

Notice of Non-Key Executive Decision

Subject Heading:	Contract Extension - NEC Document Management (DM)
Decision Maker:	Mark Duff – Director of I.T, Digital & Customer Service.
Cabinet Member:	Cllr Paul Middleton, Cabinet Member for Corporate, Culture and Leisure Services
ELT Lead:	Kathy Freeman, Strategic Director of Resources
Report Author and contact details:	Wayne Gray – Application Support Lead Wayne.Gray@newham.gov.uk
Policy context:	<p>The Havering Plan – Corporate Plan 22/23 – 26/27 key deliverables</p> <p>Resources Theme – “a well run Council that delivers for people and place” The Council is financially resilient and provides value for money services to residents ensuring it is monitored fairly and transparently Ensuring best value from contracts through procurement and commissioning</p>
Financial summary:	The cost of the additional year using the extension is £27,958, which is budgeted and forecast from the existing 2025/26 shared One Source ICT budget (A45170 – IT Service Delivery).
Relevant Overview & Scrutiny Sub Committee:	Overview and Scrutiny board
Is this decision exempt from being called-in?	The decision will be exempt from call in as it is a Non Key Decision.

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

People - Things that matter for residents

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place x

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

For the reasons stated in this report, the Director of I.T, Digital & Customer Service is recommended to:

- Approve the 12-month extension built into the existing contract with NEC at the cost of £27,958.33

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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 Contract Procedure Rule 16.3. This delegation shall include the ability to extend or vary a contract up to and including a value of £1,000,000 (provided that the extension is in line with the existing contractual provisions).

As subdelegated to the decision maker from 14 March 2025, with paragraphs 4.1, 4.2 and 5.2 subject to a financial limit of £100,000.

STATEMENT OF THE REASONS FOR THE DECISION

The NEC Document Management system is primarily used to support the Council Tax and Benefits services. Havering awarded a 2-year contract to NEC for the maintenance and support of the system in October 2023. This contract also included an optional 12-month extension.

The NEC DM system provides critical document management facilities to the Council Tax and Benefits service.

Following discussion with NEC, the Council is seeking to exercise the optional 12-month extension built into the original contract to ensure service continuity and provide sufficient time to undertake the process of reviewing the solution and seeking a more long-term contract prior to the requested 12-month extension elapsing.

The NEC DM system is utilised by the Council Tax and Benefits team and therefore any disruption to service will have a significant impact on Council operations.

The cost of the 12-month extension is £27,958, which is budgeted and forecast from the existing 2025/26 shared One Source ICT budget (A45170 – Service Delivery).

OTHER OPTIONS CONSIDERED AND REJECTED

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1. **Do nothing and let the contract expire:** This option is not viable, as it would result in the loss of access to the NEC Document Management system. This system is heavily relied upon by the Revenues & Benefits and Business Rate services for viewing and storing documents and forms submitted by the public, as well as for generating and sending letters.
2. **Re-tender:** This option was not taken forward because the original contract included a 12-month extension. Re-tendering at this time is not a viable option when the original contract has a provision for a further extension and the business unit are satisfied with the product's performance. Additionally, the onsource IT service is currently transitioning back to the sovereign boroughs and this activity would remove resources away from this critical programme.

PRE-DECISION CONSULTATION


This decision does not require any formal consultation.

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

Name: Wayne Gray

Designation: Application Support Lead

Signature:

A blue-tinted image of a handwritten signature in black ink, appearing to read 'W Gray'.

Date: 21/08/2025

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Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has the power to extend the contract for these services under Section 111 of the Local Government Act 1972, which allows the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

The Council also has a 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 original value of the contract with NEC, inclusive of this optional extension, is £78,000, which is below the applicable public procurement threshold for services contracts for the purposes of the Procurement Act 2023 (PA 2023) and as such, the contract is not caught by the full PA 2023 regime.

In line with paragraph 19.4 of the Council's Contracts Procedure Rules, the extension was contemplated at the time the contract was awarded.

As set out in the contract particulars, the Council has the option to extend the term for an additional 12 months. Following expiry of the initial term, the services have continued without interruption on the same terms and conditions, and the Council now wishes to formalise this 12-month extension.

In light of the above, the Council may formalise the extension.

FINANCIAL IMPLICATIONS AND RISKS

This decision paper seeks to activate the optional contractual provision to extend the NEC Document management application contract for an additional 12-months October 2025 – September 2026, at the cost of £27,958.33 (£0.028m). This is budgeted for in the existing 2025/26 shared onsource ICT budget – IT Service delivery and represents a 4.4% increase on the previous year's cost of £26,780.01 (£0.027m).

Although extending the current contract doesn't allow the service to revisit the current scope of service provision it has the advantage of maintaining continuity of service whilst minimising administrative burden compared to re-tendering. Furthermore, the proposed extension option has the benefit of avoiding any implementation or transition costs. Such considerations would have to be factored in when assessing the options for the new contract post September 2026. Future procurement (post-September 2026) will require planning and coordination. Allowing the contract to lapse would result in loss of access to the NEC Document Management system, severely impacting Council Tax and Benefits services' ability to access data and information. The extension mitigates this risk.

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

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

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EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

This contract extension is just for technical services and doesn't have any significant impact on people with protected characteristics.

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.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

This contract extension is solely technical in nature and does not present any environmental or climate change implications or risks.

BACKGROUND PAPERS

None

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.

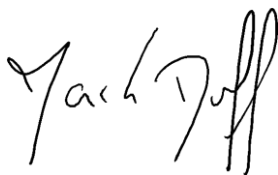
Decision

Proposal agreed

Delete as applicable

Proposal NOT agreed because

Details of decision maker

Signed 

Name: Mark Duff

Cabinet Portfolio held:

CMT Member title:

Head of Service title: Director, IT, Digital and Customer Services

Other manager title:

Date: 9th December, 2025

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 _____