

ANGUS COUNCIL - 4 NOVEMBER 2021

OPTIONS APPRAISAL GUIDANCE

REPORT BY IAN LORIMER, DIRECTOR OF FINANCE

ABSTRACT

This report seeks approval to introduce Options Appraisal Guidance to strengthen our approach to managing change and the decision-making process.

1. RECOMMENDATIONS

1.1 It is recommended that the Council:

- (i) Note the detail within the guidance document, and, specifically the roles and responsibilities of both officers and elected members; and
- (ii) Approve the Options Appraisal Guidance attached as **Appendix 3** to this report and the checklists as set out in that Guidance as **Appendices 1 and 2** for application from 1 January 2022.

2. ALIGNMENT TO THE COMMUNITY PLAN/ COUNCIL PLAN

2.1 This report contributes to the local outcomes contained within the Community Plan, Locality Plans and Council Plan, which focus on Economy, People, Place and Our Council.

3. BACKGROUND

3.1 [Report 273/20](#) to Angus Council on 5 November 2020 approved the proposal to undertake an external review of the decision to demolish the former Lochside Leisure Centre, Forfar. As part of the review, it was expected that lessons learned would be identified to allow improvements to be made in existing arrangements where options appraisals are required. The independent review was carried out by Azets who reported back to Council on 18 March 2021 ([Report 97/21](#) and [Appendix 1](#) refer).

3.2 Azets detailed in their Report (on page 1 under Key Messages):
“Three weaknesses were identified from our review, none of which are significant in nature.
The main lesson to be learned is the importance of producing options appraisals to support decision making. Management should develop formal guidance for the documentation of options appraisals. “

It was recommended that Management develop formal guidance for the documentation of options appraisals and that documentation of options in Council and Committee papers be proportionate to the nature of the decision being made.

3.3 As an interim measure, since March 2021, the Options Appraisal requirement is now part of the Council's project management business case template and since then work has been undertaken to develop additional guidance to enhance this current approach.

3.4 A short term working group, with representatives from a number of different service areas, was established towards the end of April 2021. The group met to agree their remit and take stock of the extent of options appraisal work being undertaken and by what methods. It was recognised that some service areas undertook this type of work on a regular basis with, others very occasionally.

4. REVIEW WORK AND NEW GUIDANCE

- 4.1 Options Appraisal is a process used to identify and analyse the different ways that the identified objectives of a project can be achieved and examining all the important factors before taking a decision on how to proceed.

The adoption of appropriate Options Appraisal is good practice in decision making about projects as it will:

- enable well-informed and transparent decisions;
- provide a consistent approach to decision making;
- help maximise effectiveness and achieve best value outcomes; and
- provide a clear evidence base for review throughout the life cycle of the change.

- 4.2 The guidance attached as Appendix 3 seeks to promote a consistent approach which is integrated within a governance framework that supports varying project circumstances. The key objective is providing the appropriate decision-making supported with the correct level of information, considering the scale and complexity of the project or programme, at the 'approval' decision point.

- 4.3 There are a significant number of external guidance documents and information related to options appraisal. A number of these have been referenced in the attached guidance document. The Council's Options Appraisal guidance document has been mainly based on the CIPFA guidance, while picking up elements of best practice from others, and tailored to suit the Council's own needs.

- 4.4 It is important to stress that the attached guidance needs to be applied sensibly and appropriately, taking into account the scale and complexity of decisions being made. As an organisation with limited resources, we need to use those resources wisely and that means spending sufficient time and money ensuring that we have robust options appraisals before key decisions are made. However, it would not be a good use of limited resources to spend time and money on options appraisals for decisions which are straightforward and of minimal impact on service provision or the Council's finances. We therefore need to apply the guidance in a sensible and proportionate way and that will require judgement in each case.

- 4.5 Checklists have been developed to assist council officers and elected members consider important aspects of the Options Appraisal Guidance in the decision making process.

5. ROLES AND RESPONSIBILITIES

- 5.1 The guidance at Appendix 3 covers the roles and responsibilities that elected members and officers have in the process, how they identify the main options to meet the project objectives and critically assess the options in a consistent and robust way. Those involved need to be clear about their role in the options appraisal process, this includes Committee Conveners.

- 5.2 Elected members have to make difficult decisions on where to focus the Council's resources. They need to be confident that the Council is providing the right services in the right way and investing or disinvesting appropriately. They should be supported to consider a range of options for delivering services and the opportunities for improvement and change and assess the merits of these options when they are brought forward as part of the decision-making process. A robust options appraisal process helps provide assurance to elected members and the public that these decisions are being made on a sound basis and by considering all the relevant information.

6. TRAINING

- 6.1 The Council needs to ensure relevant training is made available to elected members and staff involved in the options appraisal process to enable them to effectively fulfil their respective roles.

- 6.2 Training is being designed in relation to the implementation of the new guidance and will be undertaken in several formats. This will, where appropriate, include internal briefing sessions, contracting with expert consultants to facilitate training courses, induction training and the development of in-house e-learning solutions.

- 6.3 Members may recall that awareness raising regarding the emerging Options Appraisal guidance as well as training on members' and officers' roles and responsibilities was included as part of the elected member development sessions held on 31 May and 18 June 2021. In addition, this will also now be included as part of the elected member induction training. This is to support elected members in their scrutiny over decisions. From an officer perspective, members of the cross-service working group involved in developing the guidance also now have a greater understanding of the requirements and processes associated with undertaking options appraisals. The broader cohort of staff involved in options appraisal will also receive training as part of the implementation of the new guidance.

7. FINANCIAL IMPLICATIONS

- 7.1 There are no financial implications arising directly from this report. Robust options appraisal, proportionate to the area being assessed, will help ensure best use of the Council's limited resources.

8. RISK

- 8.1 It is important to make clear that doing options appraisal work following the guidance may be more time consuming. There is a risk this may impact on timescales for delivery and officer capacity for other work. It is therefore critical that a proportionate and relevant approach is taken to each option appraisal in order to mitigate this risk.

9. CONSULTATION

- 9.1 Consultation has taken place with the short life Options Appraisal Working Group and the Council's Leadership Team.

10. EQUALITIES IMPACT/ FAIRER SCOTLAND DUTY ASSESSMENTS

- 10.1 An equality impact assessment is not required.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

Report Author: Gordon Cargill, Service Leader (Governance & Change)
Email Details: GovChange@angus.gov.uk

Appendices:

Appendix 1 – Checklist for Officers
Appendix 2 – Checklist for Elected Members
Appendix 3 – Options Appraisal Guidance – November 2021