

## Scheme Of Delegation & Schools Finance Manual

### 1. Purpose Of This Report

To enable members to consider the directed revisions to the Scheme Of Delegation published by the DfE and the proposed changes to purchasing thresholds in the Schools Finance Manual

### 2. Recommendations

The Forum

1. Agree to adopt the directed changes to the Scheme Of Delegation published by the DfE
2. Agree to raise the purchasing thresholds which determine both the number of quotes a school must obtain and when a tender process is required as follows-

Required For Best Value	Proposed
No Quotes Required	£0 – £10,000
3 Quotes Required	£10,001 - £25,000
4 Quotes Required	£25,001 – £50,000
Tender	£50,001 – £100,000
Tender With LA Approval	over £100,000

### 3. Scheme Of Delegation

The DfE publishes statutory guidance containing directed changes to Local Authorities' Schemes Of Delegation on an ad hoc basis. The Scheme of Delegation governs the relationship between the LA and it's maintained schools. There are a number of changes that it is required that we now make as a consequence of such publications.

There are numerous changes to the guidance, many of which merely change references to dates, or only amend the guidance not what is required in the scheme, or make changes already covered in the Lewisham scheme (e.g. SFVS replacing FMSIS) or simply do not apply to Lewisham (e.g. rules that apply where catering funding is not delegated).

These changes will not be included in this paper, however a copy of the amended Scheme Of Delegation with changes highlighted forms an Appendix to this report.

The most noteworthy amendments are as follows (underlined wording denotes the change) -

## Scheme Of Delegation & Schools Finance Manual

- 1.4 Only forum members representing maintained schools have a role in approval of scheme changes
- 2.13 Schools can spend their budgets on pupils who are on the roll of other maintained schools including academies
- 6.2.15 The LA can Charge costs to a school's budget where support has not been made for a low need or high need SEN pupil
- 2.17 Insertion of duty to maintain robust anti-fraud measures
- 2.4 Insertion of duty to seek efficiency and value for money
- 1.2.1 Inclusion of PRU's in remit of Scheme
- 11.7 Removal of LA options regarding delegation to new schools

These amendments are all directed by the Secretary of State and as such have not been subject to change by Lewisham officers.

### 4. Schools Finance Manual

The Schools Finance Manual contains thresholds which determine whether schools need to obtain quotes before completing a purchase, how many quotes should be obtained and whether a tender is required.

These thresholds have been in place for some time and the wisdom of these levels has been questioned by schools, internal audit staff and the LA procurement team.

Schools report difficulties in getting contractors to provide quotes as the charge for the work is not sufficient to justify their submitting a quote, especially when they may not get the work at all. This is reducing the pool of potential suppliers and actually working against best value.

Schools also report that the amount of staff time required is not justified by the level of risk that these small amounts pose.

The table below shows both the current and the proposed thresholds and the steps that schools should be taking with regard to the purchase value ranges.

Quotes/Tender Requirement	Current	Proposed
No Quotes Required	£0 – £2,999	£0 – £10,000
3 Quotes Required	£3,000 - £5,000	£10,001 - £25,000
4 Quotes Required	£5,001 – £10,000	£25,001 – £50,000
Tender	£10,000 – £100,000	£50,001 – £100,000
Tender With LA Approval	over £100,000	over £100,000

It is believed that these revised thresholds will mean that school staff time is only invested in best value practices where the potential gain is greater than the cost and that the pool of potential suppliers will increase as suppliers re-

**Scheme Of Delegation & Schools Finance Manual**

enter the school market, without any significant increase in the risk of schools not obtaining best value.

The Contracts and Purchasing chapter of the Schools Finance Manual is included as an appendix to this report, with the necessary amendments highlighted.