

GORSE Multi Academy Trust Traded Service Income 2024/25 Service Level Agreement.

Date: 14th February 2024

Report of: Deputy Head of Shared Services (BSC)

Report to: Deputy Chief Officer of HR and Shared Services

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

GORSE Multi Academy Trust (GORSE) currently receive their Payroll service and other employment related services from Leeds City Council's Business Support Centre (BSC) function which generates an income for the Council.

In 2023/24 total income was £120,850 (14 schools and management/admin function) These rates were last negotiated in 2021/22.

We have negotiated and agreed a further one year extension to the Service Level Agreement at the request of GORSE that includes an up lift to the charges to account for increased service delivery costs.

The extension for the 2024/25 financial year will produce a basic income of £132,935 (14 schools and management/admin function). GORSE are also in the process of taking on new schools that will be charged accordingly in addition to the costs above. Two schools have recently been identified, which once completed, will result in further income of circa £13,047 in 2024/25

Recommendations

- a) The Deputy Chief Officer of HR and Shared Services is recommended to approve the Service Level Agreement extension with The GORSE Multi Academy Trust for a further 12 months commencing 1st April 2024.

What is this report about?

- 1 The extension of the Service Level Agreement (SLA) with GORSE Multi Academy Trust (GORSE) currently consisting of 14 schools and a management/admin functions for the on-going provision of their payroll and employment services administration through the Council's Business Support Centre (BSC).

What impact will this proposal have?

- 2 In extending the SLA by a further 12 months the Council secures the revenue generated from providing these services to GORSE of circa £133K. It also ensures the continuation of a long-standing working relationship with one of the key educational establishments in the city.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

What consultation and engagement has taken place?

Wards affected: None

Have ward members been consulted?

No

What are the resource implications?

- 3 As this is an extension to the existing agreement there is no further impact on the resources required to provide the services covered by this SLA.
- 4 The SLA charges for the fourth coming year will generate an income to the Council of £132,935 and has the potential to increase by a further circa £13,047 if GORSE take on the proposed additional schools.

What are the key risks and how are they being managed?

- 5 The loss of the income that the SLA generates would present a significant risk to the BSC operational budget and cause a further budget pressure on the service at a time of considerable financial pressure across the Council. The SLA has been agreed for a further 12 months, with an up lift in the charges to account for the increase in delivery costs associated with performing the SLA, mitigating this risk for the fourth coming financial year.
- 6 The Council has had a long working relationship with GORSE in providing payroll services. GORSE is one of the largest academy trusts in the city and a sizable employer. In extending the current SLA we have ensured this relationship is maintained. Had it not been agreed it could have had serious implications for the Trust and may have caused reputational damage to the Council.

What are the legal implications?

- 7 The details of the agreement are set out in the existing SLA.

Options, timescales and measuring success

What other options were considered?

- 8 There were no other options considered as continuing the existing SLA for a minimum of 12 months suited both GORSE and the Council.

How will success be measured?

- 9 The SLA will be extended on 1st April and the business arrangement between GORSE and the Council will be monitored through the established and regular SLA performance meetings.

What is the timetable and who will be responsible for implementation?

The new SLA commences 1 April 2024. The BSC Customer Services Manager will be responsible for implementation and monitoring the SLA.

Appendices

- Equality Diversity Cohesion Impact Screen is attached.

Background papers

- None