

FALKIRK COUNCIL

**Subject: OPTIONS APPRAISAL – ARE YOU GETTING IT RIGHT? –
NATIONAL AUDIT REPORT**
Meeting: SCRUTINY COMMITTEE
Date: 31 OCTOBER 2014
Author: DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES

1. INTRODUCTION

- 1.1 This report presents to Members a report published by the Accounts Commission on Options Appraisals. This report is one of a series of national reports and in line with good practice the reports is brought to Scrutiny Committee in order that Members can consider the report, reflect on its contents, recommendations etc. and review their applicability to the practice of the Council, considering any changes you consider would require to be put in place to improve our practice on the issues raised in the report.

2. KEY MESSAGES

- 2.1 The report itself was published earlier this year and has been considered by officers in terms of how we develop services and how we ensure we continue to improve our services. It is important that the key messages and checklists within the reports are considered by Members and Officers and that they are used to improve practice going forward.
- 2.2 The reports notes a number of key messages with regards to options appraisals. These are:
- 2.3 There are many challenges facing councils, the most pressing being the need to manage financial pressures and the increasing demands on services. The Accounts Commission report 'Responding to challenges and change: An overview of local government in Scotland 2013' highlighted that demand and resource pressures continue to build for councils. One of their key recommendations was that councils should 'ensure rigorous and challenging appraisal of options for delivering services.'
- 2.4 Everything a council does has its roots in legislation. Some services are more prescribed in legislation than others, for example the collection of council tax and business rates. For other services, councils have a lot of discretion on the level of service provided. Even for those services where there is some prescription, it is relatively limited and councils retain substantial discretion on how services are delivered and by whom.
- 2.5 Councils need to consider a wide range of options when considering what services to provide and how to deliver them. They must assure themselves that the services they are providing are value for money, efficient and effective and demonstrate Best Value through continuous improvement. They can do this by critically assessing the current arrangements and by looking at how services are provided by other councils and other organisations.

- 2.6 Councillors and officers need to be open to considering a broad range of options for delivering services. This might involve providing services in a different way, or even not providing some services at all. These are difficult decisions to make as they affect residents and customers, partner organisations and council staff. A robust options appraisal helps councils make these important decisions and provides assurance that all the relevant issues, including quality, cost and risk have been considered. It also helps to ensure that decisions are transparent and based on solid information.
- 2.7 The report notes the need for Councils to clearly define the objectives of any options appraisal process. This might be about providing services in a different way to better meet the needs of residents, it might be about making existing services more effective or it may be about making savings to provide resources for other higher-priority areas. When deciding on the objectives, a council needs to ensure that the possible outcomes of any options appraisal are consistent with its strategic policy objectives.
- 2.8 As with any process, options appraisal needs to be resourced properly to ensure that it works well. This involves devoting the appropriate time, money, skills and experience to ensure that sound decisions are made. The process needs to be proportionate to the significance of the decision to be made.
- 2.9 The report covers what is considered an effective options appraisal process, what an effective Council looks like and then sets out a checklist series of questions for Members and Officers.
- 2.10 The questions Members are invited to think about in such a process are included in appendix 2 of the report.

3. CURRENT PRACTICE

- 3.1 The Council currently uses options appraisals in a number of ways. It uses options appraisals to determine options for providing services through tendering, to improve service delivery as part of a robust service review process and to ensure we are considering all the risks, challenges and opportunities for future service delivery.
- 3.2 Members will be aware of a number of reviews that have had their heart clear options appraisals. These include but not exclusively:
- Waste management and refuse collection
 - Foster care
 - Family support for people with drug and alcohol services
 - The provision of schools
 - Fleet management and maintenance
 - Review of day care for older people
 - Review of sensory impairment services
 - Review of Environmental Health, Food Standards and Safety and Trading Standards
 - CCTV Provision

- 3.3 We have a corporate guide for all services in undertaking a best value / service review. Options appraisals are a key and central component of that guidance. However the checklists providing the Audit Reports are helpful in reinforcing the need to undertake such robust assessment. It is proposed therefore that this guidance – which was prepared some years ago - is reviewed to incorporate the checklists.
- 3.4 In addition it is proposed that the checklist for Members is circulated widely and that the guidance on scrutiny is reviewed to incorporate the checklist. This could be particularly helpful when Members are undertaking their role on scrutiny panels and indeed policy development panels.

4. CONCLUSIONS

- 4.1 Robust options appraisals are a critical tool in ensuring the Council continues to provide commission and procure services relevantly, appropriately and that are best value. It is important that we ensure we reflect on the national audit report and how our use of options appraisals can improve our services and decision making.

5. RECOMMENDATIONS

It is recommended that Members:

- 5.1 **Note the national report on Options Appraisals;**
- 5.2 **Ask Officers to review guidance on service reviews to ensure it reflect best practice as set out in the report; and**
- 5.3 **Ask that a copy of the checklist is provided to all Members; and**
- 5.4 **Request that officers review the guidance provided to Scrutiny Panels and Policy Development Panels to ensure it incorporates relevant elements of the checklists and guidance.**

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DIRECTOR OF CORPORATE & NEIGHBOURHOOD

Date: 17 September 2014
Ref: ABC1014FC – Options Appraisal report
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LIST OF BACKGROUND PAPERS

1. Nil

Any person wishing to inspect the background papers listed above should telephone Falkirk 01324 506004 and ask for Fiona Campbell.