

WEST DUNBARTONSHIRE COUNCIL

Report by Executive Director of Corporate Services

Audit and Performance Review Committee: 11 June 2014

Subject: Audit Scotland Report: *Options appraisal: are you getting it right?*

1. Purpose

- 1.1** The report is to provide Members with information regarding a report recently published by Audit Scotland.
- 1.2** The Audit Scotland report provides a set of key messages for councils to consider.

2. Recommendations

- 2.1** Members are asked to consider the report the set of questions at Appendix 2 of the report and agree that:
 - i) a fuller consideration of the issues should form part of a Members Seminar to be arranged at a future date; and
 - ii) the contents of the report should be used as development route to challenge senior managers in consideration of future options for the delivery of services.

3. Background

- 3.1** The Accounts Commission and Audit Scotland are interested in the development of best value and how councils manage resources. The attached report from Audit Scotland is the latest in a series of reports under the “how councils work” series and provides councils with information which may be helpful in considering whether best value is being achieved.
- 3.2** The report highlights the importance of councils using rigorous options appraisals to:
 - deliver efficient and effective services to local communities; and
 - show they are achieving Best Value.
- 3.3** This report is intended as the first of two reports on options appraisal. A further report will include a study of existing practice in councils in how they undertake options appraisals

4. Main Issues

4.1 The report identifies a number of key messages for councils:

- The Accounts Commission report '*Responding to challenges and change: An overview of local government in Scotland*' highlighted that demand and resource pressures continue to build for councils, with one of the key recommendations being that councils should 'ensure rigorous and challenging appraisal of options for delivering services';
- Everything a council does has its roots in legislation but councils retain substantial discretion on how services are delivered and by whom.
- 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.
- 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. A robust options appraisal helps councils make such 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.
- It is vital that councils 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.
- 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.

4.2 The report contains at Appendix 2 a set of questions for councillors to consider. It is planned to discuss this set of questions at a future Elected Members Seminar.

- 4.3 There is also at Appendix 3 a set of questions for officers. These will be used to review the current option appraisal processes undertaken and identify potential training needs.

5. People Implications

- 5.1 There are no personnel issues with this report.

6. Financial Implications

- 6.1 There are no financial implications with this report.

7. Risk Analysis

- 7.1 An effective options appraisal approach will assist in mitigating the risk of resources not being used in the most efficient and effective manner or inappropriate decisions being made.

8. Equalities Impact Assessment (EIA)

- 8.1 There are no issues identified.

9. Consultation

- 9.1 This report has been subject to a check by Legal, Democratic & Regulatory Services.

10. Strategic Assessment

- 10.1 This report relates to Assuring Our Success through strong financial governance and sustainable budget management.

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Appendices: Audit Scotland Report: *Options appraisal: are you getting it right?*

Background Papers: None

Wards Affected: All Wards