

AC24. MAJOR CAPITAL INVESTMENT

The committee considered a report by the Chief Finance Officer presenting Audit Scotland's review of major capital investment in Falkirk Council.

Audit Scotland undertook a review of major capital investment in councils in 2013/14 and selected Falkirk Council for targeted follow up in 2014/15. The follow up report identified a number of good practices within the Falkirk council including:-

- A robust business case is required for all capital projects over £1 million that are included in the capital programme;
- Capital monitoring statements are presented to the Executive bi-annually, with a supplementary report in August providing outturn information, which allows members to scrutinise progress in implementing the capital programme; and
- Capital monitoring statements provide details of spend to date and projected for each project to enable members to identify any potential slippage or overspends at an early stage.

The report also identified the following two areas where there is scope for improvement:-

- The corporate asset management strategy currently covers the period 2011- 2014 and should be updated to ensure it accurately reflects the council's priorities and objectives going forward.; and
- Capital monitoring statements provided to members do not currently provide an update on risks and how these may affect individual projects. A capital program risk register should be considered to provide programme level view of aggregate risks to projects.

The report by the Chief Finance Officer provided an update on action taken in regard to the latter two areas.

The committee discussed the requirement that a business case is prepared for all capital projects over £1m and discussed the benefits of the introduction of a standard format.

Members also sought detail on a process for ensuring that slippage is managed both at a corporate and service level.

Decision

The committee noted the report.