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Planning

Payroll and HR System Admin

London Borough of Hounslow

UK2: Preliminary market engagement notice - Procurement Act 2023 - [view information about notice types](#)

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Procurement identifier (OCID): ocids-h6vhtk-0567b9

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Scope

Description

LBH is seeking to commission:

Payroll: the service includes payroll for Council officers, staff based in schools and other external clients, staff employed by council companies - LNH trading company, pensioners in the Hounslow Local Government Pension Scheme, payment of Councillors allowances and expenses and periodic elections payroll when required. Trading Company's payroll service is based on the same specification as the service received by the Council.

System administration for the HR system iTrent (provided by the current supplier) and the HRP/Schools portal

Vision:

Our vision for the Payroll Service:

To provide seamless, efficient and transparent payroll and pensions services for

Hounslow employees and pensioners, its companies' employees and external clients (e.g., schools). The Payroll services will be fit for purpose for the specific requirements of these different clients. The service will ensure that payroll is accurate and on time, and that pension contributions for all pension providers, tax and other deductions are administrated correctly.

Our vision for System Administration Service:

To actively support system developments and upgrades to ensure that the system in use meets the needs of the organisation. We want to provide a responsive service that addresses issues with the HR system in a timely manner and provides data and reports when required, as well as offering support and training for the end users of the HR system. The service will support the organisation to deliver its People strategies and policies effectively.

Current performance

In 2024/25 payroll accuracy has consistently been over 99.90%

In 2024/25 there were a total of 180,001 payrolls, 90,678 were pensions

1,472 new queries about pensions were received in 2024/25

In 2024/25 there was £47k in overpayments on LBH payroll, 63.7% (£30k) of which was recovered to date

There were approximately £81k in overpayments on Trading Comapny's payroll in an 8-month period (August 2024 - March 2025)

There were 335 new starters were set up in iTrent and 275 leavers processed on iTrent in 2024/25

There is a 3 working day response time from the HR Systems Administration team

Current contract cost

Annual core contract cost

System admin: £303k

Payroll: £1.083m

Objectives

Lower contract cost by min 10%

Increase accuracy and minimise incorrect payments

Automate processes wherever possible

Ability for employees to self-serve wherever possible

Improve reporting on pensions and review what other data could be used to monitor the payroll performance

Provide HR system (optional)

Total value (estimated)

- £8,316,000 including VAT

Above the relevant threshold

Contract dates (estimated)

- 1 October 2027 to 30 September 2032
- 5 years

Main procurement category

Services

CPV classifications

- 75110000 - General public services

Contract locations

- UKI75 - Hounslow and Richmond upon Thames

Engagement

Engagement deadline

5 September 2025

Engagement process description

The Council intends to hold a series of online interviews with interested providers during August/September 2025.

It should be noted that this engagement is not a formal tendering process.

The information we gain through our market engagement will help to inform our commissioning intentions and refine our specification for this service.

Contracting authority

London Borough of Hounslow

- Public Procurement Organisation Number: PQYY-1684-DYLV

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Region: UKI75 - Hounslow and Richmond upon Thames

Organisation type: Public authority - sub-central government