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Planning

Core Financial Services

London Borough of Hounslow

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

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Scope

Description

LBH is seeking to commission:

Accounts Payable (also provided to LBH trading company)

Rent accounting

Housing Rent Collection (optional)

Vision:

Our vision for the Accounts Payable:

Our vision is to provide an efficient and transparent Accounts Payable service that ensures timely and accurate payments to vendors, suppliers, and service providers. The service should enable service users to self-serve and for automation to be in place where possible. We are committed to transforming payment processes, minimising errors, and ensuring the responsible management of public funds. Processes should be constantly reviewed and continuously subject to improvement.

Our vision for Rent Accounting:

To maintain clear, up-to-date records for each tenant, providing transparent statements, and ensuring that updates and changes are processed in a timely and accurate manner. To ensure that the service and its processes work effectively and in a joined-up way with the Housing Income service, as well as there being a clear understanding of the roles and responsibilities of the service.

Housing Rent Collection:

To provide an efficient, accessible, and customer-focused rent collection service that ensures timely and accurate receipt of payments. The service will focus on the maximisation of rent collection. As well as, promptly providing support to tenants enabling them to maintain their rent payments and manage other financial commitments. The service will work closely with tenancy management, benefits and homelessness functions to provide effective, holistic support for tenants, to help sustain tenancies, ensure they get what they are entitled to and to fulfil the Local Authorities responsibilities as a landlord.

Current performance

Accounts Payable:

96.4% of valid Invoices paid in 30 days of the due date

57,969 Accounts Payable transactions were processed in 2024/25

In 2024/25 58,000 transactions were processed through ContrOCC

138 CIS deductions in 2024/25

In 2024/25, 1,815 new creditor set up and 867 amendments and 67 closures were received by the current supplier

Rent Accounting:

During 2024/25 rent accounts have taken an average of less than a day to set up

There are 13,933 properties with rent accounts

1,423 new rent accounts were set up in 2024/25

Housing Rent Collection:

The KPI target for HRA income collection is 100% and 90% for TA income collection

In 2024/25 the HRA income collection rate has been consistently over 97.65% each month. Throughout the majority of the year the collection rate has been over 98%, apart from January and February 2025 where the collection rate was 97.66% and 97.65% respectively

In 2024/25 the TA income collection rate has been above 92%, exceeding the target, and between May 2024 and July 2024 collection rates exceeded 100%

In March 2025 6,293 HRA households were in arrears, out of approximately 13,000

In March 2025 395 TA households were in arrears, out of approximately 550

The total value of rent arrears, across HRA households and TA, is £9m

Approximately 10% of housing rent collection is via direct debit

Current contract cost

Annual core contract cost

Accounts Payable: £563k

Rent Accounting: £240k

Housing Rent Collection: £1.3m

Objectives

Lower contract cost by min 10%

Automation of all reconciliation processes to reduce manual admin

Automated confirmation of payee/supplier to check for a match before a payment is made to reduce the possibility of the wrong supplier being paid

Automation of VAT and CIS deduction calculations to reduce possibility for mistakes and inaccuracies

Increased automation of rent accounting

Introduce paperless DD for tenants

Reduce rent arrears

Total value (estimated)

- £12,618,000 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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Organisation type: Public authority - sub-central government