

Manage budgets in the creative industries

Overview

This Standard is about monitoring the budget against a plan. It includes assessing the implications of any necessary re-allocations or re-distributions of the budget and keeping relevant people informed of changes. Budgets may be internal or external to the organisation.

Performance criteria

- You must be able to:*
- 1 monitor and manage budgets to ensure that resources are being used according to agreed budget plans
 - 2 ensure that full details of the administration, control and spending of budgets are made available to appropriate people
 - 3 identify and record potential problems and circumstances that could affect budget plans
 - 4 identify and consider additional resources that could potentially be required and their implications on budgets
 - 5 identify the causes of any significant variances between what was budgeted and what actually happened and take prompt corrective action
 - 6 propose revisions to budgets, if necessary, in response to variances and/or significant or unforeseen developments
 - 7 obtain agreement from the relevant people about changes to budget allocations
 - 8 use information from budget monitoring and control to assist in the preparation of future budgets

Knowledge and understanding

You need to know and understand:

- 1 the creative objectives for the work and how they impact on business objectives
- 2 the agreed budget, how it is allocated to cover the different activities and resource requirements and how much it can be changed without approval
- 3 the relationship between the budget and the schedule
- 4 how to use a budget to actively monitor and control performance
- 5 how to give clear instructions and timescales when requiring others to carry out actions relevant to managing budgets
- 6 the main causes of variances and how to identify them
- 7 the different types of corrective action that could be taken to address identified variances
- 8 how unforeseen developments can affect a budget and how to deal with them
- 9 who to keep informed about circumstances that could affect budgets
- 10 how to negotiate, agree and record changes to budgets
- 11 who needs to agree revisions to budgets
- 12 who needs to be kept informed about performance against budget and changes to budget
- 13 the importance of using the implementation of the budget to identify information and lessons for the preparation of future budgets

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