



Finance Outsourcing

Request for Information

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About London Sport

London Sport is a charity that exists to help all Londoners live longer, healthier and happier lives through being active.

Our focus is on children and adults in the most deprived communities who face the greatest challenges of inequality.

With physical inactivity responsible for 1 in 6 premature deaths, we want to help every Londoner find their way to move more.

We are supported by Sport England and the Mayor of London, and collaborate with London's local authorities and other organisations, to provide better access to sport and physical activity across the capital.

Background

London Sport is reviewing how we deliver our Finance, Governance and People functions. As part of this, we want to review opportunities to outsource some or all elements of our finance function.

The primary drivers for outsourcing would be to deliver greater resilience in our finance function, reduce costs if possible and improve the accuracy of our finance function by developing improved process and procedures.

Information on Current Finance Function

General

The finance function at London Sport currently has two full time members of staff.

Head of Finance

Finance Senior Officer

We use Sage Intacct as our accounting system. We are open to moving to an alternative system with a suitable transition plan.



We currently have no internal approval software in use.

Our Auditor is PKF Littlejohn. The Head of Finance currently prepares statutory accounts annually.

Structure of accounts

We currently have 10 restricted funds, each with its own budget. When we record transactions, we use four tracking categories (dimensions): Department, Location, Fund, and Project.

Bank Accounts

We are in the process of moving from our current account bank from Metrobank to Natwest. We anticipate this process will be completed by June 2025.

We also hold savings accounts with the following banks, but these are not in routine use and will likely be closed down in due course.

Credit Cards

All company credit cards will soon be transferred to NatWest. We will have one main credit card account, with 5 individual cards issued to the directors. To help manage this, we will be using ClearSpend, a free app that gives us real-time control of the account.

Indicative Volumes

In a typical month, we typically process the following volumes

- Sales invoices – average 5 to 6
- Payments (excluding payroll) - average 60 to 70 (including direct debits)

Payroll

Payroll is managed by HR using an outsourced provider (IRIS). There are approximately 50 members of staff. Payroll payments are made via BACS and then uploaded into Sage by journal. Allocations to restricted funds are based on a staffing forecast spreadsheet and reviewed monthly by the Head of Finance and COO prior to upload.

Staff expenses



Staff expenses are generated and approved through the London Sport HR system (Staffology). A monthly report from Staffology is used as the basis to create a journal to upload the transactions to Sage and to the bank. Target timing is expenses approved by BD5, report run from Staffology on BD6, payments to staff by BD12.

Taxation/VAT

London Sport is registered for VAT under the number 245657679.

VAT returns are submitted quarterly, based on the calendar year. These returns are managed by the Head of Finance using the Sage accounting system. The organisation charges VAT on a small number of sales invoices, typically related to specific events or services.

London Sport can only reclaim a small amount of VAT, and only on activities where VAT has been charged, such as the Active London and LS Awards events. Most of the VAT paid by London Sport cannot be reclaimed because it relates to non-business activities, which are not eligible for VAT recovery.

For payroll taxes (PAYE), monthly payments are currently made by the finance team using payroll data provided by HR. However, starting in June, these payments will switch to being made automatically by Direct Debit as part of a bank change.

There have been no recent inspections by HMRC related to VAT or PAYE processes. Corporation tax calculations and submissions are handled by London Sport's external audit firm.

We are in the process of reviewing our VAT status as we currently have minimal VAT-able income.

Trading subsidiary

London Sport has a trading subsidiary London Sport Trading Ltd (Company number 09926559). This is not in active use, and we are in the process of making the company dormant.

Management Accounts & Other Reporting

Management accounts are prepared monthly, in time for SLT review on the third Monday of the following month. The latest available management accounts are used for Finance Committee meetings.

This includes a full year forecast for each restricted fund combining actuals (from Sage) and forecast costs for the remainder of the year, a 2-year cashflow projection. We want to develop the report to include additional information, for example projected income and aged debtors.

Staff costs forecasts are reviewed monthly and delivery and organisational costs on a quarterly basis.



Reporting is also provided to Budget holders monthly, showing YTD Actual and forecast against budget. The finance team meet with Budget holders on a by exception basis to review the position for their budgets.

Reporting and Reconciliation for Funders

LS are also required to provide regular reconciliation reports for our key funders, in particular Sport England (6 monthly for 3 x grant awards) and at various frequencies for other funders. These typically require a reconciliation of spend for the previous six month period and a forward looking projection of spending to release the payment of the next element of the grant.

Request for Information

Potential Providers are asked to submit a brief summary document outlining how they would be able to support London Sport's finances using a fully or partially outsourced model.

Payroll and staff expenses (other than upload of journals into Sage) would be outside the scope of this exercise.

We anticipate keeping some resource in-house (either 1 FTE or 0.5 FTE) to be the point of contact with the outsourced supplier and to support internal facing finance functions (e.g. working with budget holders and the SLT / Finance Committee).

Format for Response

Responses should consist of a written proposal including, at a minimum, the following information.

1. Information about your organisation including

- Size of organisation
- Number of current clients
- Number of charity clients
- Experience and structure of team

2. Which elements of the finance function you would be able to support to include

- clear breakdown of what support could be provided for the indicative cost proposal
- other services that you can provide that are not included in the cost proposal
- whether you would be able to support continued use of Sage Intacct or would require us to move to another system
- how you would support the transition to another accounting system if that would be required / recommended
- how account management would be structured

3. Indicative cost proposal – monthly cost including VAT.



4. References

- Two current clients, ideally charities and of similar turnover to London Sport.

5. Any Other Information

Timetable & Contacts

Responses are to be emailed to the key contacts detailed below no later than 23:59 on Thursday June 5th.

Proposals will then be considered by the SLT and Finance Committee.

Key contacts:

David Tinnion, COO, david.tinnion@londonsport.org

Taina Teegan, Head of Finance, taina.teegan@londonsport.org

London Sport is committed to equal opportunities, safeguarding and promoting the welfare of children and young people, and expects the successful applicant to share this commitment.