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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>20 September 2016</b>
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<b>Subject:</b>	<b>Service Review Guidance</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to present to the Policy and Resources Committee for approval Guidance on how to conduct a Service Review.

## 2.0 SUMMARY

- 2.1 Service review has been an integral part of the budget setting process, particularly in recent years with the huge efficiencies that the Council has had to achieve due to financial pressures. The Council must be able to demonstrate that it is delivering public services in the most cost effective manner possible.
- 2.2 The Council must also be confident that service reviews are conducted in a rigorous and transparent manner and that the services that we continue to provide represent value for money. Self-awareness and continuous improvement will continue to be fundamental to the emerging new Best Value framework. Audit Scotland has indicated that it will be looking for Councils to be able to demonstrate:
- Sharing good practice, expertise, resources and innovation
  - Increased pace of improvement, evidenced by Councils in the reporting of better outcomes for service users and communities
  - Clarity about its strategy for self-evaluation
- 2.3 As part of the Council's commitment to demonstrating Best Value, the attached Service Review Guidance summary (Appendix 1) has been produced by the Corporate Quality Improvement Group. It outlines the key stages, supporting processes and procedures that should be adopted by all services in conducting a service review. It is not exhaustive or designed to restrict review teams in their work but should be used as a guide throughout the review process.
- 2.4 There is a more detailed Service Review Guidance document, covering review processes in more detail. This guidance has been placed on ICON for services to access when carrying out service reviews and options appraisal (<http://icon/directorates/education-communities-organisational-development/inclusive-education--culture-and-corporate-policy/policy-and-performance/organisational-improvement/service-review-guidance/>).
- 2.5 Adhering to the guidance will ensure that reviews are rigorous and are capable of standing the test of both internal and external scrutiny.

2.6 The guidance is supported by the Council's self-evaluation guidance 'Planning for Delivery and to Secure Improvement' (<http://icon/directorates/education-communities-organisational-development/inclusive-education--culture-and-corporate-policy/policy-and-performance/organisational-improvement/self-evaluation-guidance/>).

### **3.0 RECOMMENDATIONS**

3.1 It is recommended that the Policy and Resources Committee:

- Consider and comment on the attached Guidance on how to conduct a Service Review
- Agree that this guidance should be adopted by all Services when carrying out a Service Review.

**Wilma Bain**  
**Corporate Director**  
**Education, Communities and Organisational Development**

## **4.0 BACKGROUND**

- 4.1 Service review has been an integral part of the budget setting process, particularly in recent years with the huge efficiencies that the Council has had to achieve. The Council must be able to demonstrate that it is delivering public services in the most cost effective manner possible.
- 4.2 The Council must also be confident that service reviews are conducted in a rigorous and transparent manner. Self-awareness and continuous improvement will continue to be fundamental to the new Best Value framework. Audit Scotland has indicated that it will be looking for Councils to be able to demonstrate:
- Sharing good practice, expertise, resources and innovation
  - Increased pace of improvement, evidenced by Councils in the reporting of better outcomes for service users and communities
  - Clarity about its strategy for self-evaluation

## **5.0 GUIDANCE ON HOW TO CONDUCT A SERVICE REVIEW**

- 5.1 As part of the Council's commitment to demonstrating Best Value, the attached Service Review Guidance Summary (Appendix 1) has been produced by the Corporate Quality Improvement Group. It outlines the key stages, supporting processes and procedures that should be adopted by all services in conducting a service review. It is not exhaustive or designed to restrict review teams in their work but should be used as a guide throughout the review process.
- 5.2 This guidance sets out:
- The necessary preparation for scoping the service review;
  - the key stages in managing a service review;
  - the identification and documentation of action(s) arising from the review through a process of option appraisal;
  - a review plan template.
- 5.3 The guidance has been developed in line with best practice elsewhere and the Audit Scotland report "Options Appraisal: Are you getting it right?"
- 5.4 Adhering to the guidance will ensure that reviews are rigorous and are capable of standing the test of both internal and external scrutiny.
- 5.5 A more comprehensive Service Review Guidance document has been made available on ICON for services to help guide them in their service review processes. The guidance is supported by the Council's self-evaluation guidance 'Planning for Delivery and to Secure Improvement'.

## **6.0 IMPLICATIONS**

- 6.1 Financial: To work well, a service review needs to be resourced properly. This will involve 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.
- 6.2 Human Resources: as above.
- 6.3 Legal: Everything that the Council does has its roots in legislation. Whilst some services are more prescribed in legislation than others, councils still have a lot of discretion on the level of service provided. The legal implication of an option is one of the criteria that will be assessed as part of the options appraisal process.

6.4 Equalities: The guidance sets out that an option will need to be in line with the Council's equality objectives.

6.5 Repopulation: There is no direct impact on repopulation.

## **7.0 CONSULTATIONS**

7.1 The Corporate Quality Improvement Group were fully engaged in the development of this guidance.

## **8.0 CONCLUSIONS**

8.1 The Council requires to have a structured approach to service review and options appraisal, to support the delivery of best value and continuous improvement. The Policy and Resources Committee is asked to approve the attached guidance, to instruct services to use this for any future service reviews, and to embed options appraisal into this process.

## **9.0 LIST OF BACKGROUND PAPERS**

9.1 Options Appraisal: Are you getting it right? Audit Scotland  
<http://www.audit-scotland.gov.uk/report/how-councils-work-an-improvement-series-for-councillors-and-officers-options-appraisal-are>

# SERVICE REVIEW GUIDANCE

## Summary



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### 1. Service Review Summary

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The service review and improvement process is a vital component of Inverclyde Council's commitment to continuous improvement and demonstrating Best Value. It allows managers to assess current levels of performance and can be used to achieve financial savings by providing options for service delivery and / or improved efficiency, effectiveness and performance, assuring value for money.

The Council is under continual pressure to provide better quality and better value services with fewer financial resources. In this climate it is critically important to consider where financial savings will be achieved to meet reduced revenue budgets; ensuring that in achieving these efficiencies we are focusing on the priorities that we want to achieve.

A service review involves challenging how we currently provide services; thinking more creatively with partners, our customers and the communities we serve, to seek the most effective delivery options.

Service reviews should be conducted in a manner that is transparent, systematic and objective with the results made available to all stakeholders.

This summary of the full service review guidance [insert link to ICON] outlines the key stages that must be carried out by all services in conducting service reviews. It is not exhaustive or designed to restrict review teams in their work but should be used as a guide through the review process. The detailed work carried out during the review is for the review team to determine. Much of this will only become clear once the assessment and options appraisal is complete.

The full guidance sets out:

- the key stages in managing a service review;
- the identification and documentation of action(s) arising from the review through a process of option appraisal;
- the arrangements for reporting results;
- plans for service improvement and evaluation.

This summary of that guidance sets out the key templates to be completed when it comes to reviewing a service.

## 2. Template to assist in scoping a review

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### Background

Effectively scoping a review is an essential part of the continuous improvement and review process.

The scoping stage of a review contains a number of key elements which involves answering some fundamental questions about why and how the review will be conducted.

This stage will result in clear terms of reference which throughout the review will be an essential point of reference. The terms of reference for each review require to be approved by the Corporate Management Team and elected members.

In terms of preparing the terms of reference for each review there is a need to:

### Appoint a Lead Officer

The Lead Officer will in effect be the Project Director who is tasked with overseeing and seeing the review through. He / she will need to appoint a Project Manager to ensure the review is kept on track.

### Identify and appoint a Review Team

To support the project manager in delivering the review there will be the need to appoint a review team.

### Remit

The review will need a clear remit, which details the purpose of the review. The remit needs to be defined and documented. The remit should come from the review team and be endorsed by the senior management and should not be changed once it has been agreed, unless agreed by senior management.

### Aims and Objectives

What are the aims and objectives of the review? The aims and objectives of the remit need to build upon the remit and set out what the review is expected to deliver/achieve. The review team needs to consider the aims and objectives of the review. This is important as the success of the review will be assessed against achievement of the aims and objectives.

### Scope

This needs to involve determining what activities, functions or services the review will consider.

It is also as important to decide what will not be included in the review, as deciding what will be covered as part of the review.



### Progressing the Review / Key Deliverables and Timescales

There needs to be discussion and agreement on the key deliverables required from the review and the timescales for completion including:

- Formal start of the review
- Completion of consultation
- Review of findings
- Consideration of options
- Production of draft report
- Challenge and comments on draft report
- Production of the final report

### Engagement

Identify key groups of staff and customers who will be involved in the review.

### Resource Implications

The review team also needs to fully assess the resource implications in conducting the review.

### Projected Savings

Reviews should identify the projected efficiency savings that will be generated following the implication of the review.

### Key Risks

It is essential to identify any risks to the success of the review. These need to be managed to reduce the likelihood and impact of unwanted outcome such as time and cost overruns as a result of changes both internal/external or negative impact on outcomes for communities.

### Reporting Mechanisms

At this stage the reporting mechanisms throughout the review should also be agreed:

Who: Senior Management Team  
Corporate Management Team  
Elected Members

How: Progress Reports to Senior Management Team/Corporate Management Team and Elected members.

## Service Review Guidance

1. Title of Review

2. Lead Officer

3. Review Team Members

4. Remit of Review

5. Scope

6. Aims and Objectives

7. Key Deliverables/ Milestones

Formal start of the review

Completion of consultation

Review of findings

Consideration of options

Production of draft report

Challenge and comments on draft report

Production of the final report

8. Engagement

Who:

Method of engagement/ Communication:

8. Resource Implications

9. Projected Savings

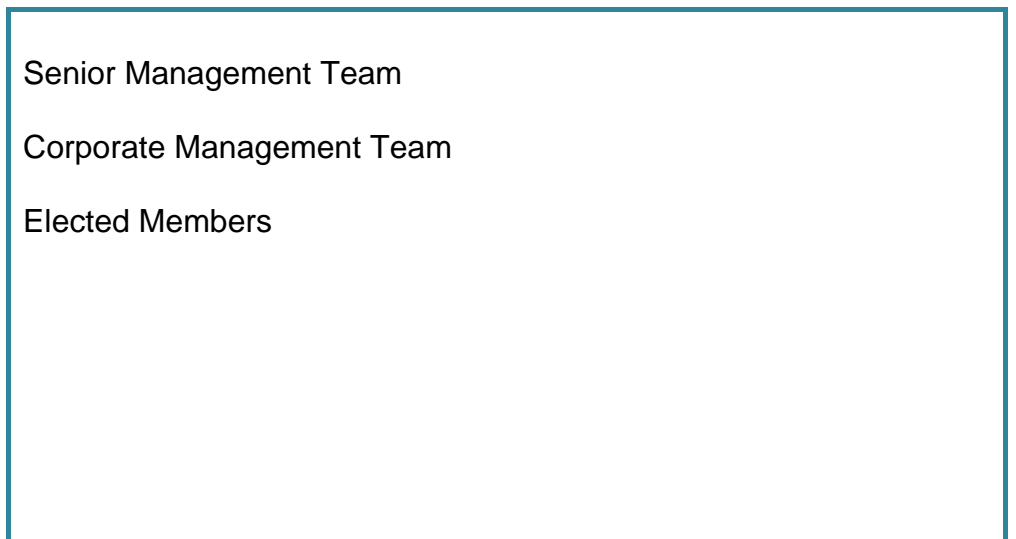


10. Key Risks

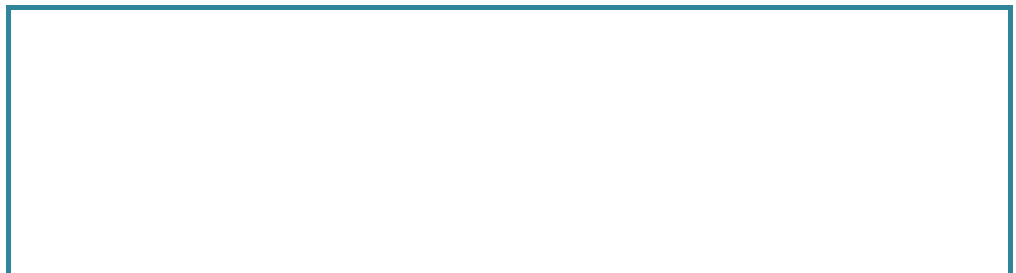


11. Reporting Mechanisms

Senior Management Team  
Corporate Management Team  
Elected Members



12. Estimated Completion Date and Final Review Report



### 3. A suggested review timetable

This timetable reflects the time that may be taken to complete an *average* review. Straightforward reviews covering only one service area may well be shorter and completed in less than 6 months. On the other hand cross cutting reviews may take longer. All reviews however should be capable of being completed within twelve months. The timetable adopted should be planned and realistic.

The aim should always be to timetable a review so that it can complete and report in time for any budget or resource recommendation to be factored into the budget review process and cycle. This is particularly important for cross cutting or joint service reviews where resources or budgets may require to be found from two or more partner organisations in order to implement any review recommendations.

<b>BY END OF:</b>	
<b>MONTH 1</b>	
Prepare for the review <ul style="list-style-type: none"> <li>- produce scoping report and submit to Corporate Management Team and appropriate Committee for approval</li> </ul>	STAGE 1
<b>MONTH 3</b>	
Examine the existing service performance by gathering evidence <ul style="list-style-type: none"> <li>- conduct a robust self-evaluation of the service, including establishing performance information for the service and benchmarking information</li> </ul>	STAGE 2
<b>MONTH 6</b>	
Start the Review <ul style="list-style-type: none"> <li>- consultation with service users and stakeholders</li> <li>- consider options for service delivery</li> <li>- apply appraisal criteria</li> <li>- manage risk</li> <li>- scrutiny by Challenge Panel</li> </ul>	STAGE 3 STAGE 4 STAGE 5
<b>MONTH 8</b>	
Future delivery of the service <ul style="list-style-type: none"> <li>- develop a Review Report for the CMT</li> <li>- develop an Action Plan</li> <li>- establish monitoring and evaluation procedures</li> <li>- monitoring and evaluation arrangements put in place</li> </ul>	STAGE 6 STAGE 7

## 4. Options Appraisal Checklist for Officers

The checklist from Audit Scotland's 'Options Appraisal: Are you getting it right?' is designed to help officers ensure that they have carried out a robust options appraisal as part of their service review. Audit Scotland have been placing an emphasis on options appraisal and expect to see this as part of any service review process, therefore this part of the service review process is mandatory.

Questions	Yes / No
Defining the objectives	
<p>Are the main reasons/drivers for considering other delivery arrangements clear?</p> <ul style="list-style-type: none"> <li>• performance</li> <li>• financial</li> <li>• risk</li> <li>• strategic priorities.</li> </ul> <p>Am I clear about how the options relate to the council's corporate priorities?</p>	
Agreeing the process	
<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:</p> <ul style="list-style-type: none"> <li>• timescales?</li> <li>• resource implications?</li> <li>• roles and responsibilities?</li> <li>• skills and expertise?</li> <li>• governance arrangements?</li> </ul>	
Identifying and filtering options	
<p>Am I confident that I am identifying the full range of options?</p> <ul style="list-style-type: none"> <li>• Do I know how similar services are delivered by other councils in Scotland and in the UK?</li> <li>• Do I know how similar services are delivered in the private sector?</li> </ul>	

Questions	Yes / No
<p>Am I clear about the relative merits of the options?</p> <ul style="list-style-type: none"> <li>• 'Strategic fit' with the council's policy objectives</li> <li>• Impact on the quality of service for the customer</li> <li>• Financial implications (both costs and savings)</li> <li>• Legal implications</li> <li>• Risk assessment</li> <li>• Impact on other council services.</li> </ul>	
<p>Assessing and analysing options</p>	
<p>For the 'shortlist' of options have I considered:</p> <ul style="list-style-type: none"> <li>• all of the current and future costs and benefits?</li> <li>• legal and financial implications?</li> <li>• risks?</li> <li>• practical implications of delivering the option?</li> </ul> <p>Is there a robust process in place to help members take the decisions?</p> <p>Have I clearly presented all of the information members will need to make the decision?</p> <ul style="list-style-type: none"> <li>• On current and projected costs, performance and risks</li> <li>• Business case(s) including assumptions.</li> </ul>	
<p>Implementing the option</p>	
<p>Have I developed a clear action plan to implement the decision?</p> <ul style="list-style-type: none"> <li>• Timetable</li> <li>• Resources</li> <li>• Managing the risks</li> </ul> <p>Have I ensured that there are robust arrangements in place to monitor and report performance, regardless of the option chosen?</p> <ul style="list-style-type: none"> <li>• Contract</li> <li>• Service level agreement</li> <li>• Performance and financial reporting</li> <li>• Escalation arrangements if things go wrong</li> </ul> <p>Have I carried out a 'lessons learned review' to inform future options appraisals?</p>	

## 5. Review Plan template

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You can use this review plan template to clearly set out a report in a logical sequence, incorporating all the key elements as described below. For lengthy reports, please use a contents table with page numbers at the front.

Title of the report:

Author:

Date:

### Management Summary:

Always start anything except the shortest reports with a summary, this should include:

- A brief statement to the purpose / aim of the service(s), function(s), group or theme under review
- Summary of the process or research undertaken
- Key findings of the review
- Key recommendations for improvement and change

### 1. Introduction

As this suggests, set out a brief introduction to the content of the report. This section of the report is generally brief but should outline the following:

- The context – the review scope and objectives
- Background to the review – the reasons why the review was carried out
- Members of the review team
- Key issues identified

### 2. Current service provision

This includes:

- Service objectives and links to corporate key strategies and where we are now
- Key activities and processes
- Resource inputs – management and staffing structure, budgets, technology
- Current partnership arrangements with contractors, partners and major stakeholders



- Views of service users
- Summary of the findings relating to the current position

### 3. Benchmarking and performance

- How performance is managed
- Performance against local, national indicators and others
- Examples of best practice in aspects of service delivery
- Summary of performance and benchmarking that has been carried out

### 4. Market competitiveness

This section should summarise:

- Segmentation of the market
- Needs / demands for the service
- Trends in needs / demands
- Projected needs / demands in future
- Legislative, economic, social, technological variables and their likely impact on the service
- Competition

### 5. Challenge

This section should summarise:

- Should the service be provided at all (statutory and discretionary)
- The level of service that should be provided and why
- Where do we want to be in the future
- How to move from the current service provision to the future model of provision
- Objectives for the service in the future
- Performance standards and targets for the service in the future
- Summary of the main issues to be address to secure improvement

### 6. Future service provision

This section should summarise:

- How will the future model of service provision be achieved?
- The options for future service provision
- Evaluation of the options/options appraisal
- The views of stakeholders, users and others on the options
- The preferred option

### 7. Conclusions and recommendations

Include the conclusions from the overall findings reached by the service review team referring to the original aims and objectives. Summarise the recommendations for approval and take forward as possible actions for implementation. Include the draft Action Plan.

### 8. Appendices

Appendices are useful to provide additional data, reference materials however these should only include information that is relevant to the reading and understanding of the report.

Review teams should maintain a review file to enable others to review additional information if necessary.