

Open Report



City of
Stoke-on-Trent

City Council

19 June 2018

Scheme for Financing Schools 2018-19

Report of	Section 151 Officer Director of Children and Family Services
Report Author	Andrew Brindley – Senior Business Partner Schools
Type of Decision	Policy Framework
Cabinet Member	Cabinet Member for Education and Economy
Wards Affected	All Wards
Stronger Together Priorities and how they are applicable:	
Support our residents to fulfil their potential	
<i>To support the strategic objective of supporting our schools to deliver a step change in educational attainment so that every young person has access to a school rated 'good' or better.</i>	

1.0 Reason and Purpose of Report:

1.1	To present the Scheme for Financing Schools 2018-19 to Schools' Forum for consideration and approval.
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2.0 Recommendation(s):

2.1	In accordance with the ' <i>Schemes for financing schools statutory guidance for local authorities March 2018</i> ' forum members representing maintained schools, only, are asked to: <ul style="list-style-type: none">Consider and approve the proposed changes to the Scheme for Financing Schools 2018-19.
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3.0 Summary of Main Points:

3.1	The Scheme for Financing Schools sets out the financial relationship between the Authority and the maintained schools which it funds. It contains requirements relating to financial management and associated issue, which are binding on both the Authority and on the schools.
3.2	The Scheme is updated each year to reflect any required amendments and the Department for Education (DfE) directives. The LA is required to consult with Heads and governing bodies of maintained schools on proposed changes. The draft Scheme was issued to all maintained schools on the 15 th February 2018, via the SGFL Cloud part of the 2018-19 budget pack. A copy was also sent out to maintained schools on the 19 th April 2018 asking for comment and feedback. To date we have received a reply from only one school who

	had no comments in relation to the document.
3.3	<p>The main changes to the Scheme are under section 2.10 '<i>Purchasing, tendering and contracting requirements</i>' which was a result of changes to the City Council's '<i>Contract Procedure Rules</i>'. The changes are:</p> <ul style="list-style-type: none">• To the thresholds that determine whether a quotation or tender exercise is required.• To the European Union procurement thresholds.
3.4	Appendix A provides details of the changes under section 2.10 which are highlighted in bold italics.
3.5	Apart from the above, changes to the Scheme have only involved updates to relevant dates and name changes where required. The complete draft Scheme for Financing Schools 2018-19 is included in appendix B for reference.

Appendix A – 2.10 Purchasing, tendering and contract

The Authority's Contract Procedure Rules apply to all Officers involved in the letting of orders or contracts for works, services and supplies and must be complied with by Schools. They provide a basis for true and fair competition by providing transparent and auditable procedures, which if followed will give confidence that a fully accountable and unimpeachable procurement regime exists within the City Council. These Contract Procedure Rules protect the legal position of the City Council in respect of compliance with EU and UK law and in its contractual dealings with external suppliers and providers. The Rules also protect the interests of Members, Officers, and the Citizens of Stoke-on-Trent.

In particular:-

- 1. schools must obtain at least one written quotation by email for any purchases under £9,999.**
- 2. schools must obtain at least three written quotations by email for any purchases between £10,000 to £49,999.**
- 3. schools must carry out a full tendering process including advertising and obtain at least three written tenders for any contract between £50,000 and the EU Threshold.**
- 4. Corporate Procurement to be involved in the process from the outset for any contracts over £181,302 (Supplies or Services) or £4,551,413 (Works). A full tendering process will be required including advertising in the Official Journal of the European Union (OJEU) and at least three written tenders must be obtained.**
5. schools must ensure that they are following all statutory and EU directives. This is a complicated area which does change. If schools have any doubts, they are advised to contact Corporate Procurement (ext. 6418), who will be pleased to advise.
6. schools should assess in advance, the health and safety competence of contractors taking account of the Authority's policies and procedures.

Schools should take the time to familiarise themselves with the Contract Procedure Rules which can be found within the City Council's Constitution in Annex C. Further detailed guidance is also available in the Procurement Process Guide which can be obtained from Corporate Procurement.

Orders, in a form approved by the Section 151 Officer, must be issued for all works, supplies and services except for supplies of gas, electricity, water, rent, rates, telephones, petty cash disbursements, examination fees and Service Level Agreements entered into with the Authority.

Each order must be signed by the Headteacher or by a member of staff nominated in writing by the Governing Body for that purpose. Orders must not be signed by Governors. Where Headteachers or school staff are members of a governing body, such signatures must be made in the individual's capacity as an employee of the Authority and not as a Governor. Whoever signs the order is responsible for ensuring that the ensuing expenditure is for the proper purposes of the school and can be met from uncommitted budget allocations approved for that purpose.

Where, as a matter of urgency, works, goods or services have to be ordered orally, an official confirmatory order must be issued within two working days thereafter.

Technical Appendix:

List of Background papers/sources of information used for this report:
DfE: Schemes for financing schools Statutory guidance for local authorities March 2018. LA: Financial Regulations LA: Contract Procedure Rules
List the appendices included as part of this report:
Appendix A - Scheme for Financing Schools 2018-19 - extract 2.10 Purchasing, tendering and contract. Appendix B – Scheme for Financing Schools 2018-19

Implications taken into consideration in this report *(Please list as separate appendix if required):*

Financial and Commercial:
Discussed within the report
Legal:
Relates to the regulations governing schools finance. Required for compliance with the School Funding Regulations
Human Resources:
No direct impact
Public Health and Public Services (Social Value) Act 2012:
No direct impact
Equality Impact or Environmental Impact Assessments:
None
Key Risks:
None

The following section must be completed for Executive Decisions i.e. Cabinet *

Options Considered:	
1.	N/A

* In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012