

**CUSTOMER SERVICE & VFM O&S COMMITTEE****CAPITAL EXPENDITURE PROCESS & MANAGEMENT REVIEW****1. Introduction**

The Committee has observed the significant slippage in the Capital Expenditure (CAPEX) programmes of both the General Fund & the HRA (See table 1 – for 2016/17) and is concerned that this maybe leading to both poor value for money & also possible poor customer service.

The Committee accepts that there can be reasonable grounds for some slippage but the extent of slippage in relation to the total programme and the lateness in identifying it, appears to be inhibiting the introduction of replacement items and making full use of the resources already approved by Council.

**2. Proposal**

The Committee wishes to scrutinise in depth the following process & procedures, used in both the General Fund & HRA, for;

- Identifying & selecting CAPEX items included in budget.
- Committing expenditure on CAPEX items.
- Managing CAPEX items.
- Identifying & reporting slippage
- Identifying & approving substitute CAPEX items.

**3. Outcomes**

The Committee would like to work with both officers & members to see whether it would possible to either;

- Give assurance that current CAPEX processes & procedures, do give Value for Money.

Or, make recommendations to the Executive for;

- Improvements to CAPEX processes & procedures which should lead to improvement in both the identification & management of project slippages.
- Introduction of replacement CAPEX items following early identification of slippage.
- Giving better Value for Money & Customer Service.