

Our Ref: CM/EJC
 Date: 15/04/2015
 Enquiries to: Schools Accountancy Team
 Tel: 01473 265626
 Email: sat@suffolk.gov.uk



To: All Headteachers and Chairs of Governors of Maintained Schools and PRUs

**LMS Document
 No. 2015/10**

Dear Colleagues

Important changes to SCC Procurement Limits

This letter contains important information for governing bodies/schools and sets out actions that need to be taken.

Changes to SCC Procurement Rules

As part of the Government’s efficiency, transparency and accountability agenda Lord Young’s May 2013 report ([Growing Your Business](#)) recommended a number of key reforms to create a simple and consistent approach to procurement across all public sector agencies. The Government accepted the reforms and issued the [Procurement Policy Note 02/15: Public Contracts Regulations 2015](#) procurement directives in order to help support small and medium-sized enterprises and voluntary organisations in gaining better and more direct access to contract opportunities. These changes came into effect on 26 February 2015.

Suffolk County Council has implemented the necessary changes and the newly issued [SCC Procurement Rules 2015](#) include revised limits as set out below:

Goods/Services	.or.	Works	Action
< £25k		< £25k	Single quotation
> £25k but > £50k		> £25k but <£150k	Quotation Process
>£50k		> £150k	Sub-OJEU Open Tender process is required - it must be advertised on Contracts Finder** - and may be voluntarily advertised in the Official Journal
< £172,514 (OJEU* limit)		< 4,322,012 (OJEU* limit)	Actions depend on whether there is a requirement for a specific services as described in Para 77 of the Public Contracts Regulations (2015)?

*Official Journal of the European Union

**Contracts Finder does not apply to maintained schools and PRUs

Changes to school procurement limits

Section 2.4 of the [Scheme for the Financing of Schools](#) requires schools to 'take into account the LA's purchasing, tendering and contracting requirements. It is for heads and governors to determine at school level how to secure better value for money'. Each governing body sets out its own procurement limits within their Record of Financial Responsibility (RoFR); these cannot exceed SCC corporate limits, however schools often wish to set lower limits more appropriate to the size of their budgets.

Actions for schools

The Schools' Accountancy Team provided the 2014-15 RoFR Template to schools last autumn, an updated Template with the new 2015 SCC limits will be provided this September. In the meantime **the 2015 SCC limits shown above must not be exceeded by schools, even where the 2014-15 RoFR has higher limits**. Schools do not need to formally amend the 2014-15 RoFR for this change unless governors wish to do so, any amendments that are made require the approval of the whole governing body

If lower limits have been set by governors then these will still need to be adhered to.

Advice and support

The Schools Accountancy Team will be issuing new Procurement Finance Regulations later in the year. In the meantime [LMS Document 2013/12](#) contained a summary of the weaknesses identified by Internal Audit after reviewing school procurement practices during 2013; this might be a good opportunity for schools to revisit their current procurement practices to ensure that they are fit for purpose.

Schools have a responsibility to ensure that they achieve efficiencies and value for the public monies that they spend in order to achieve the best teaching and learning outcomes for pupils (both present and future). One of the ways that this can be achieved is to obtain expert advice and guidance prior to committing significant sums from the school budget:

- Schools choose to buy into the Schools' Choice Procurement Service and yet many schools/governing bodies do not take the opportunity to consult this team prior to making decisions or signing contracts. I would strongly recommend that you use this valuable resource:
 - E-mail: procurement@schoolschoice.org
 - Telephone: 01473 264462

- The Schools' Accountancy Team provide guidance on the [Scheme](#) and statutory requirements
 - E-mail: sat@suffolk.gov.uk
 - Telephone: 01473 265626

- Schools' Choice Finance can provide general finance advice and support at the request of the school.
 - E-mail: finance@schoolschoice.org
 - Telephone: 03456 037684

I would be grateful if you could draw this letter to the attention of your governors and Bursar/Business Manager to ensure that the school complies with the requirements set out in this letter.

Yours sincerely

Carole Murton
Service Accountant (Schools)