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Award

Non Clinical Payroll and Associated Services

Mid and South Essex Integrated Care Board

UK5: Transparency notice - Procurement Act 2023 - [view information about notice types](#)

Notice identifier: 2025/S 000-042028

Procurement identifier (OCID): ocds-h6vhtk-0563dc ([view related notices](#))

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Scope

Reference

ACE-0835-2025-MSE

Description

The contracting authority, NHS Mid and South Essex Integrated Care Board (the Authority) is undertaking an urgent award for provision of Non-Clinical Payroll and Associated Services to the existing provider in mid and south Essex, in accordance with Schedule 5, Paragraph 13(1)(b) - Additional or repeat goods, services or works, under the Procurement Act 2023.

The scope of the requirement covers:

Compliance and governance (incl. adherence to UK employment law, HMRC requirements, and NHS payroll policies, NHS Agenda for Change (AfC) pay scales, terms, and conditions, integration with NHS Pensions Scheme regulations, GDPR-compliant data handling and secure storage of personal information)

-Payroll processing - (accurate and timely processing of payroll runs, calculation of gross

pay, statutory deductions (e.g. income tax, NI), and net pay, management of statutory payments, management of salary sacrifice schemes).

-Pension and benefits administration (incl. full support for NHS Pension Scheme administration including joiners, leavers, and retirements, submission of monthly and annual pension returns, auto-enrolment compliance and re-enrolment processes).

-Employee lifecycle support (incl. processing of starters, leavers, and contract changes, issuing of payslips and P60s to employees via secure self-service portals, handling overpayments, underpayments, and retrospective adjustments).

-Reporting and integration (incl. provision of standard and custom payroll reports for internal use and external bodies, integration with HR systems, Real Time Information (RTI) submissions to HMRC).

-Customer service and support (incl. dedicated helpdesk or named account manager for ICB staff and employees, defined SLAs for issue resolution and enquiry handling, training for ICB HR and finance teams in using payroll systems and interpreting reports).

-Quality assurance and audit (incl. robust quality checks and reconciliation processes, support for internal and external audits, continuous improvement and regular performance reviews).

-System security and accessibility (incl. secure payroll system with user access controls, employee self-service portal for payslips, P60s, and personal data updates, business continuity and disaster recovery plans).

-Scalability and flexibility (incl. capacity to scale with organisational changes, flexibility to accommodate secondments, multi-post contracts, and complex NHS pay scenarios).

The Authority is proposing an additional 12 month contract award to Whittington to provide the service from 1st April 2026 to 31st March 2027, recognising that the contract value is likely to be uplifted by agenda for change pay award as well as any national changes e.g. increases in NI contribution. As such the estimated contract value for the purposes of the transparency notice is £115,114.

Whilst the 12 month estimated contract value does not exceed the public procurement thresholds, the approximate cumulative value of Authority spend with Whittington Health NHS Trust for this service since 1st December 2021 when the initial contract was let is c. £324,926.00. A Transparency Notice is therefore being issued in accordance with the Procurement Act 2023.

Contract 1. Non Clinical Payroll and Associated Services

Supplier

- Whittington Health NHS Trust

Contract value

- £115,114 excluding VAT
- £138,166 including VAT

Above the relevant threshold

Earliest date the contract will be signed

31 December 2025

Contract dates (estimated)

- 1 April 2026 to 31 March 2027
- 1 year

Main procurement category

Services

CPV classifications

- 79211110 - Payroll management services
- 79631000 - Personnel and payroll services

Contract locations

- UKJ - South East (England)

Other information

Conflicts assessment prepared/revised

Yes

Procedure

Procedure type

Direct award

Direct award justification

Additional or repeat goods, services or works - extension or partial replacement

The main reason for this decision is because a change of supplier would result in the contracting authority receiving services that are different from, or incompatible with, the services, and that difference or incompatibility would result in disproportionate technical difficulties in operation or maintenance.

Since January 2025, MSE ICB has been working in collaboration with Mid and South Essex University FT (MSEFT), and Essex Partnership University FT (EPUT) to jointly procure a payroll services contract across all three organisations. The Invitation to Tender was published to the market by MSEFT in June 2025 and names MSE ICB as a Contracting Authority that will be party to the contract.

However, the decision whether to remain in the joint procurement or pause it and find a different compliant option for an interim 12-month period is being driven by externally influencing events since March 2025, including major devolution reforms, ICB boundary reconfigurations, and national restructuring of NHS governance and ICB responsibilities. These events have rendered the original procurement route less viable within the available timescales, due to their direct impact on commissioning geography and system relationships.

The urgency is not due to ICB delay or poor planning. A competitive process was actively planned and had indeed been published in June 2025, demonstrating the ICB's intention to comply with the Procurement Act 2023. The need to pause and redirect was triggered by external changes beyond the ICB's control, including:

- Government confirmation of the Greater Essex devolution programme,
- National announcements about the abolishment of NHS England and ICB cost-cutting,
- The publication of the ICB blueprint reshaping commissioning roles and accountability.

These developments were not foreseeable during planning and fundamentally altered the strategic context in which the original joint-procurement had proceeded. Continuing with the planned competitive process may now risk misaligning with future joint commissioning structures and priorities.

Any future contract is likely to be much more attractive to the market if the ICB decides to consolidate payroll systems across multiple NHS organisations in the future, potentially digitally transforming the payroll function, or moving to a shared service model.

An urgent direct award is required to maintain essential BAU services with the existing provider and avoid a change in service provider for only a short-term period where differences in models/systems/service as a result of that change, pose several strategic, operational, and financial risks, particularly during this period of structural change and externally imposed reforms.

A change of supplier would result in the contracting authority receiving services that are different from, or incompatible with, the existing services, and that difference / incompatibility would result in disproportionate technical difficulties in operation or maintenance:

Disruption to business continuity

- Short transition window may result in incomplete or rushed onboarding of any new provider.
- Potential for missed or incorrect payments, which can seriously impact staff morale and trust.
- Risk of data migration issues (e.g. pension records, historic pay adjustments, overpayments).

2. Increased operational burden

- HR, finance, and IT teams must divert attention and capacity to managing the transition. This competes with resources needed to support broader reforms and restructuring.

3. Short-termism

- A 12-month contract offers little incentive for provider investment in quality, innovation, or relationship building.
- There may be limited contractual levers for performance improvement, given the short duration.

4. Change fatigue

- Repeated organisational change can create staff disengagement and fatigue-especially if payroll reliability becomes a concern.
- Risk of "transition overload" when paired with wider NHS reforms (e.g. national digital transformation, workforce redesign).

5. Integration and system risks

- Payroll is often linked to HR systems (ESR), pensions (NHSPS), finance (Oracle, SBS).
- Disrupting this during larger structural changes risks integration errors or misaligned data flows.

6. Financial risk

- Switching providers incurs transition costs (e.g. project management, training, dual running).

- Risk of non-value for money: onboarding costs are high relative to the short contract lifespan.

7. Reputational risk

- A payroll failure (e.g. missed NHS pay runs) could trigger negative attention from unions, regulators, or media-especially during a politically sensitive reform period.

Supplier

Whittington Health NHS Trust

- Public Procurement Organisation Number: PZHC-1999-RLHQ

Magdala Avenue

London

N19 5NF

United Kingdom

Email: raelgamsu@nhs.net

Region: UKI43 - Haringey and Islington

Small or medium-sized enterprise (SME): No

Voluntary, community or social enterprise (VCSE): No

Contract 1. Non Clinical Payroll and Associated Services

Contracting authority

Mid and South Essex Integrated Care Board

- Public Procurement Organisation Number: PZWW-2316-VHPJ

NHS Mid and South Essex ICB, Phoenix Court Christopher Martin Road

Basildon

SS14 3HG

United Kingdom

Email: kevin.edwards@attain.co.uk

Region: UKH37 - Essex Thames Gateway

Organisation type: Public authority - sub-central government