

CHANGES TO THE CONSTRUCTION INDUSTRY SCHEME (CIS)

1. All schools should be aware that the Construction Industry Scheme is subject to change with effect from 6th April 2007.
2. As a result of these changes, schools will no longer be required to submit the CIS paperwork provided they meet **both** of the following criteria:
 - They receive a delegated budget.
 - They actually engage the contractor themselves to carry out the work (if the contractor is engaged by NCC as part of central arrangements then the responsibility lies with NCC).
3. It should be noted that any contracts entered into prior to 6th April 2007 will be subject to the current rules which are contained in the NCC Financial Management Handbook – Procedures for Ordering, Receiving and Paying for Goods and Services Section 1.7.
4. A further factor of the Scheme which will be closely monitored by HMIT is the way in which the status of self-employed contractors is checked. Despite being outside of the CIS Scheme, all schools will be expected to check the employment status of all contractors to ensure that they are a self-employed individual or should be treated as employed.
5. If the check carried out by the school indicates that the individual's status is employed, then they are required to be taken on as an employee of the school. If the individual refuses to be taken on as an employee, then the contract should not be agreed.
6. This policy of checking employment status applies to all individuals who are engaged by schools to carry out any work or service for which a payment is made and schools are advised to retain evidence of their checking process.
7. A guide to Self-Employment or Employment is attached.
8. The NCC Financial Management Handbook will be updated shortly to reflect these changes.