

**6. CAPITAL PROJECT APPRAISALS**

**6.1 INTRODUCTION**

The following sections set out the general responsibility and procedures to be followed by Chief Officers in relation to the Capital Project Appraisal (CPA) process. Further information on the CPA process is detailed in the Capital Project Appraisal Guidance Manual issued by the Finance Service.

**6.2 CHIEF OFFICERS' RESPONSIBILITIES**

Each Chief Officer is required to have prepared a CPA, in line with the guidance issued by the Capital Budget Sub-Group (CBSG) of the Policy and Budget Strategy Group, for those capital projects above the de minimis cost level, which are anticipated to be legally committed during the current year or following year of the latest Financial Plan. Each Chief Officer shall be responsible for ensuring the robustness of the information contained within the CPA and must ensure a thorough consultation exercise is undertaken prior to its formal submission.

Each Chief Officer shall be responsible for providing to the CPA Co-ordinating Officer (see paragraph 6.3), on a timeous basis, all necessary information pertaining to the production of a CPA.

*The CPA Guidance Manual and associated Option Appraisal Guidance is available on the Council's Intranet under "Council Info" - "Policies".*

**6.3 CPA CO-ORDINATING OFFICER'S RESPONSIBILITIES**

The role of the Co-ordinating Officer will be fulfilled from within the Finance Division by the Service Manager (Professional Services Team 2), as detailed in the clarification box at the end of this section. The CPA Co-ordinating Officer will be responsible for ensuring that information flows smoothly between CPA originating departments and the CBSG.

**6.4 CAPITAL BUDGET SUB-GROUP (CBSG) RESPONSIBILITIES**

The CBSG will consider departmental CPA project proposals and, following consideration of each proposal against the Council's identified corporate priorities, decide on the appropriateness of a full CPA being prepared. Thereafter, both the CBSG and departmental Budget Review Groups will utilise the CPA documentation available during the preparation of the Financial Plan.

**6.5 DE MINIMIS COST LEVEL**

A CPA does not require to be prepared for any capital project where the estimated **gross total** cost of the capital project is less than £200,000 at outturn prices.

**6.6 TIMESCALE**

The official CPA process will extend, for any individual financial year, from the production of the Final Revenue Budget Volume (incorporating the Provisional Financial Plan) to a date later in that financial year which will be determined by the CBSG. This time period will be such that it will facilitate the production of all required CPA prior to the issuing of the following year's Final Revenue Budget Volume. Where the introduction of a project into a department's capital programme falls outwith this timescale, a CPA will still require to be prepared for that project, as advised by the Head of Finance.

**For clarification or any queries in respect of this section please contact  
Kevin Lumsden on extension 6207**