



### A. Introduction

**Suffolk County Council** is committed to driving up attainment levels and 'employability' for young people. From a procurement perspective this means, ensuring that our schools whether maintained, academies or free schools all have access to the best materials and resources to support education

The need for urgent and sustainable savings on all expenditure is a major priority for procurement. The public sector customer faces a deficit budget position for the next eight financial years. This comes at a time when Suffolk County Council is seeking to develop and grow the local economy, empower communities, improve learning and attainment and protect the vulnerable.

There are various policies which support effective procurement such as;

- Equality and Diversity
- Anti-Bribery
- Green Sustainable Procurement Approach
- Working with local suppliers. (SME'S).

Improvements in efficiency can be achieved by making savings, spending funds prudently and looking to maximise resources in order to be able to invest in teaching and learning at the school. Effective procurement is central to this.

**Value for Money (VFM)** is not necessarily about the lowest price, it's about getting the right balance between quality and cost and a widely accepted definition of VFM refers to three elements:

- **Economy:** Minimising the costs of resources used
- **Efficiency:** Relationship between outputs and the resources used to produce them
- **Effectiveness:** Extent to which objectives have been achieved

The basic rules of procurement aim to ensure that public funds are spent openly and fairly, and make the most of the budgets, whilst protecting against legal challenges, financial penalties and damage to the school's reputation. The school will maintain written records of all matters relating to procurement.

All staff involved in procurement shall have regard for:

- the provisions of the Local Management of Schools (LMS) Finance Regulations;
- the school's Local Procedures Manual;
- The schools Procurement Policy;
- The schools Procurement manual;
- Limits set by Governors as recorded in the school's Record of Financial Responsibility (RoFR).

All budget holders and staff involved in finance will have access to this policy and will be reminded of its importance each autumn.

### B. Local Management of Schools (LMS) Financial Regulations

As a local authority maintained school, the prime record (for accounting purposes) is held on the Authority's Oracle database and the school will comply with the basic accounting principles and practices as set out in the LMS Finance Regulations. The Regulations are available on SchoolSurf and the Authority notifies every maintained school via the weekly FAQ whenever updates or amendments are made to the Regulations.

The Authority also issues LMS Documents periodically; some of these documents may contain specific procurement advice which needs to be taken into account where appropriate.

Governors expect all staff (including budget holders) to comply with current requirements set out in the LMS Finance Regulations and LMS Documents:

- Regulation queries from staff (including budget holders) will be referred to the Office Manager;
- The Office Manager will obtain specialist advice from the Procurement Service, the Schools Finance Helpline and/or the Schools Monitoring Team as appropriate and advise the member of staff accordingly
- A written record of the advice obtained will be maintained and the Local Procedures Manual updated as appropriate.

### **C. Local Procedures Manual**

School staff will maintain an up-to-date Local Procedures Manual which sets out the day-to-day practices to be followed by school staff; this manual will provide continuity in the event of absence of key individuals.

### **D. Record of Financial Responsibility (RoFR)**

The RoFR records the limits set by governors. All school staff (including budget holders) must operate within these limits. Any activity falling outside these limits must be referred by the Head Teacher to the Governing Body for a decision.

Where time is of the essence and approval for purchasing and contracts over the quotation thresholds cannot be held until the next Governing Body meeting then:

- the Head Teacher (or senior teacher in their absence) must obtain permission from the Chair of Governors (under Chairs Urgency Action powers);
- a full, written account of the circumstances, actions taken and outcomes must be reported to the Whole Governing Body at their next meeting.

The Head Teacher will ensure that appropriate written documentation is circulated prior to meetings to allow adequate time for governors to prepare for the opportunity to scrutinise and challenge contract awards and purchasing choices at meetings before decisions are reached. Details of the discussions and decisions will be recorded in the minutes of the meetings.

The RoFR will be updated annually in the autumn Term (and at other times if circumstances change, such as a change in Head Teacher) using the template supplied by the Authority; the RoFR requires the approval of the Whole Governing Body.

### **E. Register Of Business Interests (Pecuniary Interests)**

The Office Manager will maintain a register which lists for each member of the governing body, the Head Teacher and school staff, any business interests they or any member of their immediate family\* have:

- existing staff and governors will be asked to update their record on an annual basis;
- new staff and governors will be asked to complete the standard declaration form provided by the Authority when first joining the school;
- Information is placed on the school website;
- the Register will be reviewed annually by the Governing Body.

*\*immediate family to include other relatives and individuals who may exert influence*

The Register will be available for inspection by governors, staff, parents and the Authority.

Staff and governors will be given an opportunity to declare an interest in any item on the agenda of a meeting and must withdraw from the meeting for relevant agenda items.

### **F. Written Records Relating to Procurement**

Where verbal advice has been given by Procurement Service advisers, the school staff will request confirmation in writing. Where this has not been possible the school staff must promptly make a written record of the advice for future reference. These records will be updated by the Office Manager for all resulting actions taken in response to the advice.

A file of all active contracts will be maintained by the Office Manager and reviewed by the Finance Committee in line with the timetable set out in the Local Procedures Manual. The timetable will be set by the Finance Committee and Office Manager will ensure that appropriate quotations are obtained in order to meet the timetable's deadlines.

The Office Manager will ensure that a review of aggregated purchasing over the previous 12 months will be included in the annual Schools Financial Value Standard (SFVS) Assessment.

Full audit trails will be maintained for all procurement activities; financial records are to be complete, correct and unambiguous. This includes the Office Manager maintaining records relating to quotations and management decisions; these records will be available for inspection by the Governing Body upon request.

Governors will ensure that the clerk adequately minutes procurement discussions and decisions taking place during committee and full governing body meetings.

## **Efficiencies and Value for Money**

### **Using the Authority's Procurement Service**

Where possible, staff will take advantage of the Suffolk Supplier Directory as market testing has already taken place; this will help to reduce the administrative burden whilst complying with best practice:

- The Directory offers contact information for a wide range of goods and services tendered for and contracted out by Procurement;
- Using some suppliers in the Directory negates the requirement for school staff to obtain additional quotes;
- Frameworks. Schools are to seek advice from Procurement on the use of frameworks within the supplier directory. Procurement will advise if the framework has been ranked which will enable schools to approach the top ranked supplier without further competition. Should the framework not be ranked a mini competition with suitable suppliers on that framework must be completed;
- Queries can be obtained currently using the following email address: [procurement@easternfms.co.uk](mailto:procurement@easternfms.co.uk)
- SCC has adopted the 'DEFRA Quick Wins' list of environmentally friendly goods and services in its tender processes.

### **Procurement made independently of Authority advice**

The school will seek the advice of the Authority's Procurement Service wherever possible prior to orders being placed or contracts being signed. This applies even where the school is planning to use a non-Directory supplier and is particularly important for higher value contracts and purchases requiring after-sales support.

Where procurement is made independently of Authority advice (including expenditure for teaching supply) then the following conditions will be met in each case before orders are placed and commitments made:

- Outside consultancy services managing procurement on behalf of the school will comply with Authority procurement regulations and the conditions set out in the RoFR (as set out in their terms of engagement). Examples of the types of procurement for which outside consultancy services have been used include, catering building works and ICT services;
- Details of all small print contained within suppliers' terms and conditions will be examined carefully and like-for-like comparisons made;
- The financial implications of early termination and requirements to give notice of termination even where expiry date has been specified will have been discussed fully at a meeting of the Finance Committee;
- Gestures of goodwill and/or sales incentives offered by suppliers will be assessed as part of the life-time value of the procurement in order to avoid undue influence. No individual staff may personally benefit from gestures of goodwill or sales incentives offered to the school;
- The procurement will comply with UK and EU procurement regulations;
- The procurement procedures fully meet the requirements set out in the RoFR;
- Value for money has been taken into account and evidenced, including:
  - consideration of the aggregated expenditure for individual suppliers in the current year
  - Lifetime cost comparisons, including after-sales support
- Suppliers, including on-line suppliers, are bonafide, reputable and reliable; this will be particularly important for purchases requiring after-sales support;
- Suppliers are not individuals who should be paid through the payroll system
- The health and safety competence of contractors is adequate;
- Contractors insurance cover for third party liabilities meets or exceeds Authority minimum requirements;
- Procurement of IT solutions including Broadband and internet access will provide adequate levels of security and network performance and connectivity appropriate for school settings;
- Lease contracts are operating leases (finance leases are prohibited under current legislation);
- Orders will only be made by issuing an official order generated by SIMS FMS, other methods are not permitted.

The RoFR sets out minimum thresholds for market testing and the effort expended in market testing will be proportionate to the value or importance of the item(s). The following will be taken into account when deciding on value or importance:

- Where the supply is of a repetitive nature, the total annual value of the supply will be considered;
- Where there is an existing supplier, the total value of the contracts in the current financial year will be considered;
- The value of a contract for UK and EU regulations is calculated as the amount per annum multiplied by the number of year's duration. This is known as the aggregated value of goods and services;

For existing suppliers, the Office Manager will assess the aggregated expenditure in the current financial year (as recorded on SIMS FMS) prior to raising further orders with the supplier. The Head Teacher will be informed where the further orders would take the annual aggregated expenditure above the RoFR three quotation threshold and subsequent actions will follow delegation arrangements set out in the RoFR in order to demonstrate value for money.

The Office Manager will assess in advance, where relevant and taking account of the Authority's policies and procedures, the health and safety competence of contractors and their insurance cover for third party liabilities. Further advice will be obtained from the Authority before commitments are made, where appropriate.

Teachers are not expected to be involved in the supply of goods and services of an administrative nature; appropriate arrangements are in place for support staff to arrange for replenishment of necessary items, details of arrangements are included in the Local Procedures Manual.

Budget holders will ensure that all orders are placed through the Office Manager in the manner set out in the Local Procedures Manual and in line with the limits set out in the RoFR. The Office Manager will ensure that orders are raised on the SIMS FMS system promptly in order to ensure that financial reports include up-to-date commitments.

Whilst sales representatives may provide the opportunity for staff to view items, these sessions may not provide best value. Representatives will be told that school teachers do not have authority to issue official orders.

Non-budget holders must not commit the school budget to a purchase (either on or off-site) and:

- will not sign company order forms;
- will not respond to e-mail/fax correspondence that could form a contract;
- will not form a verbal contract.

Budget holders wishing to form a contract with a sales representative will follow the procurement procedures set out in the Local Procedures Manual

All suppliers will be provided with access to SCC terms and conditions in addition to an official order form at the time of placing the order.

The Head Teacher will be informed of any invoice being received where an official order has not be raised in advance and the Finance Committee will monitor the level of non-compliance with the requirement to raise official orders on a termly basis.

## **G. Spending for the Purposes of the School**

The school budget will only be spent for the purposes of the school, and in accordance with the provisions of the Scheme for the Financing of Schools.

This will include expenditure on:

- The employment of staff;
- The upkeep and improvement of premises, including the cost of equipment and repairs and maintenance;
- The provision of the curriculum;
- The general duties and responsibilities relating to the management and government of the school.

'The purposes of the school' have been extended by the Secretary of State to include:

- Spending on community facilities and services;
- Spending on pupils who are on the roll of other maintained schools.

The Governing Body will not permit the school to enter into any finance leases or credit arrangements as these are classified as borrowing and require the written permission of the Secretary of State.

Orders will not be raised on behalf of or for the benefit of private individuals including members of staff, or organisations which are not part of the County Council.

#### **H. Earmarked/ Grant Funds**

The school may receive earmarked/grant funds from the Authority and/or the DfE in the form of allocations, which are additional to, and separate from, the schools' budget share.

The allocations may be subject to conditions setting out the purpose or purposes for which the funds may be used and, as a general rule; virement of funds allocated on an earmarked basis will not be allowed. The school may be required to account for the use of the funds at a later stage therefore the Office Manager will ensure that appropriate accounting mechanisms are in place in order to be able to demonstrate that expenditure has been incurred only for the purpose intended. The Office Manager will provide termly reports to governors on the progress of spending of earmarked/grant funds.

Orders will be made 'time of the essence' and subject to delivery deadlines where compliance with timescales for the spending of earmarked funds could be an issue.

The Authority may withhold or clawback any resources not supported by appropriate financial information; or where funds have not been used for the prescribed purposes within the period over which schools are allowed to use the funding. The Finance and Premises Committee will ensure that adequate provision is included in the new budget where unspent funds have been permitted to be carried forward at year-end.

#### **I. REVIEWS**

The policy will be reviewed as part of the annual overall review of Governors policies.

The Head Teacher will keep internal operational arrangements under review on an ongoing basis; any recommendations for changes to this policy prior to the annual review will be taken to the Finance and Premises Committee for initial consideration.

**Written using SCC Model Policy**

**S Hunter**

**January 2022**

**To be revised January 2023**