Guidance on Minor Works Budgets allocated to Faculties

This note provides guidance on the financial management of Minor Works Budgets that have been allocated to Faculties. This note does NOT cover other Capital Project funding or Minor Works budgets that are not part of the sum devolved to Faculties.

What are Minor Works?

- The term “Minor Works” refers to projects that are carried out on the University’s estate which are minor in nature, as compared to other projects which will usually be more substantial, for example a large refurbishment project or a “new-build” project.
- Minor works can be split into two different types of projects; “Capital” minor works projects and “Revenue” minor works projects.
- A “Capital” minor works project is a project that is expected to cost greater than £50,000 and must be in relation to a single building. The project must also be of a capital nature, i.e. it must enhance the value of the building and not be of a revenue nature, e.g. renewals/replacements. Redecoration of a building is a revenue cost not a capital one.
- A “Revenue” minor works project is any other project approved through the minor works budget that doesn’t fit into the capital project criteria described above and will typically be for smaller projects, e.g. carpet replacement.
- Minor works codes allocated for Faculty projects cannot be used for Equipment purchases.

What Minor Works budget has been allocated to Faculties?

- A small scale capital funding pot has been allocated to Faculties to improve departmental/Faculty infrastructure. Details of the amount per Faculty are available from the Capital Projects Team within the Department of Finance.
- Capital building/refurbishment is project expenditure equal to or greater than £50k.
- Up to 20% of the Faculty’s allocation can be used for items of expenditure below the 50k building/refurbishment threshold.
- Any maintenance required to the area will need to be undertaken as part of the project and included in the project cost e.g. if a laboratory is being refurbished and the roof leaks, the roof would need to be repaired as part of the project.
- Faculties in liaison with Estates will have devolved responsibility for putting forward Faculty Minor Works projects providing they meet the criteria above.
- Consideration must be given to the timings of projects and workloads in line with Estates resources and other Estates programmes.
How are Minor Works projects approved by Faculties?

- A Faculty Executive Board (FEB) has delegated authority to decide the portfolio of Minor Works projects to be undertaken, providing FEB minutes are forwarded to the Capital Projects Team (CPT) and any Estates issues have been considered in liaison with Estates colleagues. The CPT will then release an appropriate account code and budget on uBASE.
- Estates and Capital Sub Group (ECSG) will have authority to approve any Minor Works proposals >£250k.

Responsibilities, Monitoring & Control and Reporting

- The Capital Projects Team is responsible for the monitoring and reporting of Capital Faculty Minor Works finances in liaison with Faculties, Faculty Finance Manager and Estates Project Managers.
- Estates Finance staff are responsible for monitoring and reporting of Estates Revenue Minor Works
- Estates Project Managers are responsible for project delivery within allocated budgets. All orders need to be placed through Estates.
- CPT and Estates will meet the Director of Faculty Operations on a quarterly basis to discuss project issues, risks etc.
- CPT will review projects >£250k and report to the Estates and Capital Sub Group on an exception basis.
- The Faculty will be contacted once they have less than 5% of the revenue allocation left to ensure they do not exceed the 20% revenue threshold.
- Although the Minor Works projects are attached to an Estates Department reporting structure within uBASE, and hence the expenditure does not show as being related to the running costs of a Faculty, it is a Faculty responsibility to ensure that the projects remain within budget. Any project overspend would not become a charge to any other centrally held budget.

Minor Works Project over/underspends

- The first allocation to Faculties of Minor Works budget covers a two year period from 2009/10. Faculties have the flexibility to vire funding between each financial year within the two year budget period. This is within capital / revenue and not when the 20% revenue split is exceeded.
- If the 2 year period expires and a Faculty wishes to carry forward an under-spend, a request should be presented to the Estates and Capital Sub Group in February as part of the financial forecasting process for the current and subsequent financial year. In July requests will be finalised and reported to ECSG for approval.
- If an individual project is forecast to be under-spent or over-spent, Faculties have devolved responsibility and accountability to approve redistribution of funds providing it falls within the funding rules, is documented within FEB minutes and CPT are notified accordingly so that budget adjustments can be actioned. The feasibility of such requests will need to be checked with the Estates Department to ensure there are sufficient staff resources and to verify that changes won’t impact other Estates programmes.
- Once a Faculty has allocated a budget to a project and it has commenced, it may be difficult to amend the project budget due to financial commitments already made with suppliers.

- If the Faculty Minor Works allocation is to be supplemented with other funding, a signed Budget Transfer Form will need to be sent to the Capital Projects team prior to the release of any project code or budget on uBASE. Budget transfers are the only mechanism by which the Minor Works allocation can be supplemented. Internal Trade is not appropriate and cannot be used in these circumstances.

- The addition of any Faculty core budget to a Minor Works project budget sum shall ordinarily be made before the project commences. If Faculty core budget is to be added to clear a project overspend, this may be done by liaising with the CPT and Faculty Finance Manager. Core budget may not be added to simply extend the time limited nature of the devolved Minor Works budget.

**Accounting Issues**

- For every Minor Works project that is approved a project code needs setting up on uBASE, to which all the relevant expenditure must be charged.

- Minor Works projects codes will be set up by the Capital Projects Team and they will need to determine whether the project is Capital or Revenue in nature. It is vitally important that the Capital or Revenue distinction is correctly assessed at the point when the account is set up because this will determine how uBASE will treat the account and whether the costs will be charged to the University’s Income and Expenditure Account for the year or not.

- Any Capital Minor Works projects will be charged to the University’s Balance Sheet on a monthly basis. An Asset is created in the Fixed Asset register once the project is complete and it is then that depreciation charges commence. For advice on how this process works please contact the [Financial Accounting section](#) within the Group Accounting and Planning team.