Payroll Management Services

Invitation to Tender

Tenders must be received via email to Lynne.Williams@taffhousing.co.uk no later than

8th January 2027

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Section A

Background

Taff Housing Association wishes to engage an organisation to provide a managed payroll service.

The Association is a registered housing association with charitable status. Its current activities comprise:

- development of new social housing in accordance with housing need
- management of over 1,628 homes comprising mainly general needs accommodation
- provision of fixed and floating support services to over 1,000 service users per year.

The Association has approximately 210 staff and runs a monthly payroll for all staff and 12 paid Board members.

Our staffing comprises approximately full-time (77%), part-time (20%) and zero-hour contracts (3%).

There are also overtime and on-call payments to around 20% of staff per month.

50% of our staff are employed in our support services/supported housing, which have a variety of shift patterns, and our overall staff turnover is approximately 18%.

The Association's payroll is currently provided by an external managed payroll service. Payroll information is submitted each month using a standard spreadsheet template, and each payroll is checked by the Association, using the calculation breakdowns and supporting information provided, before sign-off. The Association wishes to retain a simple and consistent method of submitting monthly payroll information.

Additional corporate documents and information about our structure and activities can be obtained from our website www.taffhousing.co.uk.

Section B

Statement of Requirements

The Association would like the successful organisation to provide a managed payroll service commencing in April 2027. We would like prices for a 3-year contract with the option to extend year on year for 2 years.

The scope of the work to be delivered should include the following:

- Initial set-up and transfer of data from our current system (where applicable)
- Monthly payroll processing for c.210 colleagues and 12 paid Board members, including pension auto-enrolment and re-enrolment
- Implementation of payroll legislative changes at the required time, with advance notice to the Association of any changes affecting staff or processes
- Onboarding and offboarding of staff (approx. 4 per month)
- Overtime and on-call payments (approx. 30 per month)
- Processing of late amendments and urgent changes close to the payroll deadline
- Specialist technical support when required from appropriately knowledgeable staff, including on pensions, SSP, maternity and other family-related pay, salary sacrifice, payroll calculations and pay adjustments
- Payrolling of benefits in kind, including minor health insurance, from 6 April 2027 in line with HMRC mandatory payrolling requirements, including in-year reporting and payment of Class 1A National Insurance through RTI
- Attachment of earnings deductions
- SMP and enhanced company maternity payments
- SSP and enhanced company sick payments
- Salary sacrifice arrangements
- Payroll calculation breakdowns and supporting information for each payroll, to support the Association's checking and sign-off
- Detailed calculations and supporting documentation in response to payroll queries, provided in writing for the Association's records
- Monthly reporting, including cost centre and journal reports, pension reports
- Audit reports
- Auditable changes to the system
- RTI submissions to HMRC
- Year-end P60 processing
- Optional, subject to cost: P11D and P11D(b) processing, including the final 2026/27 returns (due by 6 July 2027) and any benefits that remain outside payroll after April 2027 (such as employment-related loans or living accommodation). P11Ds are currently prepared in house, and the Association will include this in the service if it is cost effective.
- Secure online payslips
- Payroll rollback and recovery where a payroll needs to be reopened or re-run

Service standards

The Association places particular importance on the following service standards. Tenderers should explain in their submission how each will be met:

- **First-time accuracy:** a robust, documented quality assurance process, including internal checks and reconciliations, completed before payroll files are released to the Association for checking, so that payroll changes and amendments are processed correctly first time.
- **Payroll timetable:** an agreed annual payroll calendar with cut-off and closing dates that allow sufficient time for late changes, so that information does not need to be deferred to a later payroll. Payroll should not be closed earlier than the agreed timetable.
- **Reporting and dashboards:** clear, user-friendly payroll reporting, including dashboard or summary information (for example month-on-month variances, starters, leavers and exceptions), reporting of each payroll against the Association's establishment list, and a report of establishment changes since the previous payroll (such as new, deleted or vacant posts and changes to hours, grades and cost centres) to support an efficient review. The Association will provide its establishment list at the start of the contract and will send updates whenever changes are made. The provider will be expected to keep the establishment list up to date and use it as the basis for this reporting.
- **Account management and continuity:** a named account manager and named payroll contacts, with prompt notification to the Association of any changes to the staff supporting its payroll, and a handover plan to maintain continuity of service.
- **Communication:** the ability to contact the payroll team by email and through a secure online portal, with defined response times for queries.
- **Data submission:** a straightforward, consistent method of submitting monthly payroll information, such as a standard spreadsheet template.
- **Rollback and recovery:** an accessible and fairly priced rollback/recovery facility. Tenderers should state whether this is included within the fee and, if not, the cost per use.
- **Service levels:** proposed key performance indicators (for example accuracy, query response times and on-time delivery) and how performance will be reported to, and reviewed with, the Association.

Applicable daily rates for additional services should be provided.

Evaluation criteria for tender submissions:

- methodology and approach, including how the managed payroll service works in practice;
- quality assurance and first-time accuracy;
- experience and expertise in providing payroll services;
- availability of the team, expert advice and account management;
- payroll reporting and dashboards;
- ability to "add value" to the service;
- business continuity and data security arrangements;
- the cost of the service.

Short-listed organisations will be invited to present and discuss their proposals (see procurement timetable below).

Tender documents should be returned, marked ‘Tender for Payroll Services’.

Taff will not be liable to reimburse any costs incurred by the service provider during this tender process.

Evaluation of tenders will be carried out by a Tender Panel, and the evaluators will, if necessary, contact tenderers to seek clarification of any aspect of a tender. (Lynne to confirm)

Tenderers should identify any work they are currently carrying out or competing for which could give rise to a conflict of interest and indicate how such a conflict would be avoided.

Section C Procurement process and timetable

Tender documents should be returned, marked Tender for Managed Payroll Service.

Last date for submission of tenders is 12 noon on 8th January 2027 Late submissions will not be accepted under any circumstances.

Taff will not be liable to reimburse any costs incurred by the service provider during this tender process.

Taff wishes to maximise the value obtained from the available payroll provider, however as the scoring will include emphasis on quality it does not bind itself to accept the lowest tender price. The evaluation and scoring criteria are shown in Section 8.

Evaluation of tenders will be carried out by a Tender Panel, and the evaluators will, if necessary, contact tenderers to seek clarification of any aspect of a tender.

Tenders will be scored and successful shortlisted tenders will be invited to attend an interview/presentation to discuss service provision.

Tenderers should identify any work they are currently carrying out or competing for which could cause a conflict of interest and indicate how such a conflict would be avoided.

Procurement Timetable

Activity	Date
Tender Opportunity opens Sell to Wales	23/11/2026
Tender Closes	11/01/2027
Tenders Evaluated	W/c 11/01/2027
Shortlisted Presentation	20/01/2027
Contract Decision	W/c 25/01/2027
Contract Preparations and signing – commencing April 2027	Beginning of February

Documentation to be submitted

To facilitate the needs of the Tender scorers in the evaluation process, all proposals submitted must follow the format below. Failure to supply all or any part of the requested information in the required format may result in a proposal being excluded from the evaluation process.

Section 1

Background information on your organisation, to include size, services offered, experience, clients and values.

Section 2

Background information on the staff who will process and review the Association's payroll, including their experience of similar work and relevant qualifications. Please identify the named account manager and day-to-day contacts, and explain how you will notify the Association of, and manage, any changes in personnel.

Section 3

Details of your proposed plan and approach to the monthly processing of payroll, including the key stages of delivery. Please include:

- the methodology to be used to collate payroll data, including the format in which monthly payroll information would be submitted;
- a proposed payroll timetable showing cut-off dates, checking periods and how late amendments are handled;
- your quality assurance process before payroll is released for checking, including the checks carried out and by whom;
- examples of routine payroll reports and payroll calculation breakdowns;
- examples of dashboard or summary reporting, including reporting against an establishment list and of establishment changes;
- examples of any additional audit reports;
- your proposed service levels and key performance indicators;
- your approach to the payrolling of benefits in kind from April 2027, including in-year Class 1A National Insurance reporting, the treatment of benefits and, if included in the service, the final P11D year-end;
- the added value you will bring in managing our payroll.

Section 4

Price

Please outline your fees (including expenses) for each year of the initial 2 year contract and for any extension years, and details of any inflation mechanisms.

Please separately identify any implementation or set-up costs, the cost of payroll rollback/recovery (and whether any is included within the fee), daily rates for additional services,

A separate price for P11D and P11D(b) processing (as an optional service), and any other charges that may arise. Tenderers should note that we expect these rates to remain unchanged post appointment.

Section 5

References

Please include 2 current references, including the size of their payroll and how long the contract has been operating.

Section 6

Professional Indemnity Insurance

Please provide details of your current Professional Indemnity Insurance, including the insurer, the level of cover (per claim and in aggregate), any policy excess and the policy renewal date. Please also provide details of your Public Liability, Employer's Liability and any Cyber Liability insurance. The successful organisation will be required to maintain appropriate levels of cover for the duration of the contract and to provide copies of insurance certificates on request.

Section 7

Social Value Method Statement

Please provide a brief method statement setting out the social value you will deliver through this contract (for example local employment and training, community support, environmental commitments and fair work practices), including measurable commitments and how progress will be reported to the Association.

Section 8

Business Continuity and Data Security

Please provide brief details of your business continuity, disaster recovery and data security arrangements, including how you would ensure staff are paid accurately and on time in the event of system failure, cyber-attack or staff absence, and any relevant certifications held (such as ISO 27001 or Cyber Essentials Plus).

Ref.	Non- Function Description	Detailed Summary
8.1	Ongoing training available to enable effective skills transfer.	[Insert response]
8.2	Helpdesk and troubleshooting support available during working hours 9am – 5pm GMT, Mon-Friday (excluding Bank Holidays)	[Insert response]
8.3	Out of Hours support availability for critical services (24x7x365)	[Insert response]
8.4	Capacity meets the current and predicted requirements for the planned lifecycle of the implementation.	[Insert response]
8.5	Recoverable (RTO, RPO) in line with the stated Service Level Agreement	[Insert response]
8.6	The solution meets industry standard Data Protection and GDPR and retention requirements.	[Insert response]
8.7	Evidence that the supplier is an accredited vendor for the technologies proposed	[Insert response]
8.8	The software provided will always be upgraded to the latest version available, within a set timeframe of release, and is included within the boundary of this contract.	[Insert response]

Section 9

Scoring Matrix

Methodology and approach, including how the managed payroll service works in practice	**15%**
Quality assurance and first-time accuracy	**15%**
Experience and expertise in providing payroll services	**10%**
Availability of the team, expert advice and account management	**10%**
Payroll reporting and dashboards	**10%**

Social Value	**5%**
Business continuity and data security	**5%**
Cost	**30%**
Total	**100%**

Section D

ADDITIONAL INFORMATION

Anyone requiring additional information should contact:

Lynne Williams, Head of Finance
Email: Lynne.Williams@taffhousing.co.uk

Any requests for additional information will be collated by the Association and a composite response sent to all organisations that have been invited to tender.