

Schools Forum – 23 March 2017

Update to the Staffordshire Scheme for Financing of Schools

Recommendation

1. The Schools Forum approve the revised Staffordshire Scheme for Financing Schools (SSFS), see Appendix 1 which has been updated to reflect the Authorities amendments to loan interest, a revision to payment of salaries note and an update to the list of maintained schools covered by the scheme.

Report of the Deputy Chief Executive and Director for Families and Communities

PART A

Why is it coming here – what decision is required?

2. Any amendments to the SSFS require approval from Schools Forum.

Reasons for recommendation

3. The current scheme allows for interest to be paid on revenue balances but does not charge interest on capital loans of less than £100,000 or any interest to be charged on redundancy loans.

PART B

Background:

4. The SSFS sets out the financial relationship between the authority and each of the maintained schools in Staffordshire. The scheme was last updated in 2016 and a copy of the current version is available on the Staffordshire Learning Net (SLN) to be viewed by any interested party.
5. The scheme needed to be updated due to reflect the change to interest charged on loans as detailed in Section 4.10 and 4.10.2
6. The SSFS includes, as annex A, a list of maintained schools to which the SSFS applies. Over the years, schools open, close, become academies or change names. This list has been updated to reflect the schools maintained by the authority as at 1 April 2017. It is planned to update this annex to the SSFS annually from now on.
7. Section 2.1.3 refers to the Local Authority as a payroll provider. The section has been amended to exclude payment of salaries.

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List of background papers:

Appendix 1 Summary of revisions

Appendix 1 – Summary of revisions

Amendments to the interest charges on loans as previously agreed at Schools Forum.

Section 2.1.3

Payment of Bills

The procedures for this will vary according to the choices schools make about the holding of bank accounts and the buying back of the authority's creditor payment facilities.

Section 4.10 (e)

Interest will be charged on the amount of any advance. Interest will be charged at the same rate as that used to calculate the interest on collective balances at the financial year-end.

Section 4.10.2 (2)

The loan shall be interest bearing and the rate shall be determined by the Director of Finance and Resources.

Annex A Applicable Schools

Updated to those schools of maintained status as at 31st March 2017.