

AUDIT SCOTLAND NATIONAL REPORTS – MAJOR CAPITAL INVESTMENT IN COUNCILS

Key Point/Checklist/Recommendation	Action/Response:	Implementation Date	Lead Officer
Councils should develop and confirm long-term investment strategies to set out the needs and constraints for local capital investment and consult with stakeholders such as service users and suppliers as they develop these strategies	Consultation on the proposed investment strategy will be included in the budget prioritisation process.	February 2014	Head of Strategic Finance
Councils should assess the overall appropriateness of using borrowing and private finance within the investment strategy. The strategy should balance the costs, risks and rewards of using these methods to ensure plans are financially sustainable and help the council achieve value for money	This is considered both when looking at the overall financing of the capital programme and again when deciding on the procurement option for individual projects.	n/a	Head of Strategic Finance
Councils should establish standard criteria for the content of business cases that reflects good practice and establish clearly defined project milestones for monitoring and reporting	These are contained in the Capital Programme Planning and Management Guide.	n/a	Head of Facility Services
Councils should prepare detailed and robust business cases for every project. These should cover the intended aims and benefits, options appraisal, risk assessment and cost, time and scope targets	Initial business cases are prepared and approved for each project before it appears on the Capital Programme and in respect of Service Development and Strategic Change projects further business cases are approved before the asset is procured.	n/a	Head of Facility Services
Councils should actively look for opportunities for joint working with other councils, community planning partnerships and public bodies to improve the efficiency of their capital programmes. This should cover joint projects, sharing resources such as facilities and staff, sharing good practice and taking part in joint procurement	The Council works with its Community Planning Partners to look at opportunities for sharing. For example the Mull Progressive Care Centre.	n/a	Head of Facility Services
Councils should improve the quality of capital project and programme information that is routinely provided to elected members. Information should cover: <ul style="list-style-type: none"> – annual financial performance against the capital budget – project and programme 	The content of the capital monitoring information provided to members covers information on financial, project and programme performance. An assessment of the risks is carried out and the implications are included in the information provided above but not separately reported.	January 2014	Head of Facility Services

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<p>level performance against cost, time and scope targets</p> <ul style="list-style-type: none"> – risk reporting (including identification, likelihood, financial impact and actions taken) – an assessment of intended and realised benefits 	<p>No information is provided on the realisation of benefits.</p> <p>Amendments will be made to the reporting to members to include specific information on risks and benefits realisation.</p>		
<p>Councils should consider developing a continuing programme of training for elected members on capital issues, using independent external advisers if necessary</p>	<p>Training on capital issues will be included in the formal training given to members.</p>	<p>To be agreed with Council leadership.</p>	<p>Head of Facility Services</p>
<p>Councils should consult with stakeholders on its capital programme to ensure stakeholders are fully aware of council capital spending priorities and plans. This may create opportunities to generate efficiencies over the whole programme rather than restricting it to project specific issues</p>	<p>Consultation on the proposed capital programme will be included in the budget prioritisation process.</p>	<p>February 2014</p>	<p>Head of Strategic Finance</p>
<p>Councils should improve how they manage risk and report on programme-level risk to members. Reports should provide details on the likelihood of risks occurring, potential impact and what proposals are in place to lessen the impact of risk</p>	<p>This will be incorporated into the reporting to members in terms of capital monitoring and the papers on the capital programme preparation.</p>	<p>January 2014</p>	<p>Head of Facility Services</p>
<p>Councils should carry out post-project evaluations within six months of a project being completed to find out if the projects have delivered, or are on course to deliver, the intended benefits and to learn lessons. The results should be reported publicly.</p>	<p>Post completion reviews are carried out. Consideration will be given to how these could be reported publicly.</p>	<p>December 2013</p>	<p>Head of Facility Services</p>
<p>Councils should ensure lessons learned from projects are shared across services and other councils to help improve the successful delivery of future projects to time and cost targets.</p>	<p>Lessons learned are shared within the Council. Consideration will be given on how these can be shared with other Councils</p>	<p>December 2013</p>	<p>Head of Facility Services</p>