

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COUNCIL

17 APRIL 2019

JOINT REPORT OF THE CORPORATE DIRECTOR EDUCATION AND FAMILY SUPPORT AND THE INTERIM HEAD OF FINANCE

UPDATED FINANCIAL SCHEME FOR SCHOOLS

1. Purpose of this Report

- 1.1 To seek approval from Council to Bridgend's revised Financial Scheme for Schools, in particular the updated financial limits for the standing orders for contracts for schools.

2. Connection to Corporate Improvement Plan / Other Corporate Priorities

- 2.1 The delegation of funding to schools, and setting appropriate controls within which funding can be spent, assists in the achievement of the following corporate priority:-
 - **Smarter use of resources** – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

3. Background

- 3.1 As elected members may be aware, the schools in Bridgend County Borough Council have their own Financial Scheme which sets out the financial requirements of governing bodies. From time to time, it becomes necessary to make changes to the Scheme in order to keep up to date with changes that may occur; especially legislative issues that arise internally or following a request by Welsh Government.
- 3.2 Bridgend County Borough Council's Financial Scheme for Schools last underwent a major revision in 2010, following the introduction of new legislation, and has only had minor amendments since then to reflect any statutory changes. However, in recent years, there have been a number of process and procedural changes which have required a more holistic review of the Scheme, namely:
 - changes to the management tier of the Council, with new responsibilities and titles for Directors;
 - updates in legislation (e.g. replacement of previous school funding regulations 2003 and 2004 with the School Funding (Wales) Regulations 2010);
 - the establishment of a Corporate Landlord Model in the Council and subsequent changes in processes, responsibilities and operations;
 - changes in school names and number of schools as a consequence of the School Modernisation Programme;

- delegation of additional responsibilities and funding to schools;
- changes in, and clarification of financial procedures (e.g. engagement of consultants, procurement and methods of payments, such as purchasing cards);
- new guidance on dealing with surplus and deficit school balances; and
- revision of financial limits, especially in relation to standing orders for contracts, and guidance on authorisation limits in schools.

4. Current situation / proposal

4.1 A summary of the main changes to individual sections within the Financial Scheme for Schools is set out in the table below.

4.2 A PDF version of the updated Scheme can be found in Appendix 1.

4.3 Consultation on the draft Scheme has taken place with finance, legal, procurement and internal audit sections, the School Budget Forum and all governing bodies during the Spring Term 2019. No comments or amendments were proposed by governing bodies. Any officer comments have been taken into consideration in drafting the final version for Council approval.

Section	Description	Main changes
Section 1	Introduction	List of schools updated.
Section 2	Financial Framework for Schools	Removal of references to earmarked funding as no longer applicable.
Section 3	School Budget Shares	Inclusion of Guidance on Managing School Surplus Balances and Schools' Deficit Recovery Protocol.
Section 4	Financial Regulations for Schools	(a) Sections Removed: Best Value (b) Sections Updated: Data Protection, Audit, Suspension of Financial Delegation, Insurance, Contracts for Supply of Works and Goods and Services, Cheque Books Schools (c) New Sections: Freedom of Information, Purchasing Cards, Delegation of Financial Powers to Headteachers and other School Staff, Notice of Concern, Cash Flow Management for cheque book schools.
Section 5	Charging of School Budget Shares	Updated to include reference to Education Workforce Council (EWC)
Section 6	The Provision of Services and Facilities by the Authority	Amended paragraph on services bought in from outside the Local Authority.
Section 7	Premises and Grounds	Overhaul of Section 7 to reflect new Corporate Landlord Agreement

Section	Description	Main changes
Supplement A	The basis of Resource Allocation for Primary, Secondary and Special Schools - The Formula	Supplement updated to include additional items of delegation since last Scheme (e.g. maternity and Bridgend School Music Service).
Supplement B	Standing Orders for Contracts	Overhaul of Supplement B to reflect thresholds in the BCBC Contract Procedure Rules.
Supplement C	Financial Guidance for Schools	Incorporated into Section 4.
Supplement C	Employment Status Issues	New supplement.
Supplement D	VAT	(a) Sections updated: Position of the LA and School Trips (b) New Sections: Evidence of VAT transactions, Supplier Prefix Range, Foreign VAT, Voluntary Schools.
Supplement E	Construction Industry Scheme	Updated to take account of new government Construction Industry Scheme (CIS) requirements
Supplement F	Funding Capital Projects from Revenue Budgets: Notes of Guidance	Removed as not financial. Any financial implications captured under Section 7.
Supplement F	Relevant Government Regulations	Minor amendments. Renamed as Supplement F.
Supplement G	Community Use of Schools	Updated with new legislation and guidance. Renamed as Supplement G.
Supplement I	Health & Safety	Removed as not financial. Guidance provided under 'Health and Safety Support for Schools' on the Council's intranet.
Supplement J	Policy on Meeting Special Education Needs	Removed as not financial. Information on 'Support for Pupils with Additional Learning Needs (ALN)' is available on the Council's website.
Supplement H	Charging Parents for School Activities	Supplement re-written to reflect Welsh Government 'Guidance for Governing Bodies on Charging for School Activities'. Renamed as Supplement H.
Supplement I	Insurances	Updated with new insurer names and limits. New sections included on business interruption, insurance for minibuses, offsite activities and travel. Renamed as Supplement I.

5. Effect upon Policy Framework & Procedure Rules

5.1 There is no effect upon the Policy Framework and the Procedure Rules.

6. Equality Impact Assessment

6.1 There are no equality implications attached to this report.

7. Well-being of Future Generations (Wales) Act 2015 Implications

7.1 The well-being goals identified in the Act were considered in the process of revising the Scheme. It is considered that there will be no significant or unacceptable impacts upon the achievement of wellbeing goals/objectives as a result of the proposed revised Financial Scheme for Schools.

8. Financial implications

8.1 The revised Scheme brings the limits within the standing orders for contracts for schools to the same level as those agreed for the Council within the Constitution's contract procedure rules. While this raises the threshold limit before a school is required to go out to formal tender, the Scheme sets out procedures and requirements to be followed at lower thresholds, in particular the number of formal quotations that must be sought and received before allocating work or services. Where appropriate, schools are also advised to seek support from the Corporate Procurement section.

9. Recommendation

9.1 It is recommended that Council approves the revised Financial Scheme for Schools for immediate implementation.

Lindsay Harvey
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Background documents:

None