Hyndburn Leisure

Brief for the Provision of a Fully Managed Payroll Service

Hyndburn Leisure is a charitable leisure trust providing leisure, sport, wellbeing, cultural and community services across Hyndburn.

Payroll processing has been provided by Hyndburn Borough Council for approximately 25 years. Hyndburn Leisure is now seeking to appoint an experienced external payroll provider to deliver a reliable, accurate and fully compliant managed payroll service.

The successful provider will be required to manage a smooth transition from the existing Council-operated service, that is data protection compliant, with no disruption to employees, statutory reporting or pension administration.

Hyndburn Leisure operates a monthly payroll. The organisation uses Planday to manage all rotas, sickness and leave. Payroll inputs include fixed and variable pay, with a significant proportion of the workforce working variable hours. The appointed provider will be expected to establish an efficient and secure process for the transfer, validation and processing of payroll information and processing of payroll information from Planday, minimising manual intervention where possible.

The average total monthly payroll cash requirement is approximately £260,000, including PAYE and other payroll-related liability.

Our current workforce consists of approximately 200 colleagues, including 85 on fixed-hours contracts and 115 on variable-hours contracts.

Hyndburn Leisure participates in the Local Government Pension Scheme through the Lancashire County Pension Fund and around 50% of our workforce are members.

Contract Requirement

Hyndburn Leisure is seeking a fully managed payroll service that provides:

- Accurate and timely payroll processing.
- Appropriate payroll expertise and advice.
- Full statutory compliance.
- Strong controls and audit trails.
- Secure systems and employee access.
- Effective Local Government Pension Scheme administration.
- Reliable implementation and ongoing account management.
- Clear allocation of responsibilities between Hyndburn Leisure and the provider, including payroll inputs, approvals, statutory submissions, employee payments, HMRC payments and pension pensions

Core Payroll Services

The appointed provider will be expected to deliver the following services:

- Monthly payroll processing (15th) with end-to-end monthly payroll processing in accordance with the agreed payroll timetable and pay date
- Gross-to-net calculations.
- PAYE and employee and employer National Insurance calculations.
- Processing of basic pay, overtime, additional hours, enhancements and allowances.
- Processing of casual and variable-hours employees.
- Calculation and processing of holiday pay and holiday accrual for irregular hours and part year workers where applicable
- Processing of occupational pay arrangements in accordance with Hyndburn Leisure's contractual terms and policies where applicable
- Appropriate payroll processing to support National Minimum Wage and National Living Wage compliance
- Statutory sick pay, including application of current statutory eligibility and calculation requirements
- Statutory maternity, paternity, adoption, shared parental bereavement and neonatal care pay, together with any other statutory payments introduced during the contract terms
- Salary sacrifice arrangements, where applicable.
- Attachment of earnings and court orders.
- Processing of starters, leavers and contractual changes.
- Processing of back pay and retrospective adjustments.

- Processing of tax code, National Insurance category and other HMRC notified changes
- Payroll support for workplace pension automatic enrolment, re-enrolment, opt-ins and opt outs, where applicable
- Processing and reporting of benefits in kind through payroll where required by legislation or instructed by Hyndburn Leisure
- Production and distribution of secure electronic payslips.
- Production and distribution of P45s P60s
- Year-end payroll processing.
- Full Real Time Information reporting to HMRC, including Full Payment Submissions (FPS), Employer Payment Summaries (EPS), year end submissions and correction of payroll reporting errors .
- Financial reconciliation reports.
- Support with payroll queries and corrections.
- Advice on relevant legislative and regulatory changes.
- Provision of appropriate payroll reports for finance, HR and management purposes
- Maintenance of full payroll audit trails, including details of changes, approvals and corrections
- Management of payroll errors, including prompt correction of any underpayment or overpayment attributable to the provider
- Support with emergency or off cycle payments where required

Payroll timetable, controls and payment arrangements

The appointed provider will be expected to agree a clear monthly payroll timetable with Hyndburn Leisure covering:

- Payroll input cut off dates
- Initial payroll processing
- Validation and exception reporting
- Hyndburn Leisure review and approval
- Processing of amendments
- Final payroll sign-off
- Submission of statutory returns
- Production of BACs or other payment files
- Issue of electronic payslips
- Payroll reconciliation and reporting

The provider should explain how late changes, urgent amendments and off cycle payments would be managed, along with setting out the retrospective responsibilities of Hyndburn Leisure for:

- Payment of employee salaries
- Creation and/or submission of BACS payment files
- Payment of PAYE and NI liabilities to HMRC
- Payment of pension contributions
- Approval and authorisation of payments

Where the supplier offers a payroll funding or payment service, this must be identified and priced separately, with an explanation of controls, authorisation arrangements and safeguarding arrangement applying to the Hyndburn Leisure funds.

Payroll systems and Planday

Hyndburn Leisure currently uses Planday to manage rotas, working hours, sickness and leave. The appointed payroll provider should explain how payroll information will be transferred from Planday into the proposed payroll system, including:

- Any existing Planday integration or API capability
- Import/export processes where direct integration is not available
- Data validation controls
- Exception reporting
- Any manual intervention required from Hyndburn Leisure
- Responsibility for investigating discrepancies between Planday and payroll data

Hyndburn Leisure’s preference is for a process that minimises duplicate data entry and manual manipulation of payroll information

Local Government Pension Scheme

Hyndburn Leisure participates in the Local Government Pension Scheme through the Lancashire County Pension Fund.

The appointed payroll provider must have appropriate knowledge and experience of administering LGPS payroll requirements.

The service must include:

- Calculation and deduction of employee LGPS contributions.
- Application and annual review of employee contribution bands.
- Calculation of employer pension contributions using the rates notified to Hyndburn Leisure.
- Correct calculation and reporting of pensionable pay.
- Administration of the LGPS 50/50 section.
- Processing of opt-ins and opt-outs.
- Processing of starters and leavers.
- Processing of additional pension contributions and other pension deductions.
- Correct pension treatment of overtime, additional hours, allowances and statutory leave.
- Production of monthly pension contribution returns
- Preparation and submission of monthly data returns to the Lancashire County Pension Fund/Local Pensions Partnership Administration in the required format and within the applicable deadlines
- Investigation and correction of validation errors or rejected pension records
- Reconciliation of employee and employer pension contributions.
- Production of year-end pension information.
- Provision of payroll information required for retirements, redundancies, flexible retirements, ill-health cases and pension estimates.
- Processing and correction of retrospective pension adjustments.
- Support with pension queries raised by Hyndburn Leisure or the Lancashire County Pension Fund.
- Liaison with the Lancashire County Pension Fund / Local Pensions Partnership Administration on routine payroll and data queries where required
- Implementation of changes to LGPS regulations and contribution rates.

Hyndburn Leisure will retain responsibility for its formal employer relationship with the Lancashire County Pension Fund, actuarial matters, employer contribution rates and decisions that must be made by the scheme employer.

Data protection, Information security and Business continuity

The appointed provider will process confidential and sensitive employee and payroll information on behalf of Hyndburn Leisure and must demonstrate appropriate information security and data protection arrangements.

The provider should provide details of:

- Their arrangements for compliance with UK GDPR and the Data Protection Act 2018
- Data controller and data processor arrangements and the proposed data processing agreement
- Where payroll data will be hosted and processed
- Any processing or access taking place outside of the UK
- Any subcontractors or sub-processors used to deliver the service
- Encryption of data in transit
- Multi factor authentication and user access controls
- Cybersecurity certificates or accreditations held
- Security testing arrangements
- Personal data breach management and notification arrangements
- Backup, disaster recovery and business continuity arrangements
- Data retention, secure deletion and return of payroll data at the end of the contract

The appointed provider will be required to enter into appropriate contractual data processing arrangements with Hyndburn Leisure.

Supplier Response

Supplier submissions should include:

Quality and suitability of the payroll service (50%)

- An overview of the organisation
- Details of the proposed payroll service
- Confirmation of all services included and excluded
- A clear description of the proposed operating model and division of responsibilities between the supplier and Hyndburn Leisure
- Details of how Planday data would be transferred and processed
- Proposed monthly payroll timetable
- Details of payroll validation, checking and approval controls
- Details of error management and emergency payment arrangements
- Details of standard management and finance reports available
- Details of system availability, employee self service and administrator access (where applicable)
- Details of service escalation arrangements
- Proposed service lelvs and performance standards, including payroll accuracy, payroll timelines, response times for routine and urgent queries, correction of payroll errors, statutory submission deadlines, pension return deadlines and system availability (Suppliers should explain how service performance is monitored and reported and the escalation process that would apply where agreed service levels are not achieved)
- System and employee-portal information
- Data-protection and cybersecurity information
- Business continuity arrangements, which should include arrangements for maintaining payroll delivery in the event of system failure, cyber incident, supplier site disruption, loss of key personnel or other circumstances affecting normal service delivery
- Details of the proposed account-management team
- Relevant client references (up to 2)
- Contract terms
- Minimum contract period
- Termination provisions

LGPS knowledge and experience (15%)

- Details of Suppliers experience of administering payroll for employers participating in the Local Government Pension Scheme, including the number and type of LGPS employers currently supported

- Details of experience of working with the Lancashire County Pension Fund / Local Pensions Partnership Administration, where applicable
- Details and experience of the individuals who will support Hyndburn Leisure
- Up to two examples or references from clients for who the supplier currently provides LGPS payroll administration

Implementation and transition arrangements (15%)

- A proposed implementation plan and timetable
- A responsibilities matrix

The implementation plan should specifically address:

- Data transfer from the existing payroll provider
- Data cleansing and validation
- Migration of employee master data and year on year payroll information
- Migration and validation of pension data
- Transfer of statutory payment and deduction information
- System configuration and testing
- Planday interface/import configuration
- Parallel payroll testing
- Reconcilliation fo parallel payroll results
- Resolution of discrepancies before ‘go-live’
- User acceptance and formal go live sign off
- Employee and administrator communications
- Contingency arrangements should implementation or testing identify material issues

Suppliers should identify the resources required from Hyndburn Leisure during implementation and clearly distinguish between supplier and Hyndburn Leisure responsibilities.

Suppliers should also describe their exit and transition arrangements at the end of the contract, including the format and timescales for providing payroll data to Hyndburn Leisure or a replacement provider and any associated charges.

Price and overall value for money (20%)

- A full pricing schedule, clearly identifying all mandatory and optional charges, to include:

1. Implementation and Onboarding costs
2. Data migration costs
3. Monthly base/service charge
4. Per employee or per payslip charges (where applicable)
5. Any charges relating to casual or variable hours employees, if different
6. BACS/payment processing charges
7. HMRC payment charges
8. LGPS administration and pension return charges
9. Employee and administrator portal charges (if applicable)
10. Planday integration or data interface charges
11. Charges for additional or off cycle payroll runs
12. Emergency payments charges
13. Charges for retrospective adjustments or correction
14. Charges for bespoke reports
15. Year end processing charges
16. Training charges (if applicable)
17. Account management charges
18. Contract termination and data extraction charges
19. Any other charges that may reasonably arise during the contract

Suppliers should confirm what is included within the core monthly charge and clearly identify any services that would incur an additional fee. Suppliers should also state the proposed mechanism for any annual price increases during the contract term.

Evaluation Criteria

Proposals will be evaluated using the following criteria:

- Quality and suitability of the payroll service – 50%.
- Implementation and transition arrangements – 15%.
- LGPS knowledge and experience – 15%.
- Price and overall value for money – 20%.

Hyndburn Leisure reserves the right to appoint a payroll provider without entering into a payroll-funding arrangement.

Proposed Contract Term

Suppliers should provide pricing on the basis of an initial three year contract term and clearly set out any break clauses, extension options, notice periods and termination provisions.

Indicative Procurement Timetable

The proposed timetable is:

- Brief issued: 14th August 2026
- Deadline for clarification questions: 1st September 2026
- Deadline for supplier responses: 14th September
- Supplier presentations or demonstrations: w/c 21st September 2026
- Preferred provider selected: w/c 21st September 2026
- Implementation begins:1st October 2026
- Parallel payroll testing: October 2026 payroll cycle
- Formal implementation review and go/no go sign off following successful parallel testing
- Proposed first go-live payroll: November 2026 payroll cycle

Hyndburn Leisure reservices the right to seek clarification of any aspect of a supplier's submission and to request further information or demonstration of the proposed payroll system as part of the evaluation process.

Contact

All queries and submissions should be directed to:

Lisa Balderstone
HR & Business Support Partner
Hyndburn Leisure
Lisa.Balderstone@hyndburnleisure.co.uk