

Section H: Payroll/personnel

8. Why is this area important?

In most schools the largest item of expenditure is the cost of staff, although a few schools administer their own payroll. In Ealing the LA provides this function for the vast majority of schools. Most foundation schools and academies have their own payroll providers. However this does not relieve the governing body and the head teacher of the responsibility for ensuring that payroll and personnel controls are in place.

Schools need to be aware of a number of areas where HM Revenue and Customs regulations may affect or determine the way payments are made. For example, there are strict rules about payments to individuals who claim to be self-employed. Schools should seek advice from the LA in such cases.

General contacts

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8.1. Payroll

- Governing bodies are responsible for providing any necessary information required for calculating and paying salaries and wages. Every school is required to have a pay policy. They must also provide any necessary information to enable the Schools' HR to maintain records of service and make deductions for superannuation, income tax, National Insurance and statutory sick pay. Please refer to the [estimate guidance notes](#) for costing information for your schools' establishment.
- For schools in Ealing the appointment and payroll processes are carried out either by the Schools' HR section or by an external provider. All schools now receive payroll monies within their advances, schools that buy into Ealing's payroll services are then charged for these services via direct debit.

Processing staff payments

Payroll transactions should be processed only through the payroll system.

- All payments to members of staff for work done, mileage expenses, contractual and statutory maternity and sick pay must be processed through the payroll system to ensure that the school complies with income tax regulations. No payment of this sort should be processed through the schools' local bank account and/or petty cash. For more information please see the EGfL's staff expenses gatekeeping webpage:
http://www.egfl.org.uk/categories/data/schl_expenditure/finance_guidance/docs/Staff_expenses_gatekeeping_item.doc
- Payments for work carried out at schools by individuals who are not staff members should be paid through the Central Payment System only on the basis of a bona fide invoice. The taxation status of individuals trading as self-employed needs to be established. The Inland Revenue places an obligation on employers of all such individuals to confirm their taxation status before making payments other than through payroll, in which case, tax and NI will be deducted from the payment. The Council currently vets all invoice claims from individuals, requiring them to complete a form stating their trading status. Invoices from individuals not satisfying the self-employed status requirements are paid through the payroll as employees of the council. When you receive your first invoice, you should send a copy to Schools' HR. Contact Michelle Voutt on 020 8825 5903.
- The exception is where schools employ agency staff and pay the agency for their services. These invoices can be processed through the school bank account, ensuring that the appropriate accounting code is used. Timesheet information is included below:

- i. Caretakers are required to complete the times that their work is carried out on site. This should add up to the total hours claimed.
- ii. Basic hours should be shown separate from overtime
- iii. Overtime must be shown on the columns provided on the timesheet
- iv. Regular letting should be clearly shown as this is pensionable pay
- v. Casual letting and meal allowances should be clearly shown and attract normal overtime rates in line with service conditions
- vi. The timesheet should be completed and signed by the employee and authorised by the Head Teacher – a copy should be retained at the school
- vii. In keeping with good practice, the caretaker must be notified of any alterations to his/her timesheet before passing for payment

8.2. Whole School pay policy

- Schools are referred to the Authority's existing guidance on the whole school pay policy. In summary, the key point to bear in mind from a value for money aspect is that it should enhance the quality of education provided for pupils at the school by complementing and supporting the school's strategic plan (i.e. the School Improvement Plan)
- All pay decisions made by schools should be made in accordance with the pay policy adopted by the school and should comply with the mandatory provisions of the annual Schools teachers' pay & conditions document.
- Refer to the DfE's [Schools teachers' pay & conditions document](#)

8.3. Redundancy arrangements

- For additional information on the arrangements to be put in place by the school when carrying out redundancies please refer to [EGfL guidance](#) on this matter.