6 A minimum of monthly data should be the presumption for spending departments and devolved administrations, and it should usually be available no more than one month in arrears.

7 All new programme spend (and ideally legacy spend) must have an evaluation plan.

Managing spending

2.26 Good business planning is an essential part of managing spending. Each public sector organisation should plan to use the limited budget that it has to achieve good value for money and ensure that efficient and sustainable choices are made about how public funds are used. This means keeping an eye on the medium- and long-term picture, re-assessing risks and evaluating alternative ways of achieving policy objectives. Departments must follow the principles and methodology laid out in the Green Book when determining whether a prospective proposal would be value for money.

2.27 In order to manage spending, departments need to assess risks and change priorities effectively. Key to this is:

- good risk management
- a robust approach to contingency so that when risks do materialise, they can be managed within existing budgets
- having the right skills and embedding spending control in the culture of public sector organisations
- controlling spending throughout the year and
- efficient cash management

Risk management

2.28 The Treasury has a range of risk management processes, based on its principle of devolving responsibility for managing spending as far as possible. In particular:

- Treasury spending teams work closely with their respective departments to identify and monitor risks to delivering SR plans
- those risks of the highest order, which would have a significant impact on the government's overall fiscal position, are monitored by the Chief Secretary on a monthly basis, when the latest intelligence on likelihood and scale of risks, and departments' plans to mitigate these are scrutinised
- the Chief Secretary conducts a programme of bi-laterals with the relevant departments on a regular basis, to discuss how these risks are being managed and

on this will depend on the Spending Team's judgement of the level of risk presented to the Exchequer.

Departmental unallocated provision (DUP)

2.35 Departments are encouraged not to allocate their DELs fully against their programmes at the start of a financial year but to hold some provision back to deal with unforeseen pressures that emerge subsequently, including utilisation of provisions. This unallocated budget is referred to as the DUP.

2.36 DUP is reported in the Main Estimate as the difference between budgetary limits and the amounts allocated to specific functions; it is included within its own separate Estimate Line (within voted DEL) but cannot be spent by the department unless it is subsequently reallocated to appropriate functions in the Supplementary Estimate. Note that there is no such concept as negative DUP: this is a way of disguising over-programming and is forbidden.

The Reserve

2.37 Departments are expected to manage their DEL budgets so as to stay within them. If pressures arise in one part of a DEL, departments should respond by:

- managing the pressures down
- using their DUP
- re-prioritising and making offsetting savings elsewhere in the budget
- deferring spending elsewhere in the budget and
- transferring provision from resource DEL to capital DEL (if the pressure is in capital DEL)

2.38 Exceptionally, a department may seek support from the Reserve. As part of the spending plans announced in SRs, the government allocates a Reserve for genuinely unforeseen contingencies that departments cannot absorb within their DELs. Separate Reserves are held for resource and capital DEL; both are small. Support from the Reserve to departments' resource or capital DELs is non-recurrent i.e. it will be stripped out when baselines are agreed for SRs. The failure to hold sufficient contingency will count against the department when decisions about granting support from the Reserve are taken.

2.39 The Reserve can only be used for genuinely unforeseen, unaffordable and unavoidable pressures, or certain special cases of expenditure that would otherwise be difficult to manage, as agreed with the Chief Secretary.

2.40 Unless otherwise agreed with the Chief Secretary, the Reserve cannot be used for:

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