

Notice of Non-Key Executive Decision

Subject Heading:	Civica Income Management System
Decision Maker:	Kathy Freeman, Strategic Director of Resources
Cabinet Member:	Councillor Paul Middleton
ELT Lead:	Kathy Freeman, Strategic Director of Resources
Report Author and contact details:	Sean Cloake, sean.cloake@onesource.co.uk
Policy context:	<p>Havering – Our Corporate Plan for 2024-2027</p> <ul style="list-style-type: none"> • “The Havering you want to be part of” • We manage our resources well • Manage our money well to set a balanced budget and get maximum value from all of our activity • Manage our systems and data well and be a data driven organisation
Financial summary:	The total cost is £419,455 over 4 years, with an initial licence payment of £48,697, with year 1 costs of £139,327, year 2 cost of £91,989, year 3 cost of £93,369 and year 4 cost of £94,770.
Relevant Overview & Scrutiny Sub Committee:	Overview & Scrutiny Board

Non-key Executive Decision

Is this decision exempt from being called-in?	The decision is exempt from call in as it is a non-key decision by a member of staff due to its value.
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Non-key Executive Decision

The subject matter of this report deals with the following Council Objectives

People - Supporting our residents to stay safe and well

Place - A great place to live, work and enjoy

Resources - Enabling a resident-focused and resilient Council X

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

For the reasons detailed in this report, the Strategic Director of Resources is recommended to approve the award of a contract to Civica (UK) Ltd for the Income Management System via call off from the VAS framework commencing on 31st May 2026 for a term of 4 years at the total value of £419,455.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 of the Council's Constitution

Scheme 3.3.3 - Powers common to all Strategic Directors

1.General

1.1 To take any steps, and take any decisions, necessary for the proper management and administration of their allocated directorate, in accordance with applicable Council policies and procedures.

4.Contracts

4.2 To award all contracts with a total contract value of below £1,000,000 other than contracts covered by the Contract Procedure Rule 16.3. This delegation shall include that ability to extend or vary a contract up to including a value of £1,000,000 (provided that the extension is in line with the existing contractual provisions.)

STATEMENT OF THE REASONS FOR THE DECISION

Civica Income Management is used to manage the collection of Council income and then distribute it correctly to the relevant income or user account, allowing the recognition of that income. It interfaces with Oracle Fusion, the Council's financial management system and exports data to a number of line of business systems, where income needs to be recognised.

Civica Income Management provides the ability to take card payments over the phone, without the sharing of user card details with staff. This along with the cloud based nature of the solution supports Havering's PCI DSS compliance, taking this activity off of the Council's own network.

The current contract was signed in May 2019 and the first part of the system, that enables payments went live in August 2021. This was delayed due to the implementation of Oracle Fusion as it was decided not to implement 2 large financial systems at the same time. The contract was extended for 2 years, in 2024 under the existing terms. The 2nd part of the system, that which manages the distribution of income went live in April 2025. This implementation was delayed, due to a number of

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factors including changes in payment gateway providers for Civica, an upgrade of the system and organisational changes within the Council.

The implementation of Civica Income Management system did experience delays but the implementation of any system of this nature, would take a period of time likely to be at least one year. This would make the replacement of the existing solution challenging, given the timescales available, which would be a further change following the recent completion of this implementation.

Civica are investing in the development of their Income Management system with the following features available or being developed over the next 12 months plus:

- Smart Suspense user/front end improvements for viewing and partial allocations of suspense
- Integrations with Apple and Google Pay
- Single sign on capability, to integrate with our MS Azure tenancy
- Pay by Link functionality enabling mass communication by batch offering an immediate payment link – particularly useful for debt recovery
- Open banking payment gateway (removes the use and cost of card transactions)
- AI powered personalised payment plans
- Intelligent Debt Recovery & Arrears Management, includes comms, automated payment reminders and predictive analytics
- No code/low code payment integration

Civica have provided an offer to Havering, for the award of a new contract for the existing services at a total cost of £419,455 over 4 years. This offer includes a reduced licence cost of £48,697 and an annual indexation of 1.5% against their standard terms of 5%. Together, this presents an opportunity to avoid £69,572 of cost by agreeing to a contract at this point in time, as opposed to a potential agreement in 2026, closer to the current contract expiry date.

In addition Civica will be providing social value of £7,500 per annum to the Havering Community Chest.

The Crown Commercial Services VAS framework provides an established way of contracting for these services.

OTHER OPTIONS CONSIDERED AND REJECTED

Do Nothing – An Income Management system is essential to the running of the Council's services and the existing contract will expire in May 2026. The current contract does not provide for further extensions or a rolling agreement. Therefore, this alternative option is rejected.

A Tender Exercise – Given the recent implementation of the full Civica Income Management system and the timescales to implement a solution, this option is not considered viable. Market research showed that another London Borough moving from Civica to an alternative supplier, budgeted £90,000 for the implementation of the

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new system and an annual cost of £200k, higher than the cost of Civica Income Management to Havering, supporting the decision to direct award to Civica.

PRE-DECISION CONSULTATION

The recommendation in this report requires no Consultation.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Sean Cloake

Designation: Head of Systems

Signature: *S Cloake*

Date: 14 August 2025

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has the power to directly award this contract under the general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do, subject to any statutory constraints on the Council's powers. None of the constraints on the Council's s.1 power are engaged by this decision.

The proposed value of the award is £419,455, which is above the threshold for services under the Procurement Act 2023 (PA). Officers seek authorisation to make an award to Civica (UK) Ltd via the Crown Commercial Services VAS Framework, procured under Regulation 33 of the Public Contracts Regulations 2015 (PCR), to supply managed service support of the Oracle Fusion ERP application for 3 years. A call-off from an active, fit for purpose framework under Regulation 33 is a permissible route to procurement.

The proposed award of the contract appears to be in accordance with the rules of the Framework Agreement. The officers are satisfied that the proposed award is the most advantageous option for the Council.

For the reasons set out above, the Council may award the service contract to Civica Ltd.

FINANCIAL IMPLICATIONS AND RISKS

This report is recommending approval from the Corporate Director of Resources for the award of a service contract to Civica (UK) Ltd for the Income Management System, via call off from the VAS framework commencing on 31st May 2026 for a term of 4 years at a total value of £419,455.

Table below summarises cost over 4 years

Financial Year	2026	2027	2028	2029	Total Contract Value
Service Support Costs	90,630	91,989	93,369	94,770	370,758
Licence Costs	48,697				48,697
Total Cost	139,327	91,989	93,369	94,770	419,455

The costs above for the new contract are in line with what we are currently paying for the 3 year contract.

The council finished fully implementing Civica in April 2025 and therefore it would not make sense to migrate to an alternative provider. Civica have offered us an annual inflation rate of 1.5% which is less than the 3% per year paid under the current

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contract on the condition that contract is signed by September 2025. In addition Civica have offered the council £7,500 per year to help build social value in the borough. The direct award will be made via the Crown Commercial Services VAS framework.

The cost will be funded by the existing ICT non-shared Licencing and Hosting budget.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

None.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

The recommendations in this report do not anticipate any impact in terms of the Council's duties.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

None

BACKGROUND PAPERS

APPENDICES

None.

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

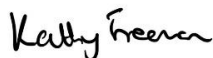
Decision

Proposal agreed

Delete as applicable

Details of decision maker

Signed



Name: Kathy Freeman

Cabinet Portfolio held:

ELT Member title:

Head of Service title

Other manager title:

Date: 14.08.25

Lodging this notice

The signed decision notice must be delivered to Committee Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____