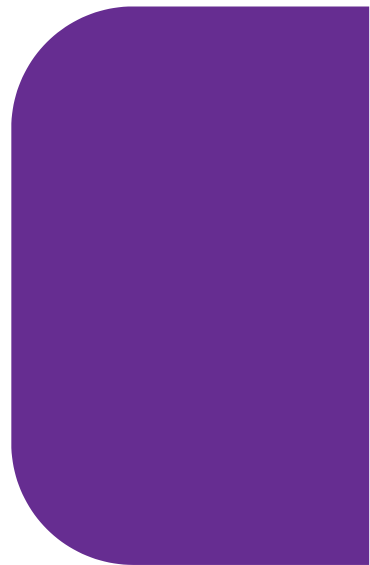
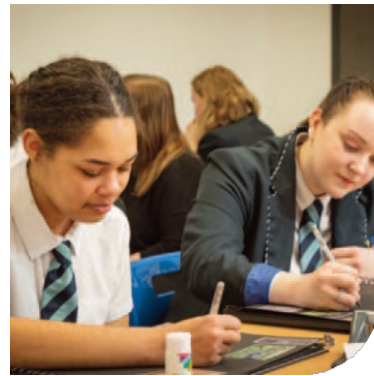


Option Appraisal Guidance

(November 2021)



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1. STRATEGIC CONTEXT

1.1 Introduction

This section sets out Angus Council's strategic approach to change. Options Appraisal is a key aspect of developing the proposals as part of making the 'case for change'. A case for change can emerge from a wide variety of sources.

It is also important that Options Appraisal information, along with other relevant information to support a case for change, when presented for approval, includes the relevant and proportionate level of detail to support good decision making.

1.2 Strategic Objectives

Angus Council is an organisation which is required to be responsive to the need for change in order to shape and deliver its strategic objectives under the themes of Economy, People, Place and Our Council. These strategic objectives are set out in the Council Plan/Community Plan and are established to support meeting the needs of Angus citizens, communities and businesses. They are also designed to attract visitors to the area and stimulate growth in the local economy.

1.3 Planning and Delivering Change

Programmes and projects evolve from ideas that are generated from a variety of other sources covering service work or via the Council's Change Programme which is the primary focus of change. Their nature, scale and complexity will all vary significantly. Producing options appraisal guidance to achieve a 'one size fits all' solution is therefore not practical.

This guidance therefore seeks to promote a consistent approach which is integrated with a governance framework that supports varying circumstances. The key objective is to ensure that the appropriate decision-making is supported with the correct level of information (considering scale and complexity) at the 'approval' decision point.

For the purposes of this guidance, the term "Project" is used throughout, and defined as a proposal for change.

1.4 Developing a Project's 'Case for Change'

Developing an appropriate 'case for change' (or business case) for a project is a fundamental pre-requisite no matter where or how it has arisen.

Business cases come in many different shapes and forms. They examine the purpose of the Project and consider the best means of delivery to achieve that purpose. They can range from being a relatively short paper, to being a lengthy and complex document. They may also simply emerge from a service improvement action identified in relation to a specific area of work - the rationale for the improvement action effectively being the business case. The business case therefore needs to be:

- Relevant: to the nature of the proposal/ circumstances
- Proportionate: to the scale and the complexity of the proposal
- Consistent: using mainly a standard approach, with exceptions to accommodate specific circumstances where required

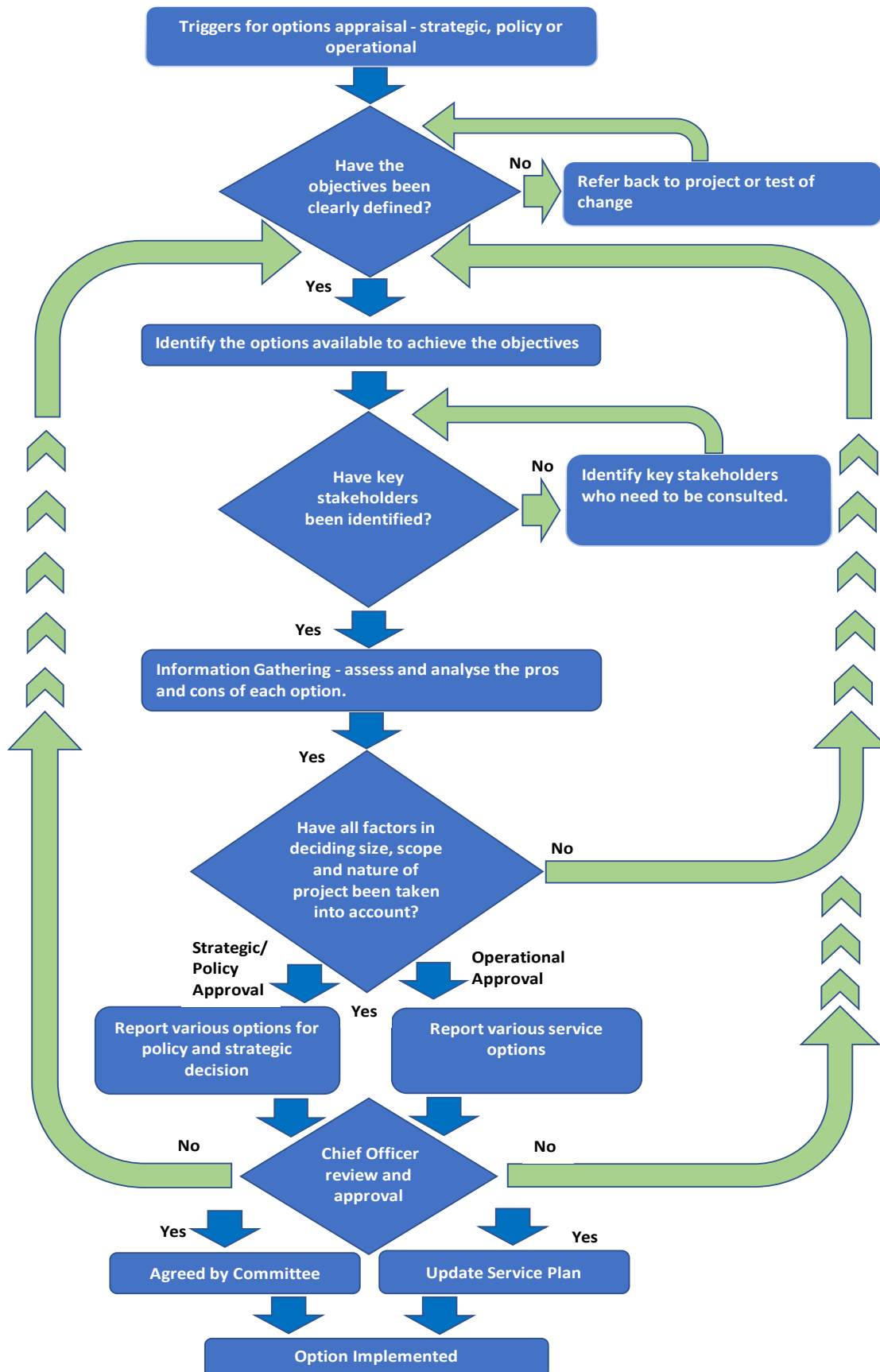
There is also day-to-day operational activity / work where finding solutions to problems are routinely considered. In those low-key routine cases, it is not expected that this guidance is required to be followed. That would be a disproportionate approach to those types of routine operational matters.

1.5 Options Appraisal Development

The options appraisal is one of the most important components of the business case. This is where different options are assessed as to how the programme or project should be delivered and what the best way is to solve the business problem or take advantage of an opportunity.

The following diagram sets out the key elements of the options appraisal process:

Options Appraisal Process - Are You Getting It Right?



2. APPROACH TO OPTIONS APPRAISALS

2.1 Background

This section of the guidance provides more detail in relation to the preparation, implementation and review of options appraisal. It highlights the importance of using rigorous options appraisal as part of developing a Project.

The process described in this section can be used for a broad variety of projects and circumstances to ensure the Council is achieving the best value solution. The process can also be used in procurement activity.

2.2 What is Options Appraisal?

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.

An effective options appraisal exercise will help answer three questions:

- have all the relevant factors in deciding the size, scope and nature of the project been taken into account?
- should the project go ahead?
- what is the best way to carry out the project?

Options Appraisal involves a set of principles that should be used to help make a decision. The scale and nature of a project will influence the level of detail required in the appraisal, but all appraisals should follow the same broad approach. The principles of options appraisal are:

- being clear about what is to be achieved – the objectives;
- set clear criteria of how we will define the objectives;
- considering the different ways in which they could be achieved – the options;
- assessing the costs and benefits of the different options;
- identifying the pros and cons of the options and quantifying and valuing them wherever possible;
- considering any risks, barriers, challenges and considerations; and
- considering the most appropriate and best value use of resources.

As with any process, options appraisal requires to be resourced properly to ensure it works well. This involves allocating the appropriate time, resources, skills and experience to ensure sound assessments and decisions are made. The process also needs to be proportionate to the scale and complexity of the decision to be made.

2.3 When should you do an Option Appraisal?

As an organisation with limited resources, there is a need to use those resources wisely and that means spending sufficient time and money ensuring that there are 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. There is therefore a need to apply the guidance in a sensible and proportionate way.

Deciding whether an options appraisal is required will therefore require judgement. It is not possible to be definitive in this guidance about when an option appraisal is required but users should consider the following aspects in making that judgement: -

- a. Complexity – a formal options appraisal is likely to be necessary if the matter to be decided is complex
- b. Service Implications including impact on service provision to the public – if a project or proposal will have service implications, especially if those affect front line service delivery to the public, an option appraisal will be necessary
- c. Financial Implications – projects which give rise to additional financial implications for the Council or would mean significant change in existing budget provisions will usually require an options appraisal
- d. Sensitivity – even small-scale projects or routine activity can on occasion be highly sensitive in political or reputational terms and where this is like to arise options appraisal should be used to help decide how to proceed

Whether a formal options appraisal is necessary and, if it is, the extent of detail required, should be informed by the assessment of its complexity and sensitivity and by the extent of service and financial implications involved.

2.4 Why should you do an Option Appraisal?

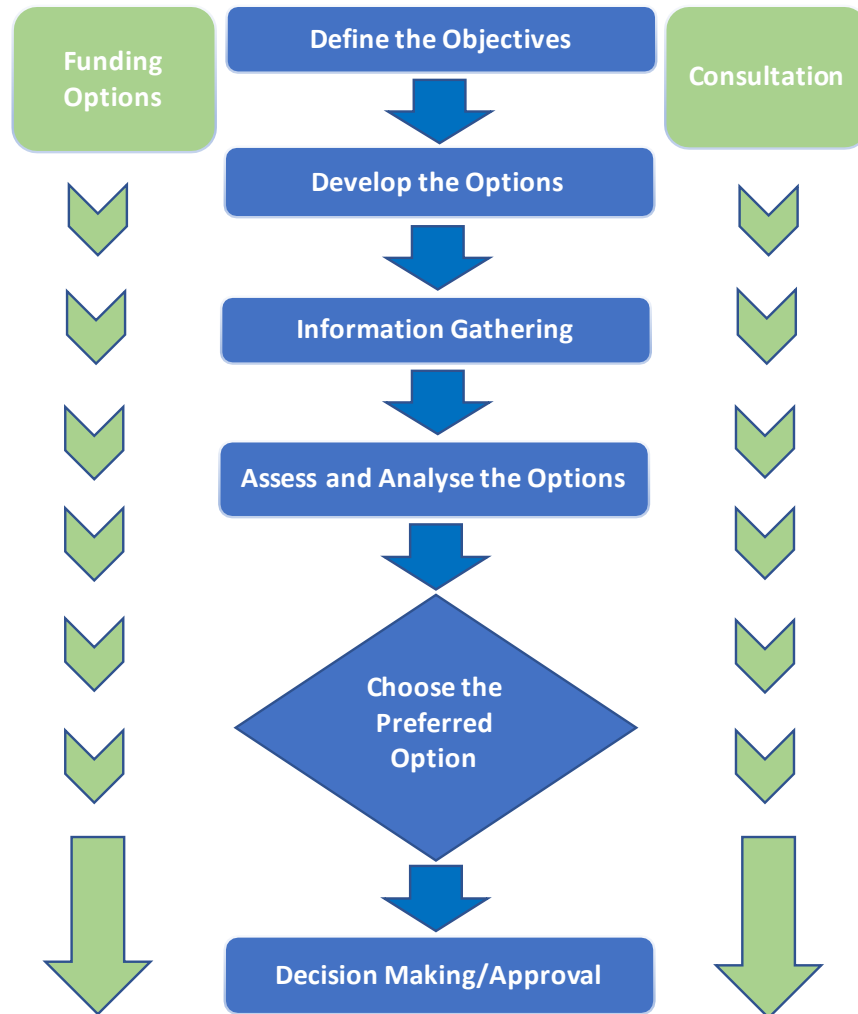
The adoption of appropriate options appraisal is good practice in decision making about projects as it will:

- 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.

2.5 The Steps of Option Appraisal

Each options appraisal carried out will involve the same broad steps (see diagram below). However, the size, nature and complexity of the planned project will influence the specific activities and the extent to which they will need to be carried out at each step.

The Steps of Option Appraisal



It should be borne in mind that while each options appraisal will include all these steps, in practice, some of the steps would take place simultaneously. For example, consultation and investigation of funding options are described as separate steps, but in practice will likely take place throughout the course of the appraisal and will influence each stage.

As new information is generated and analysed, some of the earlier steps may need to be revisited as the appraisal develops - the more complex the project being appraised, the more the process is likely to evolve.

The key steps of options appraisal can be used to help make decisions at a number of different levels, from strategic decisions about services to more specific decisions about projects or operational matters – as was illustrated in the diagram in section 1.6 above.

2.5.1 Defining the Objectives

The first stage in all Options Appraisal, regardless of their nature, involves defining a clear set of objectives. These may already be established as part of the business case development. These should be linked to identified corporate and service priorities i.e. Community Plan, Council Plan, SOAP (Strategy on a Page) and Service Improvement Plans

(as applicable). This process is key to shaping what is trying to be achieved and how it links to the strategic priorities and direction of the Council.

The following should be taken into account when defining project objectives:

- It is only by having clearly defined objectives that the different approaches which could be taken can be identified and the relative merits of each option considered. Unless there is clarity about what is hoped to be achieved, possibilities may be overlooked or the relative significance of different factors may be misinterpreted - this holds true whether the appraisal is for a small scale building project or a large scale cross-service area-wide strategic review.
- The over-arching objectives of the Council set the context for the corporate and individual Service Improvement Plans. Project level objectives should therefore be considered in the context of their contribution to these corporate and service objectives and targets.
- The objectives which are set also need to be broad enough to ensure they do not rule out realistic potential options, but neither should they be too general. If objectives are too broad, this can create too much flexibility and lead to unnecessary work.
- In developing objectives, it is good practice to make them as SMART as possible:
 - **Specific** - everybody should be clear exactly what is to be achieved
 - **Measurable** - a SMART objective provides a clear quantifiable target
 - **Agreed** - everybody should agree what is to be achieved
 - **Realistic** - all objectives should be achievable
 - **Time dependant** - objectives should include a clear timeline
- Setting objectives using the SMART criteria, will help to clarify what is hoped to be achieved, thereby assisting with the decision on the different options available. A clear set of objectives will also mean that it is possible to evaluate the performance of the project once it has been implemented.
- The objectives are likely to include some which are regarded as essential and others that are desirable and not as important. Objectives should therefore be set out in order of priority – these priorities can then be used to decide on any weightings used in assessing the options.
- The aim is to have a relatively short and focused list of objectives – it is preferable to have five or six clear and manageable objectives than a much longer list, albeit this will largely depend on the nature, scale and complexity of the project.

2.5.2 Developing the Options

Once the objectives have been defined, the process can begin to consider the different approaches which could be taken to achieve them – the options. The **objectives set out what** you want to achieve; the **options describe how** you could achieve it.

The main points to note when developing options include:

- The range of options considered will depend on the nature, scale and complexity of the project being appraised.
- A sufficiently wide range of options should be considered initially which can then be narrowed down.
- It is critically important to keep an open mind and be objective in the identification and subsequent assessment of all the options, and not to prejudge what will be the preferred option.
- Establishing a range of options can, and should be, a challenging exercise – the emphasis should be on the potential use of alternative solutions and in this regard radical options may be considered. These options may not become part of the formal appraisal but can be helpful to test the parameters of feasible solutions at the preliminary stages.
- The options set should include an option based on doing nothing or doing the minimum (e.g. maintaining the existing level of service). Comparing the other options with this 'do nothing' or 'do minimum' options will assist in finding evidence to support the need for change and identify what will not be achieved if the project does not go ahead. Although unusual, the "do nothing" or "do minimal" option may turn out to be the best option and should be proposed if that is what the evidence supports.
- Examples of strategic and operational options may include:
 - varying time and scale.
 - options to rent/ lease, build or purchase.
 - refurbishing existing facilities or leasing/ buying new ones.
 - changing locations or sites.
 - provision of the service/ facility by, or in partnership with, another body, private sector or third sector.
 - co-locating, or sharing facilities with other services, public sector bodies or third sector organisations.
 - varying the balance between outsourcing and providing services/ retaining expertise in house.
 - better implementation of existing measures or initiatives.

2.5.3 Information Gathering

Once the various options have been established, the relevant information on each should be collated to allow an assessment of those options. The information gathered on each option may include (where appropriate and relevant):

- Strategic impact – new proposals can be said to have a strategic impact if they affect the whole or a major part of the organisation over the medium to long term. Options should therefore be considered in terms of their potential scale of impact, and how they fit in with the overall strategy of the Council.
- Contribution to the achievement of objectives and targets – both corporate and services.

- Economic Impact Assessment – proposals may need to be underpinned by sound economic analysis, which should be provided by a cost benefit analysis in the option appraisal. Economic Development can support this work but in more detailed cases it may require external expertise.
- Financial arrangements and affordability – proposals need to be affordable, and an affordable financial plan needs to be developed. This will include consideration of initial capital expenditure, any capital receipts being generated, revenue costs and any expected income that may be generated. Whole life costing may therefore also need to feature as a part of this assessment, taking cognisance of ongoing revenue and capital expenditure over a relevant period. Discounted cash flow analysis may also be required if project costs and benefits need to be assessed over a long period.
- Equalities – we require to proactively consider equality when planning for any change to our business, as required by the Equality Act 2010, along with other relevant equalities and human rights related legislation.
- Achievability – all proposals should be assessed for their achievability, and consideration of deliverability using recognised programme and project management arrangements should be examined.
- Likely impacts on day to day activities of existing facilities during project implementation.
- Design quality issues – the design quality of deliverables from the project can be important in ensuring that objectives are successfully achieved. This should therefore examine the compliance with the applicable standards that would be achieved for each option.
- Environmental impacts (both positive and negative) – the appraisal should consider the potential environmental and sustainability issues relating to each option, including (as appropriate and relevant):
 - carbon impact
 - use of resources
 - production of waste
 - pollution impacts
 - transport impacts
 - approaches to minimising environmental impact
 - consistency with the Council's environmental policies

The Environmental information (Scotland) Regulations 2004 should be considered when determining this part of the appraisal. An Environmental Impact Assessment may also require to be undertaken.

- Commercial and collaboration arrangements – proposals need to take account of commercial, collaboration and procurement arrangements, e.g. what can be delivered in the current market, how costs and benefits can be guaranteed through commercial arrangements, how contracts will be managed through to completion, etc.
- Legislation – consideration should be given to legislation specific to the project, as well as statutes that affect many proposals. Some options may not be legally possible.

- Benefit Realisation – it is important to identify both the financial and non-financial benefits that each option is expected to provide and the key assumptions which have informed that assessment along with any risks to achievement of those benefits. There may also be disbenefits to consider. There needs to be realism of the expected benefits to avoid optimism bias.
- Other dependencies that will result from pursuing the option.

The above is not an exhaustive list, however, provides examples of the types of information that should be gathered. Across all these factors, differences in scale and complexity in relation to each of the options will also require to be considered. The timeframe available to undertake the options appraisal will also be a factor which will influence the scope of information that can be available to support the process.

An options appraisal should also be looking to compare what each option is expected to deliver in the future. To be able to do this, future projections and forecasts are fundamental. Assumptions may also need to be built into the appraisal, particularly with larger, more complex and longer-term projects. These assumptions will need to be clearly set out and the degree of uncertainty associated with them considered.

2.5.4 Assessing the Options

When assessing the options, expert advice and assistance should be sought from officers within other Council services, giving advanced notice of involvement. Here are some examples, but consider all aspects of the options when deciding who to involve: Finance, Infrastructure, Human Resources, Digital Enablement & IT, Legal & Democratic Services, Vibrant Communities and Sustainable Growth, etc.

Depending on the size and specialist nature of the options being considered, it may also be necessary to utilise external consultants/specialists to carry out some aspects of the work. This needs careful planning and must be built into the timescale of the options appraisal.

Valuing Costs and Benefits

It may be possible to place a financial value on many of the elements of the options being considered. For example, these may include the costs of implementing the project and any income that may be generated, as well as the on-going operating costs once the option has been implemented.

The financial aspects of each option should be compared on a consistent basis. Wherever possible, they should be valued in 'real terms' – the price level that applies at the time of the appraisal. In general, the impact of inflation should be ignored, unless there is good reason to believe that the price of one or more elements will change by significantly more or less than the rate of inflation.

Non-Financial Assessment

A considerable amount of non-financial information may also be available to assess options, some of which will be easily quantified and some which will be much 'softer'. The non-financial information for each option should be set out in a consistent format so easy comparisons through scoring and weighting can be made (see section '2.4.5 - Analysing the Options' below).

Risks and Uncertainties

As estimates are likely to be used to carry out much of the appraisal, there is a risk that these may be wrong. There may be delays in the timing of a project while planning permission is secured, or funding applications may be unsuccessful, either of which may impact on the ability to deliver the project.

As options are considered, the degree to which risks and uncertainties vary between them should also be assessed. It may be that a less risky option is preferred over one that has the potential to deliver a broader package of benefits, but with more risk that it may not succeed. Some risks which may be faced include:

- construction type projects having time constraints e.g. delays in securing planning permission
- failure to secure the appropriate level of funding for a project
- project costs emerging as over budget
- potential delays in completion of project
- increases in maintenance and operating costs
- appropriate public engagement may be complex and time consuming
- failure to meet income generation targets
- resourcing implications

For simpler projects, there are likely to be few major risks and uncertainties. As the options become more complex, it is increasingly important to consider the potential risks.

When considering the risks associated with different options, possible counter measures that could be introduced to minimise the risks and keep the project on course should be considered at the outset.

Maximum use should be made of previous experience to ensure the assessment of each option is not being too over-optimistic. Many project parameters are affected by optimism. Often there is a tendency by appraisers to overstate the benefits and understate timings and costs. Whilst it is possible that the outcomes may be better than expected, it is more likely that they will be less successful. This optimistic tendency is known as 'optimism bias' and adjustments may be made for this, including increasing estimates of the costs and decreasing, and delaying, the receipt of estimated benefits.

Sensitivity analysis may be used to test assumptions about operating costs and expected benefits. Used to test the vulnerability of options to future unavoidable risks, sensitivity analysis will assess how conclusions might alter if the values of key variables/ assumptions change. This calculation of switching values will show how much a benefit would have to

fall or a cost rise before an option becomes unattractive. This should be seen as central to the decision on whether a proposal should proceed.

The Council's Risk Management Strategy and Risk Management Guidance provides further information in relation to the Council's strategic approach to managing risk. ([link](#) to strategy; [link](#) to guidance)

Changing Options

As information on the various options evolves and is analysed, this may lead to the development of new ideas or further variation of the original options. As more information becomes available, the specification of the options may therefore change, along with the related assumptions. This is perfectly acceptable in relation to this part of the overall process.

2.5.5 Analysing the Options

Once all the information about each option has been gathered it will require to be analysed in a consistent manner. The aim in carrying out the analysis should be to distil the information down into a form that will enable comparisons to be made. This may be simple for financial based information, but more complex for non-financial information where values either cannot or may be difficult to quantify.

Not all decisions are made on the basis of financial values, therefore it is important to be able to take all the factors fully into account when analysing the options. Value for money is clearly critical, but the best value option may not necessarily be the one with the lowest costs or highest income – qualitative aspects must also be considered.

An appropriate weighting and/or scoring approach will therefore require to be developed for analysing the options that have been identified, set against the objectives that have been established at the outset.

Weighting

It is unlikely that all the objectives set will be of equal importance – the achievement of some objectives may be regarded as being essential, whilst some of the others might be less important and be seen as an added benefit/ desirable. Weighting of objectives should be decided at the outset before options have been identified.

Once all the non-financial elements have been scored, weighting factors can then be applied based on the relative importance of each objective. These weightings help to ensure that the most important factors have the greatest influence on the outcome of the appraisal. Using a weighting of 1-5 for each objective will usually be sufficient to ensure that the appropriate balance between the relative importance of the objectives is achieved.

Scoring

To be able to compare the information that is not easily valued and is essentially qualitative, the commonest approach is to score each option on its contribution towards

meeting the objectives. In other words, each option is being rated against the extent to which it delivers what is seeking to be achieved.

The scale used to score options should be wide enough to reflect the differences between the various options, even if they are quite small. A 0 -10 scale will usually be appropriate, where a rating of '0' is a complete failure to deliver an objective, whilst '10' would indicate that an option delivers an objective in full.

If a scoring and weighting approach is utilised, it must not discourage the use of professional judgement in considering the different options. Scoring models are intended to guide decision making on the best option but a sense check needs to be applied and judgement used. What is essential is that all the influencing factors are considered in a consistent and transparent manner, in order to identify a preferred option on the basis of sound reasoning, while making best use of the evidence base. The process will most likely be underpinned by both evidence and assumptions.

The following example illustrates how scoring and weighting can be applied/ combined by setting these out in a table, with the options in the columns and the objectives in the rows:

Scoring and Weighting of Non-Financial Factors							
Objectives	Weighting Factor	Option 1		Option 2		Option 3	
		Score	Weighted Score	Score	Weighted Score	Score	Weighted Score
Objective 1	5	8	40	3	15	10	50
Objective 2	2	5	10	10	20	7	14
Objective 3	2	5	10	3	6	4	8
Objective 4	1	10	10	10	5	5	5
TOTALS		26	70	26	51	26	77

Note: Options 1, 2 and 3 all yield the same total score (26), but Option 3 has the highest weighted score (77) reflecting its maximum rating against Objective 1 which has the highest weighting factor.

2.5.6 Choosing the Preferred Option

Combining Financial and Non-Financial Factors

For larger and more complex projects, the final stage of the analysis is to combine the financial and non-financial factors to help identify the preferred option. Drawing together the financial and non-financial elements will help in choosing between options that have very similar cost levels or deliver similar levels of benefits.

However, for some less complex projects it may be that the scoring and weighting matrix can be carried out as one with the financial element being attributed to one of the objective lines.

Possible approaches to this include:

- applying weighting factors to the results of the financial assessment also, or
- by combining the weighted scores for non-financial factors with a separate weighting factor for the financial element

Weighting Factors Approach

There is a duty on the Council and its officers to secure best value by establishing the optimum combination of cost and quality. To combine the financial and non-financial factors, a decision will be required as to their relative importance. For example, if resources are severely constrained it may be decided that the option with the lowest cost is twice as important as the achievement of the overall project objectives (non-financial factors).

This approach requires careful consideration and there are examples included in the guidance stated at section 2.6 below. Project owners will require to set the evaluation criteria and in doing this need to be mindful of things such as procurement rules and the Council's financial regulations. (link once new version approved)

The Finance Team can assist in setting out the evaluation matrix and provide support throughout the process.

2.5.7 Consultation

Throughout the course of the options appraisal process, it must be ensured that relevant and appropriate consultation is undertaken to seek the views of stakeholders with an interest in the outcome of the project (where this is applicable). This may include external stakeholders/ members of the community. The approach requires to be proportionate to the project being considered and will depend on the circumstances surrounding the project. It should follow good practice guidance that applies.

In some cases, this will also involve statutory consultation as the Project develops and advice should be sought from the Director of Legal & Democratic Services should those circumstances arise.

2.5.8 Funding

Some projects will require to have funding solutions to allow them to progress. In those circumstances, consideration of the most appropriate project options should be carried out alongside consideration of the potential funding routes. This process, along with consultation, must start at the beginning and then run in parallel with and influence each of the Options Appraisal steps described earlier.

The main points to note when considering funding include:

- Possible funding solutions may include:
 - mainstream budget allocations within the Council
 - capital funded from current revenue (CFCR)
 - dedicated revenue/capital grants from the Scottish Government
 - capital receipts
 - other funding bids, grants and contributions from sources outwith the Council
- The different funding routes will be appropriate for different schemes in terms of both their nature and scale.

- The Options Appraisal will (where relevant to the project) also need to factor in the impact of different procurement routes (e.g. partnership arrangements, framework or tender) on the extent to which different procurement options meet the requirements. Indeed, a specific procurement options appraisal in itself may be required to run alongside the main options appraisal process.
- In the same way that there will be only limited options to carry out for some projects, the funding opportunities available to resource some schemes may also be restricted. In other cases, there will be a wide range of potential funding opportunities that will need to be investigated carefully and at an early stage.

2.6 Related Guidance

While the previous sections set out the key principles of the Council's approach to Options Appraisals, there are also a significant number of other guidance documents and information related to options appraisal. A number of these have been listed below, along with a brief description of their application.

Organisation	Publication Title	Description of Use
Accounts Commission	Options Appraisal : Are You Getting it Right?	General Reference
CIPFA	General Guidance on Options Appraisals	General Reference
Improvement Service	Elected Member Guidance : Scrutinising Business Cases	General Reference
Scottish Construction Procurement Manual	Options Appraisals in Scottish Procurement	Construction Procurement Guidance
HM Treasury	The Green Book : Central Government Guidance on Appraisal and Evaluation	Guidance on how to appraise policies, programmes and projects

The Council's Options Appraisal Guidance set out in this document reflects many aspects of the key principles and approaches set out in the documents listed in the above table. It is however highlighted that when circumstances dictate, the requirement to follow specific guidance as a pre-requisite to obtain funding or meet an industry standard, will require to be used in its entirety. For example, in Tay Cities Deal projects, there is a requirement to follow HM Treasury: The Green Book. It is also accepted that for some categories of options appraisal, services may use bespoke documentation to support the process.

3. ROLES AND RESPONSIBILITIES

It is vital that this guidance covers the roles that elected members and staff 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 also need to be clear about their role in the options appraisal process.

3.1 The role of Elected Members

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.

Where there are policy/ strategic matters to consider, elected members should be supported to consider a range of options for delivering services and the opportunities for improvement and change, to 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.

Elected members therefore have a critical role in the decision making using the options appraisals process. They must have the information and support they need to enable them to do this as they are responsible for setting strategic decisions, taking policy decisions and scrutinising performance. For this reason, it is imperative that they have access to and fully understand the council's Options Appraisal Guidance, be in a position to fully scrutinise the process and have a good understanding of the consequences arising from the decisions.

There are some important considerations for elected members. They must:

- assure themselves that the decisions they are making are robust and proportionate;
- be clear that their most important role is over which option to implement and the consequences arising from the decisions;
- be confident that the options being presented to them are clear, transparent and evidence based;
- be realistic about the level of certainty which an option appraisal can provide – most will be based on numerous assumptions and therefore carry risk;
- use options appraisal information to guide their decision making – it should not be a case of simply “rubber stamping” what is presented as the favoured option from Council officers – member have a role to exercise their own judgement in making decisions;
- understand the impact of the decision, particularly on service delivery and how this will affect customers (if relevant);
- ensure a risk analysis of each option has been undertaken to allow a comprehensive understanding of what risks exist, and that they understand those risks;
- ensure that the process followed is being proportionately and consistently used across the Council;
- have received appropriate training and support to allow them to scrutinise options appraisals;

- have an important role in asking officers challenging questions to ensure the appraisal is robust and all relevant issues are being considered;
- seek further information if they feel they have not been given sufficient information to make a decision; and
- need to be clear that the council officers may not have the relevant skills in house to carry out the appraisal, as some may be complex and require specialist external support.

3.2 The Role of the Committee Convener

The Committee Convener has an important role in reviewing and discussing draft reports before they are presented to committee and should raise any concerns they have regarding projects and associated options appraisals with the relevant Chief Officer.

3.3 The role of Corporate Leadership Team

The Chief Executive, Depute Chief Executive and Directors are responsible for operational delivery of the Council's policies/ strategic objectives and ensuring that decisions are made throughout the organisation with the correct level of information and data being available, making these decisions as informed as possible taking cognisance of the circumstances.

As Chief Officers overseeing the options appraisal process, they need to critically appraise the options, make recommendations and implement the chosen option. Chief Officers will be required to sign off all options appraisals by reviewing the checklist for officers included in Appendix 1 of this guidance.

This should all be undertaken and reported to Committee where required, taking cognisance of the nature of the options appraisal (strategic/ policy or operational) and in accordance with their authorisations as set out in the Council's Standing Orders, Scheme of Delegation and Financial Regulations.

Where an options appraisal is reported to committee, requiring consideration by elected members, the relevant Director will ensure that the checklist for elected members (included in Appendix 2 of this guidance) is also included in the committee papers, so that members have this checklist available when considering the report.

The Section 95 Officer will ensure that the relevant specialist financial staff are provided to appraise the financial elements of the options under consideration as part of the Options Appraisal process. It is good practice that the staff reviewing this are different from those who provided the initial support at the start of the appraisal process, where this is possible.

The Monitoring Officer will ensure compliance with legal obligations.

3.4 The role of Managers/Officers/Project Team Members

Officers throughout the Council are responsible for completing robust Options Appraisal documentation in accordance with this guidance. They will provide specialist knowledge and expertise, using their professional judgement to undertake the process. Having completed an Options Appraisal, the lead officer will complete the checklist for officers

included in Appendix 1 of this guidance and seek authorisation from the relevant Chief Officer.

3.5 The role of Member/ Officer Working Groups (MOWGs)

If felt appropriate and potentially beneficial, and dependent on the nature of the Options Appraisal under consideration, a Member Officer Working Group (MOWG) may be formed. The output from this work, and the roles and responsibilities while being involved in this MOWG, will continue to follow the same principles as described above. The MOWG will however support those involved to have a deeper understanding of the component elements of the project under consideration, which may assist in supporting the final decision making/ approval part of the process.

3.6 Other Roles

External Advisors – to provide specialist advice and possibly an independent perspective where this will enhance the information available to complete the Options Appraisal. For example, this is likely to be required on aspects where HM Treasury: The Green Book guidance is required to be used.

Trade Union Representatives – to represent any staff who may be affected by the proposed decision.

Other Organisations – the Council may consider involving staff from other partner organisations to be part of the Options Appraisal team to provide insight and expertise to enhance the information available.

3.7 Training

The Council will provide training to elected member and staff involved in the Options Appraisal process so that they can fulfil their respective roles and responsibilities effectively.

This can be undertaken in several formats but would, where appropriate, include internal briefing sessions, contracting with expert consultants to facilitate training courses, the development of in-house e-learning solutions and inclusion in induction training. The e-learning training course should be completed in advance of starting the options appraisal process. A regular review of all training opportunities must be undertaken.

There is an onus on elected members and staff to ensure that they are confident they have been appropriately trained and have the relevant skills to understand the Options Appraisal framework and fully understand their roles and responsibilities.

3.8 Checklists

Separate checklists have been developed for use by officers and elected members to assist in navigating their way through the guidance. It is mandatory that these are completed for each Option Appraisal and retained accordingly.

Appendix 1 – Checklist for Officers

Appendix 2 – Checklist for Elected Members

4. Decision-Making/Approvals

The final output of an Options Appraisal is the report to the appropriate decision-making authority (i.e. person or group), setting out the process which has been undertaken, the results it has produced, and how the preferred option was identified. The Options Appraisal may be a specific piece of work or it may form part of a Business Case document for consideration depending on the circumstances.

The appropriate decision-making authority will depend on the type of Project that the Options Appraisal has been prepared for, and will follow the appropriate route as follows:

- For Strategic/ Policy related 'approvals': these decisions are made by elected members and follow the Council's Standing Orders and Financial Regulations by presentation of a report to committee with clear recommendations, linking to the preferred option. The Options Appraisal should be appended along with the completed Checklist for Officers (Appendix 1) which requires to be signed off by the Chief Officer who is submitting the report for consideration. Committee approval is required to progress.
- For operational related 'approvals': these depend on the nature of the operational change being proposed but in most cases will be reported to the Chief Officer acting within their delegated authority as set out in the Council's Standing Orders, Scheme of Delegation and Financial Regulations. The completed Checklist for Officers (Appendix 1) requires to be signed off by the relevant Chief Officer. The Chief Officer approval is required to progress.
- Partnership/ Collaborative work aligning to external organisations should be reported following the standards and practices which govern those bodies. Council officers and/ or elected members will act within their Council delegated authority in relation to any decision-making capacity related to these bodies. Where a Council Officer has prepared an Options Appraisal in relation to the work of said partnership/ collaborative working arrangement, then the Checklist for Officers (Appendix 1) requires to be signed off by the relevant Chief Officer prior to it being shared out with the Council for consideration.

Where it applies, the Council's [project management documentation](#) should be used throughout the process, unless specific circumstances require otherwise.

For advice and assistance on any of this guidance note, please contact any member of the Change Team by e-mail - GovChange@angus.gov.uk

Appendix 1 – Checklist for Elected Members
Appendix 2 – Checklist for Officers