**2023/24**

**Financial Year End Guidance**

**For**

**Hillingdon Schools**

Staff Remuneration



Produced by the Schools Finance Team

November 2023

V1.0

**Staff Remuneration Statement**

There is a statutory requirement to disclose remuneration of higher paid officers in the Council’s annual statement of accounts, as defined by Paragraph 3.4.5.1 of the CIPFA Code of Practice on Local Authority Accounting with reference to the Accounts and Audit (England) Regulations 2015.

Expenditure of maintained schools within the borough is included in these accounts hence the disclosure requirements mentioned above also apply to schools.

For employees earning between £50k and £150k per annum there is a requirement to disclose total remuneration in bands of £5k. For those earning over £100k the requirement is to list employees by job title alongside amounts from the previous year. An example of the disclosure published for 2022-23 can be found on page 78 of the Council’s Statement of Accounts, link provided here [Statement of accounts - Hillingdon Council](https://www.hillingdon.gov.uk/statement-of-accounts)

If there are any employees at school earning above £150k then in addition to the information provided on your remuneration form the following information will be required:

* Information on the employee for the previous financial year (2022-23) in the same format as 2023-24
* Information on the responsibilities that are covered by the basic salary and other responsibilities that receive additional remuneration (this would assist in breaking down the salary to appropriate responsibilities for disclosure purposes)

Employees with split duties between two federated or amalgamated schools should only appear on the remuneration form of one school and not both with notes on the other school’s remuneration form to explain the reason for omission of this employee’s data. This may result in costs not reconciling to Consistent Financial Reporting codes for the two schools but accompanying comments on the additional information tab of the spreadsheet should provide reasons for the variance. If the cumulative annual salary of an employee working at both federated schools exceeds £150k then the additional disclosure requirements mentioned above will apply.

Since 2013-14 these disclosure requirements have been enhanced to include additional disclosures regarding exit packages, analysed between compulsory redundancies and other departures, with a breakdown between compulsory redundancy costs, voluntary redundancy costs, pension contributions in respect of added years, ex-gratia payments and other departure costs.

**Accrual of Staff Leave**

IAS19 requires the Council to accrue for annual leave untaken as at the 31st March for all staff, including those in schools. You are therefore required to complete the ‘Working Pattern’ (Teacher or Non-Teaching) and ‘Type of Staff’ (Term Time Only or Full Time) columns to enable this. For staff on term-time only contracts, this will include an accrual for the difference between days worked in the year and the contracted number of days which may arise because of the moving Easter break.

This requirement will be fulfilled when you complete **Appendix E – Staff Remuneration Form** (Columns on category and working pattern i.e., whether 'Teacher' or 'Non-Teaching' and term time only or full time).

**Appendix E – Staff Remuneration Form** is being issued to schools to ensure schools confirm disclosures are both accurate and complete. This is an assurance that Council officers would be unable to provide, given that schools have responsibility for recruitment, management, and administration of staff payroll.

Appendix E requires details of annual salary costs for 2023-24 to be reported as follows:

* **Employee Name**
* **Employee Number** - Payroll number

* **Category** i.e., whether teaching or non-teaching
* **Working pattern** i.e., whether full-time or term-time only e.g., teachers should be classified as term time only as they are not required to work during the school holidays. Only staff working during the school term-time and during the school holidays (with contracts for 52 weeks, excluding teachers) should be classified as full-time employees. It is important that this column is completed as the information will be used to calculate the staff leave accruals. IAS19 requires the Council to accrue for annual leave untaken as at the 31st March for all staff, including those in schools. For staff on term-time only contracts this will include an accrual for the difference between days worked in the year and the contracted number of days which may arise because of the moving Easter break. This requirement will be fulfilled when you complete the working pattern column.
* **Basic pay** **(Pensionable pay)** – contracted salary payment, includes TLR’s / SEN allowances, first aid allowance i.e., all salary, wages, fees, and other payments paid to the employee in respect of the employee’s contract. Includes any other payment or benefit specified in their contract of employment as being a pensionable emolument.

* **One-off payments (any non-pensionable payments)** – such as bonuses and any payments for non-contractual overtime which is non pensionable
* **Expenses** - mileage expenses, subsistence allowances or any payment made in respect of expenses incurred in relation to their employment and any payments in consideration of loss of holidays
* **Employers National Insurance**
* **Employers Superannuation**

* **Redundancy Basic** – Basic Redundancy costs – Statutory redundancy costs
* **Redundancy Additional** – Additional redundancy weekly payment above statutory requirement
* **Redundancy Compensation** – Enhanced number of weeks payable over and above the statutory number of weeks
* **Redundancy Pension Strain Costs** – Payment of additional pensions costs e.g., over 55’s extra costs to pension fund for paying redundancy pension early
* **Compulsory or voluntary departure** - the council is required to separate costs of compulsory redundancy to other departure costs
* **Other Departure costs** - include other costs relating to leavers that do not fit anywhere else
* **Gross salary** – Total cost to the school of an employee
* **Comments/Explanation –** explanations of any one-off payments or information where known, of employees working in other Hillingdon schools/organisations. Where an employee is working at two federated schools, the salary information should only be included on one school’s remuneration form, the name should be included on the other school’s form without any salary information against it. This will result in a difference between total payroll expenditure at school to the remuneration form which can be explained on the adjacent tab of the spreadsheet, titled - additional information worksheet.

**Reconciliation**

Using your Income and Expenditure report, the total sum paid in salaries on Appendix E should equal the sum on CFR codes E01, E02, E03, E04, E05, E06, E07 and E31 (if salary payments made to Community Staff). Some schools may also need to include E08 on Ledger Code A061 and A062 (only to include the amounts of redundancy payments made to staff via the Payroll Provider).

Alternatively, the Summary Trial Balance Report can also be used. The ‘ES’ Salary Expenditure (and any expenditure against Ledger Code A003-Casual Supply should also be included if paid via the Payroll Provider). This report provides additional breakdown of costs by ledger codes.

Possible reasons that may give rise to a variance between the remuneration report and the FMS total salary balances are in the following section and will also assist in identifying reasons for any variances.

**Types of possible variances**

Reasons for variances **above £5,000** between the FMS report and remuneration form will be required.

1. **Expenditure accruals from 2022-23** – producing negative expenditure in 2023-24 on FMS, hence reducing the total expenditure but on the remuneration sheet, payment to these staff is included e.g., additional hours worked in 2022-23 but paid in 2023-24 - FMS will be lower by this amount but remuneration sheet higher by this amount.
2. **Accruals processed in 2023-24** for salary expenditure which has not been paid by Dataplan (or other payroll provider), this will increase expenditure on FMS in comparison with the remuneration form because expenditure will be higher on FMS but lower on the remuneration form as the amounts have not been paid by Dataplan.
3. **Redundancy / severance payments** must be coded to A061/A062 (CFR E08) on FMS, remember to include these amounts under the appropriate columns of the remuneration form and add them to your FMS salary total.
4. **Agency teaching and non-teaching costs** which are paid via invoices and not through payrollare codedto A003 (CFR E02) ***instead*** ***of*** A004 (CFR E26), or A006/A008/A015/A016/A018 (CFR E03) **instead of** A021 (CFR E27).
5. **Sharing of employees,** where one school pays the full payroll charge and invoices the other for reimbursement. Variances would arise between the total reported on salary codes and the remuneration report if income from the other school is coded to a salary code.

1. **Maternity refunds** netted off against salary codes, in particular teacher maternity refunds which are required to be netted off against (A001) CFR E01 – this would cause the I&E figure to be lower than remuneration form.
2. **Netting off any income** e.g., from supply teacher insurance or graduate teacher programmes against teaching salary codes, coded in error, would reduce the cost on FMS compared to the remuneration form
3. **Journal of salary expenditure** from a salary code to a non-salary code would cause a variance or vice-versa.

**Appendix E** also requires schools to inform the LA if they are aware of any employee working at another LBH organisation, this will help in identifying persons who earn more than £50k in aggregate and therefore need to be included in the £50k and above remuneration disclosure.

All the information provided on this form and the supporting documentation will be regarded as strictly private and confidential and as such you are required to use a secure method of transferring the data from school to the LA. Confidential documents should be transmitted using USO-FX to your link officer (instructions for transmission using this method are included in a separate guidance – How to Run Year End Reports (Appendix C)) or by protecting **Appendix E** with a password advised to your link officer verbally. Data protection regulations apply to the contents of the remuneration sheet.

The completed Staff Remuneration Form (Appendix E) and supporting payroll providers’ report should be securely submitted to the Schools Finance Team before or by **Tuesday 26th March 2024**.