

SECTION 16 – FINANCIAL PROCEDURE RULES

Capital programmes

Why is this important?

- 16.194 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the authority, such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs.
- 16.195 The Government places strict controls on the financing capacity of the authority. This means that capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

Key controls

- 16.196 The key controls for capital programmes are:
- 16.196.1 specific approval by the Full Council for the programme of capital expenditure
 - 16.196.2 expenditure on capital schemes is subject to the approval of the Section 151 Officer
 - 16.196.3 a scheme and estimate, including project plan, progress targets and associated revenue expenditure is prepared for each capital project, excluding minor works of improvement of less than £100,000, for approval by the Cabinet
 - ~~16.196.4 proposals for new buildings or improvements and alterations to existing buildings (excluding Council houses) must be approved by the Chief Legal Officer.~~
 - 16.196.54 schedules for individual schemes within the overall budget approved by the Full Council must be submitted to the Cabinet for approval (for example, minor works), or under other arrangements approved by the Full Council
 - 16.196.65 the development and implementation of asset management plans
 - 16.196.76 accountability for each proposal is accepted by a named manager
 - 16.196.87 monitoring of progress in conjunction with expenditure and comparison with approved budget.