

CAPITAL PROGRAMME BUDGET MONITORING GUIDELINES

Introduction

As the responsible officer for a Capital Programme, it is incumbent upon you to monitor your budget and to ensure that the actual spend on the project does not exceed the available budget.

The Capital Programme has been produced within specific spending targets, and therefore, monitoring is vital to ensure that these are not exceeded. These targets have been set to ensure that the Council's capital reserves are not excessively depleted.

Monitoring Guidelines

The following are the main guidelines that you should keep in mind when monitoring your capital budgets.

1. You should compare actual to budgeted expenditure, at least monthly, using Agresso. Budgets for the following financial year will be input onto Agresso prior to the beginning of the year. For revised budgets, you should consult the capital programme. Any significant variances should be reported to the Chief Accountant & Auditor or Finance Services Manager immediately

2. Quarterly monitoring reports will be produced by the Corporate Finance Section and distributed to spending officers. You will be required to analyse the reports and explain major variances to the Corporate Finance Section. This will include informing the Corporate Finance Section of any likely major underspends, as these could be used to fund other schemes. Where it is likely that a project will overspend, a bid will have to be submitted to the Peer Review Group for assessment within the guidelines already established and within the spending targets of the programme.

3.1. It should not be assumed that where a scheme may be overspent, that additional funds will be made available to cover any such overspend. In fact, it should be assumed that this will not be the case. Only in exceptional circumstances will the Peer Review Group review the Capital Programme mid-year to establish if additional funds can be located. Therefore, spending officers should make every effort to submit accurate bids and to ensure that projects are within the spending guideline.

4. The quarterly monitoring reports will also be submitted to the Asset Management Group for review and to the Capital Bid Peer Review Group.

5.1. It is planned that the Peer Review Group will meet on a quarterly basis to review progress against the capital programme. Their main tasks will be:

- receive new bids for capital schemes throughout the year, for consideration for inclusion in the next capital programme;
- review and monitor actual spend against the capital programme;

- receive and review bids for additional budget where significant variances against budget have been identified.

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6. As all schemes are now assessed against specific criteria, virements between capital budgets will no longer be permitted, unless with the specific prior approval of the Director of Resources. Any changes to the capital programme during the year will be considered by the Peer Review Group, in line with the bids previously received. This will ensure that schemes that have not been part of the bidding process will not bi-pass the process and receive funding through the virement process.

7. Officers are reminded that commitment accounting can be used to assist in the monitoring of their budgets. If you require additional information or training on these, please contact the Corporate Finance Section.

Quarterly Monitoring: Formal quarterly reports will be made available to all officers through the open directory. These must be formally reviewed and reasons for any variances reported to the Corporate Finance Section

Reports to MT: At the end of each quarter, variance reports will be reported to Management Team for review.

Reporting to Members: Variance reports will be reported to the Corporate Finance Scrutiny Sub-Committee and to the Resources Executive Committee.

Contact Details

If you have any queries in relation to the monitoring of your capital budgets, please contact either Janet Ditte or Andy Hart.