in an emergency: Part III of this paper discusses other specific exclusions which may be necessary in respect of individual activities.

Contract periods

28. Whilst it will generally be for local authorities to decide the period of time for which any particular contract shall run, it is in the Government's view desirable that the market should be retested at reasonable intervals in order to ensure that the best value for money is obtained. The ideal frequency of retendering is likely to vary according to the nature of the activity and, in particular, the extent to which it requires significant capital investment. But it appears unlikely that a contract period of more than 5 years could be justified. At the

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other end of the scale a minimum contract period of 1 year would seem reasonable for labour intensive activities. This issue is discussed in relation to individual activities in Part III.

PART III - INDIVIDUAL ACTIVITIES

Refuse collection and street cleansing

29. These activities present no fundamental problems of definition, nor is the feasibility of letting successful contracts in doubt. Some two dozen contracts are currently running. The Government proposes to subject all of such work to competition in all refuse collection authorities unless there is evidence that some carry out the activities on too small a scale for the statutory requirements to be worth applying. There seems to be no convincing case for allowing the retention of any part of such work without competition. Most of the existing contracts cover the whole of authorities' areas, and this does not appear to have led to any problems.

30. It might be impracticable to oblige every authority to go to tender immediately. The Government is willing to consider representations on the most appropriate period over which to phase in the proposed duty in order to avoid saturating the private sector with a large number of tender invitations in a very short period. In the Government's view it should, however, be possible to complete the phasing within at most three years from the date of commencement.

31. Most existing refuse collection contracts run for a five-year period. Given the heavy capital costs of refuse collection vehicles this seems a case where the proposed maximum period of five years might apply. At the other end of the scale provision will need to be made for the letting of job related contracts to cover 'one off' situations, eg. pop festivals and similar occasions, but generally it would seem that in relation

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to this particular activity a minimum contract period of 2 or perhaps 3 years would be appropriate. Views on this issue will be welcome.

Cleaning of buildings

32. In this context "cleaning" is intended to refer principally to day-to-day internal cleaning of buildings but views are invited as to whether the provision should extend also to window cleaning (both internal and external).

33. In general the provision will be directed at the exposure to competition of routine cleaning work carried out by staff who are wholly or mainly employed in such work, whether on a full or part-time basis. Cleaning work carried out by residential workers as part of estate management policy or as an incidental part of more general duties, eg. by a caretaker in a school or on a housing estate, by home helps, or by supervisory staff in childrens' homes could be excluded from the competition requirements. Because of the overlap with domestic activities carried out by residents as part of general therapy, exemption is also proposed for the cleaning of residential homes and day centres operated by Social Services or Social Work Departments.

34. Whilst it would in theory be possible to cover these various exclusions by specific exemption there are obvious difficulties in ensuring that all relevant circumstances are identified and covered. It may also prove difficult to find appropriate generic descriptions which will be sufficiently wide to cover all justified exemptions without at the same time inadvertently excluding other areas. It is therefore for consideration whether some appropriate level of competition-free allowance should be given, sufficient to cover the likely totality of justifiable exclusions. The Government would welcome views on this and, more specifically, on the appropriate level, expressed in either percentage or total cost terms, which would be appropriate.

35. One particular issue which needs to be addressed is whether any types of building should be excluded on security or similar

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grounds. The Government's present view is that there should be few if any such exclusions. The physical security of establishments for example must rely on more robust measures than trustworthy cleaners. Consideration will, however, be given to any proposals for specific exclusion.

36. Cleaning is essentially a labour-intensive activity and even when carried out using modern equipment capital costs are understood to be low in relation to labour costs. They are normally written off over a period of no more than two years. Whilst contract periods should not be shorter than one year it may therefore be appropriate to set a maximum contract period of, say, two or three years. Here again there may be a need for some phasing in of the competition requirements; views on this would be welcome.

Ground maintenance

37. This is a more diverse area of activity and consequently more difficult to define. The intention will be to include the manual tasks (whether unskilled or otherwise) involved in the keeping in good order of unpaved open spaces, highway verges, etc. This would include everything from school playing fields to municipal parks and gardens as well as landscaped areas around offices and housing estates.

38. The Government's preliminary view is that the work should be defined as including not only the more obvious activities such as grass cutting and weeding but also the maintenance of cricket pitches, tennis courts, etc., hedging and ditching, fencing, pitch marking, tree surgery and any other similar tasks associated with open spaces.

39. The private sector's capacity to undertake work of this kind on the required scale may in some areas be limited. Moreover, as far as is known, there has so far been relatively little experience of letting major contracts in this area. In order to allow both authorities and would be contractors adequate time to prepare themselves and to assess the extent of any problems which

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may arise, therefore, it may be necessary to introduce a statutory duty on a relatively small scale experimental basis in the first year. Experience thus gained would then form the basis for the progressive development of wider competition requirements, the determination of competition-free allowances, etc. The de minimis issue may be particularly relevant here and information from potential contractors on capacity, and from local authorities on the issue of a de minimis exemption is particularly invited.

Vehicle maintenance

40. The recent Audit Commission report made it clear that there is a great deal of room for increased efficiency in the way in which vehicle fleet maintenance is organised and managed, and there clearly is a very widely distributed private sector presence in this area of work. Competition should therefore be both feasible and fruitful.

41. It may be particularly necessary to structure tender invitations in order to maximise the potential benefits of competition. Private sector firms may tend to specialise in the maintenance of either light general purpose vehicles, or heavy vehicles, or specialised vehicles, but not all three at once. Tender invitations will need to reflect the availability of local competition.

42. Subject to representations, the Government does not propose to exclude from competition any particular category of vehicle user. Special considerations arise in the case of emergency services vehicles (eg. police cars and fire appliances). For example, many such vehicles carry radios whose security must not be compromised. Urgent work may need to be carried out at short notice, and it may also be necessary to require particularly high standards of workmanship, availability, and security of contractors' premises. Nevertheless, whenever possible, the private sector should be given the opportunity to tender on whatever basis is operationally necessary.

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43. There is no obvious case for any general competition-free allowance (as opposed to any that may be argued for specific types of maintenance work). The Government would envisage minimum and maximum contract periods perhaps of three years and five years respectively, given the substantial amount of equipment and premises required to perform such work. There may be a case for a relatively limited introduction of compulsory competition in the first instance in order, again, to allow authorities time to prepare tender invitations in an area which is fairly complex and where existing private sector involvement in local authority work appears to be relatively small compared with the potential scale now envisaged.

School meals service

44. Although there are other catering services which might benefit from exposure to competition, the greatest scope for savings is clearly in the school meals service, simply by virtue of its size. A number of initiatives have already been taken by local authorities in this field. The Government therefore proposes to introduce compulsory competition for school catering first.

45. As regards the scope of the term "school catering", the Government propose that it should be regarded as comprising

- i. the preparation, whether on the school premises or at central kitchens or in other facilities, of meals for consumption at midday and other times by children at school;
- ii. the delivery from central kitchens, and the serving, of such meals;
- iii. the setting up and clearing away of areas used for such meals;
- iv. the purchase and delivery of equipment and consumables and the disposal of waste in connection with such meals.

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The supervision of children is not included, and the powers and duties of authorities, eg. in relation to the provision of free meals, would be unaffected.

46. It is again likely that the very limited private sector involvement in this activity so far will require gradual implementation of compulsory competition.

47. It is not clear whether there is a valid case for exclusion of, say, small and/or remote schools. The school meals service has to provide meals under such circumstances and in principle private catering companies ought to be equally capable of doing so, though they may prefer to do so by methods different from those currently used. It will be for contractors to decide whether they wish to tender for any particular contract but authorities will be expected to structure their invitations to tender in such a way as to facilitate effective competition.

48. The problem of VAT being chargeable where meals are provided by private companies is recognised. This is clearly not an overwhelming obstacle to contracting out since liability is dependent on the method of charging used, and ways which avoid direct cash transactions between pupils and caterers, thus avoiding the VAT problem, can clearly be found. Customs and Excise have agreed a special procedure which is in operation for those authorities which have already contracted out this service.

49. Contract maximum and minimum periods should probably be similar to those for vehicle maintenance. No general competition-free allowance seems to be called for.

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PART IV

REQUIREMENT TO UNDERTAKE VALUE FOR MONEY COMPARISONS

50. In aggregate the activities for which compulsory competition is proposed or already exists account for very significant amounts of expenditure, and the scope for improved value for money through exposure to competition is correspondingly broad. Whilst not every local authority function or area of work is necessarily suitable for private sector involvement, there is nevertheless, in the Government's view, much more general scope than these particular activities. That this is so is easily demonstrated by the range of private sector services which, taking local authorities as a whole, can already be found.

51. The Government propose that power should be taken to add further activities to those covered by compulsory competition requirements, but there is a wide range of activities where compulsory competition will not be the most appropriate approach. The whole area of professional services, for example architectural, legal, or quantity surveying services, lends itself to private sector participation; indeed many authorities already make use of private professional firms. Other examples which suggest themselves are the management of leisure facilities of various sorts, car parking, data processing and printing; many more could be listed.

52. In many authorities the tradition of provision of services through directly employed manpower is deep rooted. Whilst management may have some information on costs of individual departments there is at present little general assessment of the comparative costs and thus value for money of 'in house' provision and of alternative methods using the private sector. Where the private sector is used, it is usually only to provide capacity for work which "in-house" services cannot handle, rather than in response to a positive search for improved value for money. The marked decline in the proportion of architectural work put out to the private sector during the decline of capital programmes illustrates this. In the early 1970's some 50 - 60%

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of work was carried out by in-house staff; by 1980 more than 80% of a reduced programme was being done in-house.

53. In order to promote wider consideration of alternative methods of provision and to provide information on service costs for ratepayer and potential contractor alike it is proposed that the Secretary of State shall have power to require that for designated activities/services authorities shall:

- a. establish the full cost of current methods of provision;
- b. take reasonable steps to assess the cost to the authority of provision of the designated activities/services other than by the authority itself or another authority;
- c. make public the results of the exercise.

54. In order to provide a reasonable basis for public evaluation of the cost figures, the proposal would include power to direct the provision of specified information about the activity concerned.

RESPONSES

55. It is recognised that the proposals in this paper will be of interest to local authorities, users of services, and a very wide range of potential contractors. Copies of the paper will be issued widely to bodies representing known interests; further copies are available, on request, from the following addresses:

Department of the Environment
Room P1/134
2 Marsham Street
London SW1P 3EB
(Telephone no. 01-212 3058)

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Welsh Office
WEP Division
Room 2002
Cathays Park
Cardiff, CF1 3NQ
(Telephone no. 0222 824154)

Scottish Development Department
Room 4/94
New St Andrews House
Edinburgh EH1 3SZ
(Telephone no. 031 556 8400, ext 4848 or 5754))

Comments on the proposals should be sent to any of the above addresses to arrive not later than 30 April.

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ECON POL: Privatisation Pt II