

Report of: Head of Finance for Children's Services

Report to: Head of Strategic Development and Investment

Date: 10th April 2014

Subject: Design & Cost Report for Schools Equipment Leasing

Capital Scheme Number: 32003/ SCH / 000

| | | |
|--|------------------------------|--|
| Are specific electoral Wards affected? If relevant, name(s) of Ward(s): | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Are there implications for equality and diversity and cohesion and integration? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is the decision eligible for Call-In? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: () Appendix number: | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Summary of main issues

1. In previous years, schools have had the opportunity to spread the costs of equipment purchases (mainly IT) through the schools equipment leasing scheme. Where a school is interested in taking advantage of the scheme, they are required to apply to do so by application to the Children's Services Financial Management team. The scheme is utilised on a first come first served basis. Schools are charged 5.5% interest in the year the lease is taken, on the full amount leased. A budget provision of £150,000 has been included in the approved Capital Programme for 2014/15. This report seeks approval to incur capital expenditure in respect of the schools equipment programme for 2014/15.

Recommendations

2. The Head of Strategic Development and Investment is recommended to authorise expenditure of £150,000 for the purchase Furniture and IT equipment for schools from capital scheme number 32003/SCH/000.

1 Purpose of this report

- 1.1 The purpose of this report is to obtain approval to spend for the full budgeted amount of £150,000; this funding will then be utilised on a call off basis subject to leasing requests being submitted by schools, and subsequently being evaluated for approval by Children's Services.

2 Background information

- 2.1 The leasing scheme for schools equipment helps schools manage the cost of replacing IT infrastructure and equipment spreading costs over 5 financial years. Currently the scheme charges 5.5% on the full amount leased, at the point the lease is approved. Successful applicants will be required to purchase the equipment from their own budget; costs will then be capitalised, and the school subsequently charged an annual fee over the following five financial years.

3 Main issues

- 3.1 The operating arrangements of the schools equipment leasing scheme are described in section 2.1 above. Following approval of this report a Chief Officer Approval will be required in respect of each approved leasing request, in accordance with the authority's Financial Procedure Rules.
- 3.2 This scheme was included as part of the full Equipment Programme for 2014/15 and was approved by Executive Board on the 14th February 2014 as part of the "Green" Capital Programme. This was since ratified by Full Council on the 26th February 2014.
- 3.3 **Programme** – Subject to the appropriate approvals being in place, it is proposed that all equipment be purchased and installed before 31st March 2015.

4 Corporate Considerations

4.1 Equality and Diversity / Cohesion and Integration

- 4.1.1 There are no Equality and Diversity / Cohesion and Integration issues linked to the procurement of the equipment.

4.2 Council policies and City Priorities

- 4.2.1 All schools will be required to comply with the authorities' contract procedure rules in relation to the procurement of equipment.

4.3 Resources and value for money

- 4.3.1 Scheme costs are estimated to comprise £150,000 of furniture, equipment and IT provision.

Capital Funding and Cash Flow.

| Funding Approval : | Capital Section Reference Number :- | | | | | |
|--|-------------------------------------|-----------------|-------------------|-------------------|-------------------|-------------------|
| Previous total Authority to Spend on this scheme | TOTAL | TO MARCH | | | | |
| | £000's | 2013 £000's | 2013/14 £000's | 2014/15 £000's | 2015/16 £000's | 2016 on £000's |
| FURN & EQPT (5) | 0.0 | | | | | |
| | 0.0 | | | | | |
| | 0.0 | | | | | |
| TOTALS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Authority to Spend required for this Approval | TOTAL | TO MARCH | | | | |
| | £000's | 2013 £000's | 2013/14 £000's | 2014/15 £000's | 2015/16 £000's | 2016 on £000's |
| FURN & EQPT (5) | 0.0 | | | | | |
| | 150.0 | | | 150.0 | | |
| | 0.0 | | | | | |
| TOTALS | 150.0 | 0.0 | 0.0 | 150.0 | 0.0 | 0.0 |
| Total overall Funding (As per latest Capital Programme) | TOTAL | TO MARCH | | | | |
| | £000's | 2013 £000's | 2013/14 £000's | 2014/15 £000's | 2015/16 £000's | 2016 on £000's |
| Departmental USB | 150.0 | | | 150.0 | | |
| Total Funding | 150.0 | 0.0 | 0.0 | 150.0 | 0.0 | 0.0 |
| Balance = | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Parent Scheme Number : 32003 / 000 / 000

Title : Schools Equipment Programme 2014/15

Revenue Effects: All leasing costs will be fully funded by schools.

4.4 Legal Implications, Access to Information and Call In

4.4.1 There are no legal implications or access to information issues related to the approval of this report. This report will not be subject to the call in of decisions.

4.5 Risk Management

4.5.1 All schools will be required to comply with the authorities contract procedure rules in relation to procurement actions.

5 Conclusions

5.1 A budget of £150,000 is included within the approved Capital Programme, for the provision of new equipment in schools. In order for schools to access this funding, spending approval of this budget is required. The Director of Children's Services has delegated authority under the council's constitution to authorise the expenditure to initiate the scheme.

6 Recommendations

- 6.1 The Head of Strategic Development and Investment is recommended to authorise expenditure of £150,000 for the purchase Furniture and IT equipment for schools from capital scheme number 32003/SCH/000.

7 Background documents¹

- 7.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.