

ARGYLL AND BUTE COUNCIL	AUDIT COMMITTEE
STRATEGIC FINANCE	27 JUNE 2014
AUDIT SCOTLAND NATIONAL REPORTS	

1	EXECUTIVE SUMMARY
	<p>Audit Scotland issue a range of national reports which cover a variety of subjects. These reports in some instances are of interest to the Audit Committee and others are more relevant to Performance Review and Scrutiny Committee.</p> <p>The following Audit Scotland national reports have been issued in the last 6 months and have not previously been reported to the Audit Committee. A summary for each report is set out in the main body below together with key messages and recommendations. The reports issued in the last six months cover:</p> <ul style="list-style-type: none"> • Scotland's Public Finances. • Procurement in Councils. • Overview of Local Government. • How Councils Work – Options Appraisal. • Reshaping Care for Older People. • Scotland's Public Sector Workforce
2	INTRODUCTION
	In compliance with the CIPFA Code of Practice for Internal Audit, the Audit Committee receives Audit Scotland reports pertaining to Local Government. This report provides a summary of six recently issued reports and checklists.
3	RECOMMENDATIONS
	Audit Committee to note the contents of this report.
4	DETAIL
	BACKGROUND
4.1	Audit Scotland issue a range of national reports. These national reports cover a variety of topics. Some of the issues raised are relevant to Argyll and Bute. Some of the issues are of interest to the Audit Committee and some are more relevant to the remit of the Performance Review and Scrutiny Committee. A report is deemed relevant if it relates to local government or has generic impact across the whole public sector. Those specific to the health or education sectors are not considered relevant.

4.2	It is important relevant committees have the opportunity to consider the key findings and any recommendations. Not all the reports make recommendations as some highlight good practice and some provide checklists for members or officers. All members should also have the opportunity to access Audit Scotland national reports and each report will be made available through the HUB.
4.3	The Audit Scotland national reports covered in this report simply provide members with a summary of the key messages, key findings and recommendations from each Audit Scotland National Report relevant to the Council. In future reports an assessment of the Argyll and Bute position/progress for each report/recommendation will be made along with a note of proposed action. In respect of this report only the Audit Scotland national report information is being reported to the Audit Committee. It is recommended that for the August PRS and September Audit Committee reports are submitted with an assessment of the Council position/progress and the proposed action for each Audit Scotland national report.
4.4	<p>The following Audit Scotland national reports have been issued in the last 6 months and have not previously been reported to the Audit Committee. A summary for each report is set out below with key messages and recommendations.</p> <ul style="list-style-type: none"> • Scotland's Public Finances. • Procurement in Councils. • Overview of Local Government. • How Councils Work – Options Appraisal. • Reshaping Care for Older People. • Scotland's Public Sector Workforce.
	SCOTLAND'S PUBLIC FINANCES
4.5	<p>The key messages in this report are as follows:</p> <ul style="list-style-type: none"> • Scotland's public sector continues to face significant financial challenges. The Scottish budget has fallen nine per cent, in real terms, from £31.9 billion in 2009/10 to £28.9 billion in 2014/15 and is expected to reduce further. Public bodies have coped well so far but face increasingly difficult choices in reducing spending while maintaining service standards and meeting rising demand. • In setting budgets, public bodies need to focus more on their priorities, making clearer connections between planned spending and the delivery of outcomes. Rigorous use of options appraisal based on sound information is required for good budget-related decisions and making those decisions clear and understood. • There is limited evidence of longer-term financial planning. Plans generally focus on the short to medium term up to five years. More work is needed to develop and regularly review long-term financial strategies, that reflect priorities, risks and liabilities and the implications for affordability.

	<ul style="list-style-type: none"> • Non-executive directors and councillors have a crucial role. This involves approving budgets and holding people within their organisations to account for how the money is spent and the outcomes achieved. Public bodies need to improve the quality of information provided to non-executive directors and councillors to support them in their role.
4.6	<p>The report also makes the following observations:</p> <ul style="list-style-type: none"> • Public bodies have coped well so far, but service demands and pressures are increasing. • Scrutiny arrangements are sound but more information is needed on progress towards delivering outcomes. • Public bodies need to use benchmarking data to gain a better understanding of their costs and performance. • There is scope to improve financial information provided for scrutiny. • Non-executive directors and councillors need training to support them in budget-setting and scrutinising performance against budgets.
4.7	<p>There are no recommendations as such but a checklist of questions to support members on assessing the position in their Council is included with the report. This is attached as Appendix 1 to this report.</p>
	<p>PROCUREMENT IN COUNCILS</p>
4.8	<p>The key messages in this report are as follows:</p> <ul style="list-style-type: none"> • Councils spent over £5.4 billion on goods and services in 2012/13; over half of the total public sector procurement spend in Scotland. This spending is extremely diverse, although more than half is on social care and construction. Since 2006, initiatives by the Scottish Government and Scotland Excel have led to significant changes in councils' procurement practices. Procurement now has a higher profile and councils are buying more goods and services collaboratively. New legislation and EU directives will bring about further change. • Councils can use procurement to improve service quality and achieve benefits for the community. Councils are systematically using procurement spending to support local economic development. Councils have recently begun to make community benefits such as apprenticeships and environmental improvements an integral part of contracts. • Councils' spending through collaborative contracts set up by the Scottish Government and Scotland Excel has increased by over 80 per cent over the past three years to £503 million, but accounts for only 9.3 per cent of their total procurement spend. This percentage is likely to increase further as Scotland Excel and the Scottish Government introduce more collaborative contracts. The Scottish

	<p>Government, Scotland Excel and councils reported total procurement savings of £71 million in 2012/13, 1.3 per cent of procurement spend; with £43 million (61 per cent) of these savings arising from Scotland Excel or Scottish Government collaborative contracts. Councils are relying on procurement to generate savings to meet budget pressures, but some of their savings calculations may not be reliable or may be incomplete. Further savings are possible if councils make greater use of collaborative contracts and replace paper-based systems with 'purchase to pay' compliant ICT systems.</p> <ul style="list-style-type: none"> • Councils and Scotland Excel have used the Procurement Capability Assessment process to improve procurement practice. All councils have improved their procurement capability since 2009; however, the average assessment score has only reached 56 per cent. The rate of improvement varies among councils and some need to improve more quickly. Councils that invest in qualified improvement staff and improved systems can both improve service quality and achieve financial savings.
<p>4.9</p>	<p>The report makes the following recommendations:</p> <ul style="list-style-type: none"> • The Scottish Government should work with councils to: <ul style="list-style-type: none"> ○ review and update the Best Practice Indicators (BPIs), drawing on councils' experiences, to reflect changes in procurement since 2008 and improve their usefulness to councils. • Scotland Excel should: <ul style="list-style-type: none"> ○ maintain and improve its sharing of knowledge and experience with the Scottish Futures Trust, and with the associated joint venture companies ○ set realistic timescales for contract development, particularly in new areas of contracting. • Councils and Scotland Excel should: <ul style="list-style-type: none"> ○ review and formalise arrangements to fund procurement reform activity beyond 2016. • Council staff involved in procurement should: <ul style="list-style-type: none"> ○ submit accurate and complete information to the procurement Hub on a regular and timely basis (ideally quarterly, and as a minimum within three months of the end of the financial year)

- examine the costs and benefits of differentiating ALEO and council expenditure in their Hub submissions
- make greater use of the tools and facilities provided by the Hub, including the use of BPIs in their performance reporting and to benchmark their progress
- engage earlier with suppliers and the people who use public services to help develop contract specifications that more accurately reflect service user requirements and allow for greater innovation within contracts
- use the Public Contracts Scotland tender module for all applicable contracts
- make full use of national collaborative contracts and provide a clear explanation for non-participation in these contracts to the relevant council committee
- develop a systematic approach to collecting information on non-financial benefits including economic, community and environmental benefits and report the benefits to the relevant council committee on a regular basis
- calculate procurement savings using a consistent and transparent methodology that demonstrates clearly how the savings are calculated and their relationship to improved procurement
- make better use of market research, cost avoidance and improved contract management to identify savings and potential service improvements
- aim to achieve the superior performance level in the PCA, particularly in relation to:
 - § spend covered by agreed commodity/project strategies
 - § participation in Scotland Excel contracts
 - § automation of procurement and payment processes
 - § spend captured in the council's contract register.

- Councils' corporate management teams should:

- benchmark their procurement staffing against similar-sized councils with higher PCA scores and, where appropriate, produce a business case for employing additional qualified procurement staff where they have lower staffing levels
- examine the benefits of joint working or joint procurement teams as a way of securing economies of scale and creating collaborative contracts
- phase out paper purchasing systems and consider the business case for moving all purchasing systems to an electronic 'purchase to pay'

	<p>basis</p> <ul style="list-style-type: none"> ○ raise staff awareness of accountability and controls by: <ul style="list-style-type: none"> § implementing a written code of ethics § requiring staff involved in procurement to complete a register of interest statement § require internal audit to conduct a regular assessment of procurement risk, including the risk of fraud. • Councils should: <ul style="list-style-type: none"> ○ require a report on procurement savings and non-financial procurement benefits to be submitted to the appropriate committee on a regular basis ○ encourage elected members sitting on the main committee(s) dealing with procurement to complete specific training to help them undertake their governance role more effectively.
	<p>LOCAL GOVERNMENT OVERVIEW</p>
<p>4.10</p>	<p>The key messages in this report are as follows:</p> <ul style="list-style-type: none"> • Councillors need to maintain a good understanding of the rapidly changing economic, social and political context. Demands on services and resources continue to increase and need to be managed alongside public service reforms, including changes in the welfare system and in health and social care. • Achieving Best Value requires good information about the cost and performance of current services and robust analysis of the options and the related risks associated with alternative ways of delivering services. • Governance is more important than ever. Councillors need to scrutinise reports from officers on the financial position and service performance: get the right information; ask the right questions; and ensure issues are resolved. They also need to scrutinise reports from auditors and get assurances from officers that weaknesses in financial systems are addressed. Councillors should assure themselves that the officer responsible for the council's finances retains appropriate access and influence within management structures. • The total level of reserves has increased but the level of 'free' reserves has fallen, with councils predicting future funding gaps. More work is needed to develop longer-term resource plans that show connections between savings, staff changes and how assets, such as land and buildings, are used to best effect in providing services.

	<ul style="list-style-type: none"> • Councils are working with their partners to meet the challenges of significant service reforms. Achieving more from Community Planning Partnership (CPP) working requires strong shared leadership, more effective governance and making the most of the combined public sector resources in the area. • There is increased evidence of political tensions and instability which is leading to strained working relationships. This comes at a time when decisions on services are becoming increasingly difficult and require strong political and managerial leadership. There will be additional demands on councillors in the run-up to the independence referendum. This will require a balance between their council responsibilities and their wider political activities.
4.11	<p>The report makes the following recommendations:</p> <ul style="list-style-type: none"> • Maintaining a clear understanding of the financial position. • Understanding the public reform agenda, including the impact of welfare reform. • Preparing for changes in health and social care. • Keeping up to date through training and development. • Appraising the options for delivering services and charging for services. • Requiring good-quality cost and performance information for decisions and scrutiny. • Making better use of benchmarking to support service improvement and public reporting. • Maintaining good professional working relationships and providing strong political leadership. • Getting assurance that governance is sound, including where ALEOs are in place. • Providing stronger leadership of CPPs and working with partners to make the best use of the overall public resources available in the area.
4.12	<p>The report also highlighted the following key issue:</p> <ul style="list-style-type: none"> • Understanding the changing context and the crucial role of councillors <ul style="list-style-type: none"> ○ There are continuing pressures on finances and services ○ Public service reform provides challenges and opportunities for new approaches to services ○ Councillors have a complex and demanding role, which is crucial to the success of their councils

	<ul style="list-style-type: none"> • Meeting user demands and the financial challenges <ul style="list-style-type: none"> ○ Councillors need good information to support decision-making and accountability, consistent with Best Value responsibilities ○ Councils need to consider options for new ways of working and changes in the way services are delivered and paid for • Providing strong leadership and governance to support change <ul style="list-style-type: none"> ○ There is evidence of increasing political tensions and instability which is leading to strained working relationships ○ Decisions on services are becoming increasingly difficult and require strong leadership and governance ○ Effective governance of finances is more important than ever ○ Reserves have increased but the level of 'free' reserves has fallen, partly because they have been applied to reduce funding gaps ○ Achieving more from partnership working requires strong shared leadership supported by more effective governance ○ Partnerships need to identify and make better use of the overall resources available in their area
HOW COUNCILS WORK – OPTIONS APPRAISAL	
4.13	<p>The key messages in this report are as follows:</p> <ul style="list-style-type: none"> • 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 <i>Responding to challenges and change: An overview of local government in Scotland 2013</i> highlighted that demand and resource pressures continue to build for councils. One of our key recommendations was that councils should 'ensure rigorous and challenging appraisal of options for delivering services.' • 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. • 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

	<p>looking at how services are provided by other councils and other organisations.</p> <ul style="list-style-type: none"> • 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. • 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.
<p>4.14</p>	<p>The report goes on to make the following key observations:</p> <ul style="list-style-type: none"> • Councillors have a crucial role in options appraisal. An options appraisal is all about making well-informed decisions. Councils that involve councillors in determining the need for an options appraisal to be carried out have often been more successful in obtaining a good outcome • An options appraisal process is all about making well-informed decisions. A decision that has been carefully considered in discussion with others and informed by a robust process is more likely to be successful. <ul style="list-style-type: none"> ○ Everyone involved needs to have clear roles and responsibilities ○ Defining clear objectives is critical for success ○ Good-quality information informs good decisions ○ Consulting with stakeholders is a key to success ○ Critically appraising a wide range of options ensures the process is robust • Filtering options -The criteria will depend on what service or project is

	<p>being considered, but will typically include three main areas:</p> <ul style="list-style-type: none"> ○ Performance appraisal. ○ Financial appraisal. ○ Risk appraisal. <ul style="list-style-type: none"> ● The decision on selecting the preferred option needs to be transparent. ● Having a good business case supports effective decision-making and accountability. ● Good governance arrangements underpin good decisions ● Councils need to monitor the implementation of the decision and what difference this is making to services. ● Reviewing the process can help decisions in the future
4.15	There are checklists with key questions for councillors and key questions for officers with the report.
	RESHAPING CARE FOR OLDER PEOPLE
4.16	<p>The key messages in this report are as follows:</p> <ul style="list-style-type: none"> ● Reshaping Care for Older People (RCOP) is a complex programme of major transformational change affecting most health and social care services. Implementing the programme is challenging as organisations must continue to meet people’s current care needs and plan future services while managing pressures on existing services. Strong national and local leadership is needed to take this significant agenda forward. ● In 2011/12, the NHS and councils spent approximately £4.5 billion on care for older people. More needs to be done to target resources on preventing or delaying ill health and on supporting people to stay at home. There is little evidence of progress in moving money to community-based services and NHS boards and councils need clear plans setting out how this will happen in practice. To implement RCOP successfully, partners need to make better use of data, focus on reducing unnecessary variation and monitor and spread successful projects. ● The Change Fund represents 1.5 per cent of all spending on older people in 2011/12 and this has led to the development of a number of small-scale initiatives. Initiatives are not always evidence-based or monitored on an ongoing basis and it is not clear how successful projects will be sustained and expanded. The Change Fund has been successful in bringing together NHS boards, councils and the third and private sectors to develop and agree

	<p>joint plans to improve care for older people in their local area.</p> <ul style="list-style-type: none"> • For several years, there has been a greater focus on improving quality of care for older people in Scotland and providing services in a joined-up way, but progress has been slow. National performance measures have not kept pace with policy changes and a greater focus on outcomes is needed. There is no clear national monitoring to show whether the policy is being implemented successfully and what impact this is having on older people.
<p>4.17</p>	<p>The report makes the following recommendations:</p> <ul style="list-style-type: none"> • The Scottish Government should work with NHS boards, councils and their partners to: <ul style="list-style-type: none"> ○ improve and maintain data on cost, activity and outcomes for health and care services, particularly community-based services where there are key gaps. This information matters as it helps local decision-makers to decide where to spend, and not to spend, public money. It should be set out clearly as part of joint strategic commissioning plans ○ do more to understand the reasons why activity and spending on services for older people vary across Scotland. They need to work with local practitioners to help: <ul style="list-style-type: none"> § use information to benchmark activity and costs § identify areas for improvement § identify good practice • set out clear plans for how resources will shift to community services in the short and longer term. • NHS boards, councils and their partners, supported by the Joint Improvement Team and other national bodies, should: <ul style="list-style-type: none"> ○ make better use of available data, focusing on understanding reasons for variation in activity and spend, and reducing unexplained variation ○ monitor and spread successful projects by ensuring that initiatives aimed at improving services for older people have evaluation built in from the start to show how cost effective they are and how they are performing ○ identify initiatives that have had a positive impact on older people and: <ul style="list-style-type: none"> § specify how much they cost and the impact on other services § be clear how they can be sustained in the longer term.

	SCOTLAND'S PUBLIC SECTOR WORKFORCE
4.18	<p>The key messages in this report are as follows:</p> <ul style="list-style-type: none"> • From March 2009 to March 2013, the Scottish public sector workforce reduced by 26,600 WTE (seven per cent), to 373,400. A significant number of staff left through early departure schemes (15,816 WTE, equal to four per cent of the 2009 workforce). Another 9,664 WTE (three per cent) transferred to ALEOs or other non-public sector bodies. These staff still deliver services paid for by public money, but they are no longer included in public sector employment figures. • These changes helped public bodies to reduce their staff costs by an estimated £1 billion (eight per cent) between 2009/10 and 2011/12. Some of this reduction in staff costs will be offset by other payments to ALEOs and other non-public sector bodies to deliver public services. • The 80 survey bodies used a range of approaches to manage workforce numbers and costs. Each of the nine fieldwork bodies planned, at a service level, when changing their workforces. NHS bodies also produce single organisation-wide plans, bringing together their service-level workforce plans. Eight fieldwork bodies had used an early departure scheme but none had fully tested their schemes before using them. Fieldwork bodies did not routinely collect information on the costs and savings of their workforce change programmes. • Public sector finances will be under pressure for the foreseeable future although this varies between sectors. At the time we completed our work, only 58 of the 80 public bodies surveyed were able to predict workforce numbers and costs for 2014/15. • Given the challenges ahead, public bodies will need to make further workforce changes. Without service reform these are unlikely to deliver the savings needed. Public bodies need to think differently about how they deliver services, for example by prioritising and redesigning services and increasing joint working and collaboration. The Scottish Government has a number of reforms under way that could help deliver some of the change needed.
4.19	<p>The report makes the following recommendations:</p> <p>The Scottish Government and the Convention of Scottish Local Authorities (COSLA) should:</p> <ul style="list-style-type: none"> • work with public bodies to improve the consistency and accessibility of the data they collect on public sector employment and staff costs. This would provide more clarity on the relationship between staff numbers and costs and the impact of changes in employment levels on disposable income and workforce availability • provide strategic guidance on how bodies can redesign services and work better together to jointly plan and deliver services

	<ul style="list-style-type: none"> improve strategic planning of public sector workforces to identify and plan for future skills needs, gaps and challenges across the public sector. <p>Where they have not already done so, councils, the NHS, the Scottish Government and central government bodies should:</p> <ul style="list-style-type: none"> develop and use organisation-wide workforce plans, informed by a series of service or departmental plans that are consistent in their structure and content. Senior managers and boards or elected members should scrutinise and monitor these plans assess the impact of different terms and conditions on the likely costs and uptake of their schemes before they put a scheme in place collect information on the costs and net savings from their workforce programmes and report these details to boards and elected members forecast expected staff numbers, skill needs and costs on a rolling three-year basis, using scenario planning where necessary make better use of existing mechanisms, such as community planning partnerships, to identify opportunities to share resources, including workforces.
5	Conclusions
	This report provides Audit Committee will a summary of Audit Scotland National reports issued over the last 6 months. The summary provided should allow the committee to identify issues of concern and provide assurance re proposed action.
6	Implications
6.1	Policy
6.2	Financial
6.3	Legal
6.4	Human Resources
6.5	Equalities
6.6	Risk
6.7	Customer Service

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APPENDICES

Appendix 1 Checklists

Appendix 1

Question	Assessment	
Understanding the changing context and the crucial role of councillors (paragraphs 10 – 37)		
Do I have a good understanding of the changing context in my council around:	YES	NO
financial and service pressures?	Y	N
the impact of police and fire reforms?	Y	N
the impact of welfare reform?	Y	N
the integration of health and social care?	Y	N
Do I understand my role and responsibilities and those of officers?	Y	N
Am I supported in my role?	Y	N
Do I have access to, and take up, appropriate development opportunities?	Y	N
Meeting user demands and the financial challenges (paragraphs 38 – 64)		
Do officers provide me with performance information which is clear and concise and enables me to judge how well we are doing?	Y	N
Does the information I receive cover:		
service performance?	Y	N
service costs?	Y	N
customer satisfaction?	Y	N
trend data?	Y	N
benchmarking data?	Y	N
targets and outcomes?	Y	N
Do I have good understanding of performance and value for money across the council?	Y	N
Do we, as a council, provide clear information to the public on our performance?	Y	N

Question	Assessment	
Am I provided with options and supporting information to support the decisions on services and capital projects that I have to take?	Y	N
Do I receive cost information that helps me make decisions?	Y	N
Does the way our services are designed and delivered meet people's needs?	Y	N
Am I clear on our objectives, purpose and role when involved with ALEOs?	Y	N
Do I give direction over aims and priorities for charges (in areas where the council has discretion)?	Y	N
Do I understand the non-financial contribution of charges, eg to behaviours and service uptake?	Y	N
Providing strong leadership and governance to support change (paragraphs 65 – 116)		
Is my relationship with other councillors, and with officers, professional and constructive?	Y	N
How effective am I in contributing to constructive challenge and debate at meetings?		
How well do we work together as councillors, and with officers, to deliver the best outcomes for our communities?		
Do I receive information on early retirals along with associated costs and savings?	Y	N
How effective is the Audit Committee (or equivalent)? Is it challenging to officers?		
Do I know who the council's statutory officers are and what they do?	Y	N
How well is the council working with the leaders of community planning partners to deliver better outcomes for communities?		
Are we working with community planning partners to deploy resources jointly in our partnership objectives?	Y	N

Options Appraisal Checklist For Members

Reference	Questions for councillors	Yes/No	Action
On the options for delivering services			
Key messages 2-3	Are there any restrictions, for example legal or financial, to providing this service in a different way?		
<p>Paragraphs 18 and 23</p> <p>Paragraphs 50-52 and Exhibit 3</p>	<p>Am I considering all of the options on how services might be delivered?</p> <p>Does the current service provider: deliver economy, efficiency and effectiveness? have the capacity and capability to sustain good performance? generate sufficient funds or make the required savings?</p> <p>Does the service directly contribute to the council's objectives?</p> <p>Am I clear about what the full range of alternatives are for providing this service? Are there alternative providers for the service?</p> <p>Is the risk of failure so high that risks are better managed in-house?</p> <p>Are the potential benefits of other options outweighed by the costs of implementation?</p> <p>Are there opportunities to: develop an effective 'mixed economy' of approaches for achieving the council's objectives? share the risks and benefits with partner organisations?</p>		
<p>Paragraphs 18 and 23</p> <p>Paragraphs</p>	<p>Would the service benefit from: economies of scope (by providing a more specialised service)?</p>		

Reference	Questions for councillors	Yes/No	Action
50-52 and Exhibit 3	<p>economies of scale (by being bigger)? innovation and investment? increased productivity? access to investment? an opportunity to stimulate or influence market development? Is there a demand for the service?</p>		
On the options appraisal process			
Paragraph 23 Paragraphs 42-43	Am I clear about what the options appraisal is trying to achieve?		
Exhibit 2	Does my council have a robust process in place to help me decide on the options?		
Paragraph 43 Paragraph 42 Paragraphs 39-41 Paragraphs 70-73 Paragraphs 48-49	<p>At the start of the process:</p> <p>Have we set clear objectives?</p> <p>Am I clear about why we are considering the options?</p> <p>Are those objectives consistent with the council's strategic objectives and policies?</p> <p>Have we set out clear roles and responsibilities?</p> <p>Have we agreed a clear plan which identifies what decisions need to be made and by whom?</p> <p>Have we identified the key stakeholders who need to be consulted?</p>		
Exhibit 2	During the process:		

Reference	Questions for councillors	Yes/No	Action
Paragraph 27	<p>Am I getting regular updates on progress?</p> <p>Am I involved at the appropriate decision points?</p> <p>Is the process progressing to plan?</p> <p>Am I getting the support I need from officers?</p>		
On making sound decisions			
Paragraphs 44-47	Am I getting the information I need to make the decision?		
Paragraphs 57-58	On the performance implications?		
Paragraphs 59-60	On the financial implications?		
Paragraphs 61-63	On the risks?		
Paragraphs 67-68	Is there a clear business case?		
Paragraph 43	Is the decision consistent with the council's strategic objectives?		
Paragraphs 48-49	Have stakeholders contributed to the options appraisal process and what are their views?		
Paragraph 31	Am I clear about how I balance my personal and political views with my statutory duty of Best Value?		
On implementing the decision			
Paragraphs 74-76	Am I getting the information I need to be assured that:		

Reference	Questions for councillors	Yes/No	Action
	the decision is being implemented effectively? it is having the desired effect?		

Options Appraisal Checklist For Officers

Reference	Questions for officers	Yes/No	Action
Defining the objectives			
Paragraphs 42-43	<p>Are the main reasons/drivers for considering other delivery arrangements clear? performance financial risk strategic priorities.</p> <p>Am I clear about how the options relate to the council's corporate priorities?</p>		
Agreeing the process			
Paragraph 21 Paragraphs 39-41	<p>Have the elected members approved a robust options appraisal process?</p> <p>Is everyone aware of the roles and their responsibilities in the options appraisal framework being used?</p> <p>Have I developed a clear plan for the process and identified: timescales? resource implications? roles and responsibilities? skills and expertise? governance arrangements?</p>		
Identifying and filtering options			
Paragraph 18 Paragraphs 42-52	<p>Am I confident that I am identifying the full range of options?</p> <p>Do I know how similar services are delivered by other councils in Scotland and in the UK?</p> <p>Do I know how similar services are delivered in the private sector?</p>		
Paragraph 18 Paragraphs	Am I clear about the relative merits of the options?		

Reference	Questions for officers	Yes/No	Action
42-52	'Strategic fit' with the council's policy objectives Impact on the quality of service for the customer Financial implications (both costs and savings) Legal implications Risk assessment Impact on other council services.		
Assessing and analysing options			
Paragraphs 53-69	For the 'shortlist' of options have I considered: all of the current and future costs and benefits? legal and financial implications? risks? practical implications of delivering the option? Is there a robust process in place to help members take the decisions? Have I clearly presented all of the information members will need to make the decision? On current and projected costs, performance and risks Business case(s) including assumptions.		
Implementing the option			
Paragraphs 74-77	Have I developed a clear action plan to implement the decision? Timetable Resources Managing the risks. Have I ensured that there are robust arrangements in place to monitor and report performance, regardless of the option chosen? Contract Service level agreement Performance and financial reporting		

Reference	Questions for officers	Yes/No	Action
	Escalation arrangements if things go wrong. Have I carried out a 'lessons learned review' to inform future options appraisals?		