



Competition Policy

Discussion Draft

version control *draft 1.1*

ERA/11092007

Contents

	<i>paragraph</i>
Introduction	
Introduction	1-2
Background	3-4
Policy context & outcomes	
Fit with the Council's Corporate Strategy	5
Supporting the achievement of Council ambitions	6
Policy Aim	
Statement of overall intent	7
Policy objectives	8
Key principles	9

Competition Policy

Introduction

- 1 The City of York Council aims to deliver high quality, value for money services that meet the current and future needs of the local community. The Council is committed to a mixed economy of provision because it believes that services should be delivered by the organisation (public, private or voluntary sector), that is best able to meet these standards.
- 2 The Council must make arrangements to secure continuous improvement in the way in which services are delivered, having regard to a combination of economy, efficiency, effectiveness and appropriate quality considerations. The Council must demonstrate that its services are competitive and that it has evaluated a range of alternative options to current service delivery, in consultation with relevant stakeholders. It must also ensure that those services are well managed and that they remain fit for purpose.

Background

- 3 The Council's approach to the competitive provision of services has evolved on a piecemeal basis over a number of years and there has been no consistent approach to how the Council wishes to use competition for strategic stretch and leverage purposes or the pursuit of value for money in the absence of an overall competition policy for the authority to date.
- 4 The development of a competition policy, alongside a coherent competition strategy at the Council, will ensure that key principles of best practice are embedded universally across the Council, whilst enabling departments to retain control and accountability for their areas of responsibility. This policy applies to all business areas of the Council, including direct service provision to stakeholders, procurement of goods and services, works, joint ventures with third parties, partnering and collaboration, sales and disposals.

Policy context & outcomes

- 5 The purpose and provisions of this policy are consistent with the ambitions set out in the Council's Corporate Strategy and should be viewed in that context. They provide a means of helping to support the delivery of the Council's corporate priorities for improvement generally with specific reference to the following Direction Statements and Values Statements that underpin the overall philosophy and intention of the Corporate Strategy in itself as set out overleaf.

Direction Statements

- We want services to be provided by whoever can best meet the needs of our customers
- Our ambitions is to be clear about what we will do to meet the needs of our communities and then to deliver the best quality services that we can afford
- The Council will provide strong leadership for the City using partnerships to shape and deliver the Community Strategy for the City
- We will be an outward looking Council, working across boundaries to benefit the people of York

Values

- Delivering what our customers want
- Providing strong leadership
- Encouraging improvement in everything we do

Extract: CYC Corporate Strategy 2007-2011 (25 Sept 2007)

- 6 Within that context, this policy will actively support the Council's approach to how it can best achieve its improvement priorities, promoting improved public services that meet the needs of the local community by:
- a) supporting the development of sustainable partnerships with a range of public, private, social enterprise, voluntary and community organisations;
 - b) obtaining improved value for money by collaborating with partners at local, regional and national level;
 - c) helping to stimulate local markets and using the commercial expertise of partner organisations to deliver innovation in the design, construction and delivery of services and share risk;
 - d) improving procurement practices across the organisation for externally sourced goods, services and works to enhance value for money.

Policy Aim

- 7 This policy constitutes a high level statement of general intent based on an overarching commitment to establishing a 'mixed economy' of supply and provision that seeks to optimise service outcomes and value to the community and local tax payers. The overall purpose and aim of the policy is therefore to:

... enable the Council to deliver high quality, cost effective services that best meet the needs of the local community and other stakeholders through the appropriate use of competition to drive and enhance value for money.

Policy Objectives

- 8 The business objectives of this policy are to ensure that:
- a) any significant 'make or buy' decision to be taken by the Council is subject to a business case containing clear objectives, analysis of a range of business options, evaluation of costs and quality considerations and the particular benefits and/or risks of each option;
 - b) sufficient and appropriate consideration is given to the implementation process and the means of implementation further to the supporting business case for decision (eg procurement, joint venture, trading company, internal re-organisation etc);
 - c) an effective delivery mechanism has been evaluated and established before the service is introduced (eg effective contract and client management arrangements);
 - d) the service is operating in accordance with the relevant legislation, the overall governance and probity requirements of the Council and all relevant internal policies and procedures;
 - e) change control and variations to the service can be evaluated and introduced effectively;
 - f) the need for effective and appropriate engagement with customers and other key stakeholders is built into the initial decision making process and suitably reflected in on-going commissioning and contract management arrangements (including all end-uses, the wider community and suppliers);
 - g) clear ownership and accountability for quality and cost of service provision, irrespective of the delivery vehicle, is maintained at all time by the Council.

Key principles

- 9 In implementing this policy the Council will seek to actively review the competitiveness and appropriateness of its delivery arrangements on a regular basis. The following principles will be adhered to in testing the competitiveness of all or any of its current or future arrangements:
- a) robust comparisons of financial and service performance will be used to help determine the most appropriate means of testing competitiveness and priority order in which the Council will examine its service arrangements across the piece;
 - b) review processes will serve to drive the identification of service and business opportunities for step change improvements and/or service transformation both in terms of service quality and costs;
 - c) all decision making processes will be transparent, accountable and future looking and will be made on the basis of a robust business case that must include a thorough appraisal of all appropriate options for delivery and proper market assessments (where external provision is considered within any given options appraisal);
 - d) consistency with other key strategies and policies making up the Council's overall Policy Framework;
 - e) the involvement of all key stakeholders (both internal and within the Community, be they customers, tax payers, local businesses or other public and/or third sector organisations as appropriate);
 - f) the need to ensure all probity, lawfulness and governance standards and requirements are duly observed;
 - g) transparency of process, equity and non-discrimination.