

Policy Schedule

Policy title	Estates and IT Project Budget Costs
Policy Owner	Director of Finance
Policy Lead	Assistant Director of Finance (Finance and Corporate Services)
Approving Body	Capital (Infrastructure and IT) Project Board
Approval date	September 2019
Issue no.	1
Related policies , guidelines and procedures	Financial Regulations Management and Use of Contingency in Estates and IT Projects Purchasing policy
Review interval	The policy will be reviewed after the first year of use and thereafter 3 yearly or on an ad hoc basis in response to relevant regulatory change.

1.0 Purpose

This document sets out the University's policy on costs qualifying to be charged to an approved project budget and which should be included in the budgeted total cost of a project when a proposal to invest is made.

2.0 Authority

The University's Financial Regulations state that The Director of Finance shall issue and update financial policies and procedures setting out directions for the application of the Financial Regulations.

3.0 Scope

3.1 The policy applies to Estates and projects for which a project budget is formally approved by the University's Council, or by the Vice-Chancellor or Chief Operating Officer under delegation from the University's Council, in accordance with the financial regulations

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4.6 Incremental cost -

management and maintenance, telephone and mobile phone charges, recruitment, advertising and marketing costs.

6.2.4 Insurance

6.2.5 Expenses incurred while working away from base such as travel and subsistence and allowable hospitality expenditure under the purchasing policy

6.2.6 Statutory fees and charges for permissions, planning and other regulatory and statutory matters including Community Infrastructure Levy.

6.2.7 Temporary/Agency staff engaged under a service contract.

6.2.8 Metered fuel and power charges.

6.2.9 The cost of arrang()TJ -0.001 Tc159 0 Td [(T)-3.1 (h)Td [(T10.6 (m))2.2 (n).9 (e)-c (u

7.2 The following costs ARE NOT eligible

- 8.5 **Optimism bias** – Is a value added to the estimate of project cost in recognition of the likelihood that costs have been underestimated. It is a tool which should be used to establish the potential full cost of a project for planning purposes. Its use is appropriate in the early stages of evaluating project cost to mitigate the risk of under providing financially.
- 8.6 Optimism bias should be used when estimating the cost of a project for inclusion in a road map or financial forecast or in cases when a project budget is requested before final cost certainty has been achieved. For example a building project where the project budget is approved based on a design stage cost plan and in advance of the contract tender price being received.
- 8.7 Optimism bias should be used in accordance with the University's policy on the