



Service Level Agreement

1st April 2024 to 31st March 2025

Provision of a comprehensive

Payroll and Pensions' Service

For BCC Local Authority

Maintained Schools

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1.0 Introduction

- 1.1 Birmingham City Council's Payroll and Pensions' Service is delivered by the Financial Transactions Section that is within the Council Management Directorate. We provide a fully comprehensive Payroll and Pensions' Service to 185 maintained schools working in partnership with the Council's HR Services for Schools and BCC's Digital & Technology Section (DTS).
- 1.2 The purpose of this Service Level Agreement (SLA) is to define the level of service we provide. It sets out the responsibilities of both parties (the Payroll & Pensions' Service and schools), the key performance indicators that measure the effectiveness of the service we deliver and our charging structure.
- 1.3 This Service Level Agreement runs from 1st April 2024 to 31st March 2025. The Agreement may be terminated by either party subject to the provision of at least **6 months' written notice** given to Birmingham City Council.
- 1.4 Our charges will increase by 10.00% from 1st April 2024. This increase reflects the increase in operating costs and is in-line with city council pricing policy.

As part of our commitment to you we continually review the level and quality of the service provided and we welcome your views about the service, including any changes you would like us to consider. If you have any comments, please email us at the address given below:

schoolspayroll@birmingham.gov.uk

2.0 Overview of the Service

- 2.1 The Payroll Service is currently led by Seamus Cooney, Payroll Manager for Schools and Academies and is delivered by a payroll team, which deals with payroll matters whether schools have adopted the Birmingham Contract, or Future Council Workforce Contract or not. Contact details are set out in Appendix 1.
- 2.2 The Pensions' Service is led by Sally Plant, Pensions' Business Manager. The Service handles membership, contribution and service issues relating to both the Local Government (LGPS) and Teachers' Pension (TPS) Schemes. Where necessary, we liaise with the West Midlands' Pension Fund (WMPF), the administrator of the LGPS within the West Midlands, and Capita Teachers' Pensions, administrator of the TPS. Contact details are in Appendix 1.
- 2.3 The Schools' HR Operations - Oracle Dashboard, should be used to input changes to employees' pay or other details and only stipulated documents should only be sent to the Payroll Section by email, to the designated mailbox below, to ensure they are processed on time. Employees must use the dedicated helpline number shown below to ensure a timely response to their query or email the mailbox below.

schoolspayroll@birmingham.gov.uk

Employee Helpline 0121- 675 7070

- 2.4 The Payroll and Pensions' Service operates as follows:

- Monday to Thursday 08.45 – 17.15
- Friday 08.45 – 16.15
- Saturday/Sunday Closed

N. B. Phone lines are only open to answer pay queries on Payday and the following 2 working days between 10am & 4pm.

- 2.5 Our commitment to you, we will:

- Return your call within 24 hours.
- Respond to your emails within 48 hours.
- Investigate and respond to your complaints within 10 working days.
- Have a strong customer focus and periodically seek feedback from you on the quality of our service delivery.
- Deliver a professional service which complies with statutory and regulatory requirements.

3.0 Service Dependencies

Your Responsibilities

- 3.1 Paying employees accurately and on time is our primary objective. However, this is dependent on schools ensuring that transactions (for example, starters, leavers, and other contractual changes) are input through the Oracle System by the published deadlines to ensure payment is made to employees. It is therefore critical that schools adhere to the published deadlines shown on the Schools' HR Dashboard. Any failure to meet these published deadlines may result in employees not receiving any remuneration due to them on time. Should the published deadlines not be adhered to and the school subsequently request that the employee is paid by emergency payment then Schools' HR Operations & Payroll will apply a charge for this payment as each employee per occasion. If you experience any problems with meeting payroll deadlines, please speak to your designated Schools' HR Officer.

3.2 Schools' Finance Managers & Employees' Responsibilities

School employees have a responsibility to review their bank accounts and payslips each month and query any discrepancies particularly where they believe they may have been overpaid. In the first instance employees must contact the Schools' Finance Manager or if not in term time, they should email the payroll section to the address shown on page 4.

3.3 Systems Availability

The Payroll and Pensions' Service works closely with BCC's in-house IT & D Support Function to ensure the current payroll / HR system is maintained and complies with HM Revenue and Customs' regulations (HMRC) on PAYE, NIC and other statutory regulations. BCC's Digital & Technology Section provides a 48-hour resolution to major incidents with enhanced support during payroll processing periods.

4.0 Audit and Security

- 4.1 The Payroll and Pensions' Service is audited by Birmingham Audit, a Division within the City Council's Council Management Directorate. Transaction processing is audited throughout the year to ensure compliance with statutory regulations and internal procedures. We work collaboratively with Birmingham Audit to resolve any financial control issues or correct records quickly. On occasion we may need to contact you for further information to enable us to implement any recommended changes.
- 4.2 The Payroll and Pensions' Service is subject to annual review by the City Council's external auditors. Their reports are reviewed by the City Council's Audit Committee and are available for public inspection.
- 4.3 The service is periodically reviewed by officers from HMRC to ensure our procedures comply with statutory regulations for the payment of PAYE and NI Contributions.
- 4.4 All staff members of the Payroll and Pensions' Service are required to undertake Data Governance training on an annual basis to ensure compliance with the Data Protection Act 1998 and GDPR regulations.
- 4.5 It is essential that payments sent to employees' bank accounts are received on time and are accurate; therefore, we insist that payments are transmitted electronically to employees' bank accounts and any disbursements to 3rd parties on behalf of employees are also processed electronically. As part of the requirements of this Service Level Agreement we ask for your support in keeping emergency payments to a minimum as they will incur a charge.

5.0 Paydays and Payment of Payroll Costs

- 5.1 The standard pay date for schools is 28th of each month.
- 5.2 The pay date will be amended where 28th falls on a Saturday, Sunday, Bank or Public holiday with the pay date being brought forward to the preceding bank working day. Payday may also be brought forward in January and December each year at the discretion of the City Council. Where there are any such changes, they will be notified to schools via the Schools' HR Dashboard.
- 5.3 In the unlikely event of a major systems failure where there is a delay in running the payroll which would affect the date on which employees are paid, we will take all reasonable steps to rectify the situation and make payments to employees at the earliest opportunity.
- 5.4 All school employees are required to complete the Oracle – Employee Self Service facility to enable them to change their personal details, such as, home addresses and access their e-payslips. If any employees wish to continue to receive a paper payslip from April 2024, these documents will be sent out to their home address.
- 5.5 A payroll report can be generated by School Form Raisers & Authorisers via the Schools' HR Dashboard - Oracle System on or around the 22nd of each month. The report shows a breakdown of employees' gross pay, other allowances and the associated payroll on-costs.
- 5.6 Cheque Book Schools are required to fully reimburse the City Council with their monthly payroll costs by the date given on the invoice issued by BCC Finance. To reduce the administration process for both schools and the council, payment by direct debit method is required. The full monthly payroll costs are collected for each school by Direct Debit and corresponding reports will be available for School Finance Officers on and around payday. In some instances, a further Direct Debit may be required to include any manual payments processed after the payday. If cheque book schools identify discrepancies, they are advised in the first instance to contact the BCC Finance and then Schools' HR Operations or Payroll Sections, to investigate and resolve any issues.

6.0 The Payroll Service

6.1 We will undertake the following activities monthly:

- Maintain accurate payroll records for all employees in line with statutory regulations
- Process changes that affect pay, for example, starters, leavers, revised hours, grade or spinal point, various types of absences and other additional payments to the publicised deadlines
- Calculate and pay salaries, associated sickness, maternity, paternity and adoption pay
- Reduce gross pay accordingly for Child Care Vouchers or Cycle to Work Schemes
- Process all additional temporary payments, including overtime
- Process car mileage claims in accordance with the scheme rules and HMRC regulations
- Deduct student loans upon receipt of instructions from HMRC
- Pay Holiday Pay in respect of overtime in compliance with legal guidelines and procedures
- Process Attachment of Earnings Orders and Deduction from Earnings Orders upon receipt of instructions from Magistrates' and County Courts and the Child Support Agency
- If applicable, print and distribute pay advice slips on or around payday
- Produce and distribute documentation associated with leavers, for example P45s. In accordance with HMRC regulations, P60s will not be produced if an employee leaves prior to the 5th April.
- Complete monthly returns and remittances to statutory and other agencies by the relevant deadlines
- File payroll data to HMRC to comply with the statutory requirement for "Real Time Information" (RTI)

- Make emergency manual payments in hardship cases or new employees upon request from the school and make charges to schools where necessary
- Resolve queries from employees via the dedicated helpline on payday and the 2 following days. However, reduced or no cover will be in place on other days as queries need to be sent via email to the dedicated mailbox.
- Respond to emails from employees that are sent to designated mailboxes within 48 hours.
- Administer the Apprentice Levy.
- Offer advice and guidance on IR35 Payment to Intermediaries Legislation

6.2 We will undertake the following activities on your behalf annually or at such other times as may be appropriate:

- Process nationally or locally agreed pay awards (with arrears as appropriate)
- Pay performance management increments automatically when due
- Implement nationally or locally agreed contractual changes

6.3 We will only pay employees into recognised bank accounts, therefore payment by a closed cheque will not take place.

6.4 It is a mandatory requirement that employees provide their employer with a valid National Insurance Number (NI Number). We cannot pay employees who fail to do so.

6.5 Where an employee fails to provide either a tax form P45 from their previous employer or complete a tax form P46 declaration, incorrect income tax may be deducted. The employee is responsible for resolving such issues directly with HMRC as they cannot discuss individual employees' details with us.

6.6 We request and encourage, Schools' Finance Managers and employees to send emails to our designated mailboxes rather than calling the Helpline. This enables us to monitor and track enquiries to ensure that we are giving an excellent level of service.

7.0 Local Government and Teachers' Pensions

7.1 We will undertake the following activities:

- Where requested, provide advice and guidance to schools on cost implications of redundancy or early retirement for Support Staff.
- Administer the Monthly Data Return to the West Midlands Pension Fund by the required deadline.
- Administer the Monthly Data Return for the Teachers Pensions Scheme
- Process the Teachers' End of Year (EOY) Certificate by the required deadline.
- Manage pension provision in line with occupational pension scheme regulations and auto enrolment into workplace pension schemes.
- Provide updates via the Schools' HR Portal on changes to the schemes
- Interpret and implement statutory changes affecting contribution bandings and employer contribution rates
- Issue advance notice of changes affecting school budgets (e.g. employer's contribution rates) through the Schools' HR Portal.
- Deduct pension contributions and make payment to the pension scheme administrators by the relevant deadlines
- Deduct Additional Voluntary Contributions (AVCs) and pay over to the provider by the relevant deadlines
- Pay any compensatory pension benefits as appropriate
- Provide assurance that all statutory returns are submitted accurately and on time to the relevant agencies by the relevant deadlines
- Input pension changes to the Council's payroll system as appropriate
- Resolve pension queries from employees and other stakeholders within 15 working days.
- Where requested, produce reports and statistics required by the Teachers' Pension Scheme, the Department for Education and the West Midlands' Pension Fund

- Implement the required changes to the Teachers and Local Government Pensions' Monthly Data Returns
- As necessary, we will provide support regarding TUPE transfers of employees and the requirements of the school in respect of pensions
- In respect of Academy transfers, we will provide advice and ensure information is provided to the relevant agencies in respect of employees' pension contributions
- Ensure compliance with Auto-Enrolment processes and procedures
- Implement the Monthly Contributions Reconciliation (MCR) for teachers' pensions. MCR is an amalgamation of existing Monthly Data Collection and Monthly Contributions and Enrolment processes. Once implemented it will give the school and BCC a greater assurance that the information submitted is accurate and help to reduce the risk of variances between teachers' service and their contributions.

8.0 Service Costs for 2024/25 and Additional Charges

- 8.1 The charge for our service is determined by the headcount of employees as at December 2023. Schools are then grouped into 10 bands based on staff headcount.
- 8.2 The tables (on page 13) set out the current bandings and charges for 2024/25.

Table A – Comprehensive Payroll and Pensions’ Service (including HR Operations Portal Team)

Table A sets out the 10 bandings and their respective charges for schools purchasing the comprehensive Payroll and Pensions’ Service including access to the Schools’ HR portal.

Table B – Pensions’ Service Only

Table B sets out the bandings and charges for schools that choose not to purchase the Payroll and Pensions’ Service (either as part of a comprehensive personnel, payroll and pensions’ package or as a standalone service). These charges relate to the statutory pensions’ administration that the local authority is required to undertake in its role as the legal employer of staff in schools. Failure by the school to adhere to the pension’s requirements can lead to fines being imposed by the pension administrators.

- 8.3 Additional charges will be levied on schools that require emergency / manual payments to be made to their employees because they have missed the set and publicised input deadlines. Charges will also be incurred for additional reports, additional meetings, advice on pension matters and other services. Details of these charges are available upon request from Seamus Cooney – Payroll Manager for Schools & Academies.
- 8.4 Charges may be levied on schools’ employees for the issuing of duplicate payslips, P60s and other payroll documents.
- 8.5 Additional charges may be levied for payments relating to IR35.

Service Charges for 2024/25

Table A

Comprehensive Package i.e. Payroll, Pensions' Service and Schools' HR Operations

No. of Employees	Band	Charge for Payroll and Pensions' Service
1 to 25	1	£1729
26 to 40	2	£2803
41 to 50	3	£3639
51 to 60	4	£5029
61 to 80	5	£6766
81 to 99	6	£7891
100 to 150	7	£9941
151 to 199	8	£12760
200 to 250	9	£13434
More than 251	10	£16160

Table B

Statutory Pensions' Administration (i.e. Schools not purchasing Payroll & Pensions')

No. of Employees	Band	Charge for Payroll and Pensions' Service
1 to 25	1	£155
26 to 40	2	£231
41 to 50	3	£256
51 to 60	4	£361
61 to 80	5	£483
81 to 99	6	£563
100 to 150	7	£733
151 to 199	8	£892
200 to 250	9	£1048
More than 251	10	£1205

9.0 Sign-Up Arrangements, Service Standards, Monitoring & Overpayments

- 9.1 If you have some questions or no longer require the Payroll & Pensions' Service we will ask that notify us, as per the process set out in Section 10.1
- 9.2 It is important that we resolve any specific concerns or complaints quickly and, if required, we will arrange a meeting at the school. In the unlikely event that issues are not resolved to your satisfaction, please contact Simon Ansell, via the following address: simon.ansell@birmingham.gov.uk
- 9.3 We monitor our performance monthly using the set of performance indicators at Appendix 2. Our performance against these measures in 2023/24 is shown in the table. We recognise the need to continue to improve the monitoring of the timeliness and quality of our responses to employee queries. The dedicated employee helpline and generic email boxes we introduced in April 2013 has enabled us to track more effectively the volume of queries we receive and the resolution time.
- 9.4 Payroll staff process payments as accurately and timely as possible in order to minimise the number of overpayments. However, if an overpayment occurs, Payroll will be responsible for managing the resolution of the issue as quickly and efficiently as possible to recover the funds on your behalf.
- 9.5 In circumstances where an overpayment occurs due to Payroll error and the monies are either not recoverable or recoverable only in instalments from the employee, the Payroll and Pensions' Service will compensate the school by crediting the school budget with the full amount of the overpayment. We will then take all relevant action to pursue repayment directly from the employee.

10.0 Termination of Agreement

- 10.1 Schools not wishing to renew their agreement to purchase the service will be required to provide **a minimum of 6 months' notice** in writing to the Payroll Manager for Schools & Academies (contact details at Appendix 1). In the unlikely event the City Council decides to terminate the Payroll and Pensions' Service to a school, we will notify the Head Teacher formally giving 6 months' notice.
- 10.2 In the event that a school serves notice that they intend to terminate the service, all relevant employee data will be provided to the school within agreed timescales. We can set out our procedures in a letter or email to the Head Teacher or School Business Manager. However, if customised reports or outputs are requested by the school or the new payroll provider, these can be provided on request, but additional charges may be levied.
- 10.3 Schools taking the service in Table B will be advised of their responsibilities regarding Payroll and Pensions' administration as this is a statutory duty of the City Council as the employer. These schools will continue to be charged for statutory pensions' administration.

11. Schools Transferring to an Academy

- 11.1 We have considerable experience supporting schools transferring to academy status. The Payroll Manager for Schools and Academies will contact you and provide advice free of charge, on issues which need to be considered to ensure compliance with statutory and regulatory requirements.
- 11.2 Transferring to academy status will involve a TUPE transfer process. We will advise on the detailed reporting requirements and generate the relevant data sets for this process.
- 11.3 Where a school decides to leave the Payroll & Pensions' Service, we will provide the following report:
- Tupe Report(s)
 - Copy payslips
 - 3rd Party Vendor details
 - HMRC / FPS files
 - Maternity & Sickness schedules
 - Attachment of Earnings details

N.B. Schools' HR Operations will provide a staff TUPE report & Absence reports

12. Dispute Resolution

- 12.1 If any dispute or difference of any kind whatsoever shall arise between the Parties in connection with or arising out of this Agreement, the Parties will attempt to settle it within 21 days. If the dispute is not resolved to the satisfaction of either Party the dispute shall be referred to Seamus Cooney, Payroll Manager who will make every endeavour to remedy the dispute. In the event the dispute is not remedied or accepted by the Council as a breach, the dispute shall be referred to the Assistant Director - Services Finance to make a final determination and to recommend any appropriate remedial action.
- 12.2 Each Party will use all reasonable endeavours to reach a resolution through the Council's Dispute Resolution Procedure.

Contact List

BIRMINGHAM CITY COUNCIL – PAYROLL AND PENSIONS’ SERVICE

Schools’ Payroll Services

Payroll Manager: Schools & Academies	E-mail Addresses:
Seamus Cooney: 07774 – 337223	seamus.cooney@birmingham.gov.uk

Business Manager: Schools & Academies	E-mail Addresses:
Kevin Whitby: 07703 – 374005	kevin.whitby@birmingham.gov.uk

Schools & Academies - Payroll Team Managers	
Josie Lynch & Manjit Ballagan: 0121 675 -7070	schoolspayroll@birmingham.gov.uk

Pensions’ Service

Pensions’ Business Manager	
Sally Plant	sally.plant@birmingham.gov.uk

Local Government Pension’s Team	localgovernmentpensions@birmingham.gov.uk
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Teachers’ Pension’s Team	teacherspensions@birmingham.gov.uk
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If you have any questions or comments on the Payroll & Pensions' service, please email the following mailbox:

schoolspayroll@birmingham.gov.uk

Appendix 2

Performance Indicators

No.	Performance Indicator	Performance Measure	2022/23 Target	2023/24 Actual
1	Payrolls processed in accordance with timetable	Employees paid on time	100%	Achieved
2	Accurate calculations of salaries / including permanent and temporary allowances	Number of errors in each payroll run	Payroll error rate is less than 0.5% per pay period	Achieved
3	Written enquiries are responded to in accordance with BCC performance targets	BCC corporate target of 10 working days is met	To meet 10 working day target in 95% of cases	The 10-day target was met in most cases, but we recognise we need to measure this KPI more accurately
4	Reconciliation and transmission of all relevant information to HMRC to comply with "Real Time Information"	All data sent to HMRC by statutory monthly deadlines	To reconcile and transmit file 1 working day before statutory date	Achieved
5	Issue of Forms P60 and if required - P11D to employees by statutory deadlines	Employees provided with P60 (by 31 st May) & P11D (by 6 th July)	To issue P60 / P11Ds 3 working days earlier than statutory dates	P60 were put into the postal system prior to 31 st May 2023
6	Local Government / Teachers Pensions' documentation completed and sent to Pension Scheme Administrators by required deadline	Documentation dispatched to Administrators within 1 month of receipt of all data	95% of cases	Achieved

7	Pension membership amendments processed by next available payday following notification of the change	Amendments processed by next payday	95% of cases	Achieved
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