

Appendix 7 – Finance Procedure Rules – Business Cases for Capital Schemes

Note: strikethrough indicates text removed. Underline indicates new text.

Section	Part 4 Section 7b Financial Guidelines
Proposed Changes	<p data-bbox="288 394 887 439">Capital Expenditure - Control</p> <p data-bbox="288 439 1185 483">33 Council Approval of Capital Investment Budget</p> <p data-bbox="288 521 1477 629">33.1 The capital investment budget (Council's approval of the Capital Investment Budget, known as the capital programme) forms part of the Council's —The Budget and Policy Framework.</p> <p data-bbox="288 667 967 703">33.2 This consists of: —constitutes allocation of:</p> <ul data-bbox="288 741 1477 1070" style="list-style-type: none"> <li data-bbox="288 741 1477 887">• Capital expenditure to be incurred in the budget year and for commitments to be made on capital schemes included for the budget year and for the previous years to the extent that provision has already been made. This is not an authority to spend, this requires executive approval to proceed; <li data-bbox="288 925 1477 1070">• Expenditure to be incurred or commitments to be made for advance site acquisition, design fees and other associated preliminary expenditure but only if an appropriate budget allocation has been approved in the relevant year within the Capital Strategy and Programme. <p data-bbox="288 1108 1493 1252">33.3 <u>Approval of the Capital Investment Budget</u> authority is to be in line with the adopted <u>Capital Guidance Policy</u> isolation policy that describes the process to be followed in relation to feasibility works, new capital schemes and monitoring of those schemes.</p> <p data-bbox="288 1290 1493 1435"><u>33.4 Each capital scheme within the programme may require different planning, management and delivery of a scheme including phase or stage approvals as part of the design and feasibility of each scheme. As a minimum each scheme must comply with the approvals process in this paragraph 33.</u></p> <p data-bbox="288 1473 1418 1547"><u>33.4 Each capital scheme requires the following (which could include phase or stage approvals):</u></p> <p data-bbox="288 1585 1461 1879"><u>33.4.1 Inclusion in Capital Investment Budget: Full Council approval is required to include a new scheme in the Capital Investment Budget. Each request must be supported by an Outline Strategic Business Case (which as a minimum must include an initial scope, aims and objectives, benefits, risks, constraints, dependencies, links to existing policies and strategies and estimated costs and source of funding). The Outline Strategic Business Case should provide as part of costs, what is necessary to develop a Full Business Case. A Full Business Case could be submitted to full Council if a project is sufficiently developed.</u></p> <p data-bbox="288 1917 1477 1991"><u>33.4.2 Full Council approval for inclusion in the Capital Investment Budget is not an authority to spend, this requires an executive approval to proceed.</u></p>

33.4.3 A recommendation to full Council can be made either via officers or from Cabinet.

33.4.4 **Implementation of Capital Scheme:** This can only be made by an executive decision by officers, individual cabinet member or cabinet. Any decision must be supported by a **Full Business Case**. This at a minimum should revisit the scope, aims and objectives, benefits, risks, constraints, dependencies, links to existing policies and strategies and estimated costs and source of funding. This should also include procurement process, financial implications, project timescales and project management arrangements.

33.4.5 **Complex Capital Schemes** – The Council recognises that complex schemes often involve a significant degree of spend as part of the development of the Full Business Case and/or project/funding necessities/restrictions mean that a scheme may be delivered in stages or phases. Accordingly, the Outline Strategic Business Case requirements in this paragraph 33 are required for the delivery of the entire scheme and the Full Business Case requirements are as required for each stage/phase only as they are refined and delivered. A final or complete Full Business Case will be required at the earliest feasible stage/phase. A Full Business Case for each phase/stage should stipulate at the earliest stage the likely spend requirements to achieve the next stage/phase and the work streams/outcomes to be produced and impact on overall project (if any).

33.4.6 **Repeat Capital Schemes** – Business as usual capital schemes (such as estates and school property maintenance, IT refresh, highways upgrades etc) does not require a Full Business Case unless any decision maker requires such during approval of the **Outline Strategic Business Case**.