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Notice of KEY Executive Decision

Subject Heading:	Award of Housing IT Systems Contracts
Decision Maker:	Kathy Freeman - Strategic Director of Resources
Cabinet Members:	Councillor Paul Middleton – Cabinet Member for Digital, Transformation and Customer Services
ELT Lead(s):	Paul Walker – Interim Director of Housing and Property Patrick Odling-Smee – Director of Living Well
Report Author and contact details:	David Clifton Programme Manager – Transformation david.clifton@havering.gov.uk 01708431569
Policy context:	• HRA Business Plan & Capital Programme Update • Asset Management Plan • Allocations Policy • RSH Consumer Standards
Financial summary:	There are two contract awards within this report, one for the incumbent software supplier and the other for

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	the winning bidder of a recent procurement process. The contract for the incumbent supplier over a three-year period will be £487,000. The contract for the successful bidder for a seven-year period will be £2.196m. Both contracts are subject to annual indexation and budgeted within the Housing Revenue Account (HRA). Once implemented fully, and adjusting for inflation, the running costs will be in line with existing ICT HRA budget.
Reason decision is Key	This is a Key Decision as it involves Expenditure of £500,000 or more.
Date notice given of intended decision:	17th December 2025
Relevant Overview & Scrutiny Committee:	Overview and Scrutiny Board
Is it an urgent decision?	No
Is this decision exempt from being called-in?	No

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 DECISIONS REQUESTED AND RECOMMENDED ACTION

For the reasons stated in this report and its appendices it is recommended:

- 1. To approve the award of and to enter into the Housing Management IT Systems Contract (the Contract) with NEC Software Solutions UK Ltd (Company number 00968498) (“preferred bidder”), subject to the statutory standstill period, for an initial term of three years with the option to extend for up to a further two years followed by an option to extend for a final two years (3 +2 +2) up to a total value of £2.196m over seven years.**
- 2. To approve the award of and to enter into the Housing Management IT Systems Contract (the Contract) with MRI Software Ltd (Company number 03341304), subject to the statutory standstill period, for a term of three years up to a total value of £487,000.**

AUTHORITY UNDER WHICH DECISION IS MADE

Cabinet agreed on 9th October 2024:

- 1. Commence procurement of a maximum 7 year contract (3 +2 +2) for an integrated housing technology platform via a mini-competition through the Crown Commercial Services Vertical Application Solutions (VAS) framework Lot 3 (Housing, Environmental and Planning Solutions).**
- 2. Delegate authority to the Corporate Director of Resources/S.151 Officer to:**
 - a. award and implement the contract following completion of the further competition including authorisation of any budgetary change variances (for example price increases and expenditure).**

Scheme 3.3.3 - Powers common to all Strategic Directors

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.)**

STATEMENT OF THE REASONS FOR THE DECISION

This report is seeking approval for the award of two Housing IT System contracts. The first is to be awarded to the preferred bidder following a competitive tendering exercise and the second to the incumbent supplier for the period of implementation of the new system.

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This report outlines the procurement procedure and presents details of the stages conducted during the process to identify the preferred bidder for the new Housing IT Systems contract due to commence in April 2026 for a term of 3 years with the option to extend for a further 2 years followed by an option to extend for a further 2 years (3 +2 +2).

It is also necessary to direct award a three year contract to the existing supplier to allow for the replacement system to be implemented.

Background

Procurement Process for the new supplier

Capita Open Housing software has been used by the Council's Housing service since 2018. The existing contract expires on 31st March 2026.

Following an in-depth review of the current systems and a market test of alternatives a procurement process was undertaken to identify a new, fully integrated Housing technology platform to replace Open Housing.

Housing services currently use several disparate, unintegrated systems. In order to replace these systems with one software solution, technical requirements within the Invitation to Tender (ITT) included detailed functionality of each system to identify a singular software platform to improve data connectivity and accuracy within the service.

The services within the scope of this contract are:

- Housing
- Voids
- Account maintenance, rent account, benefit management and payments, service charges, arrears recovery
- Allocations
- Rehousing
- Repairs, Planned Maintenance, Property Management
- Contractor Management
- Right to Buy
- Private sector Housing
- Homelessness
- Resident Involvement
- Estate management services
- Health and safety
- Out of hours
- Asset management
- Compliance
- Complaints
- Reporting
- Mobile working
- Customer Interface

The ITT was published in February 2025, and a mini-competition process using the Crown Commercial Services Vertical Application Solutions (VAS) framework Lot 3 (Housing, Environmental and Planning Solutions) was undertaken in accordance with the Council's procurement requirements.

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The evaluation of the initial submissions followed the methodology set out in the published procurement documents to ensure the conformity and the compliance of the submissions with the needs and the requirements of the Council.

The review of the submissions followed the following stages:

- Checks to ensure the conformity and completeness of submissions
- Evaluation of method statements (the bids' quality submissions)
- Evaluation of technical requirements (the bid's functionality submissions)
- Evaluation of presentation sessions (the bid's operational submissions)
- Evaluation of price lists (the bids' financial submissions)

An evaluation panel was formally appointed to review, evaluate and score the Method statements and presentation sessions. Members of the evaluation panel were appointed based on their expertise, experience, and competence and included officers from the Housing service, IT and Finance teams. Members of the evaluation panel completed Conflict of Interest forms prior to the process which were submitted to procurement for review and approval. No conflicts of interest were identified.

Evaluation Criteria

The evaluation criteria were set as follows:

Award Criteria Sections	Section Weighting
Quality (which includes – Technical Requirements, Method Statements and Presentation use cases)	60%
Social Value	5%
Technical Merit	5%
Price	30%
Total	100%

Panel members individually scored the bidders' submissions and submitted their completed scoring prior to the start of a moderation process. At the moderation meetings the evaluation panel discussed their scores and the reasons for those scores. They agreed a consensus score for each bidder's method statements.

The Council received three responses to the ITT. After evaluation of the Method Statements, and Technical Requirements, one supplier was disqualified for not meeting the minimum requirements and the remaining two were invited to the presentation sessions. Before the presentation sessions commenced, one of the remaining suppliers withdrew their bid and the process continued with one bidder.

Following the completion of the evaluation, the panel was satisfied that the remaining bid met the Council's needs and represented value for money in the current market.

The technical requirements of the ITT were categorised into Must, Should and Could have categories (MoSCoW) to prioritise requirements. The suppliers were asked to score the requirements from zero to nine. Zero reflecting that the system does not have any capability to meet the requirement.

The winning bidder met 99.86% of **Must** have requirements with a score of four and above.

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They met 98.6% of **Should** have requirements with a score of four and above, and they met 78.4% of **Could** have requirements. There were only two requirements that the supplier wasn't able to meet, however, acceptable alternatives have been proposed.

Upon the completion of the governance process, the Authority will issue standstill letters informing bidders of the result of the procurement, which is currently scheduled to happen on 1st April 2026.

Key benefits

The winning bidder's software has demonstrated that it has the capability to replicate functionality currently being provided by several other software platforms across the service. This will mean a reduction in overheads required to support these systems, software licence costs and data integrity. A common data set and singular system will also allow for processes and procedures to be developed and aligned, delivering greater efficiencies, driving up productivity levels and significantly reducing data governance risks by providing a golden thread of data for the service.

The system is also a Software as a Service (SaaS) cloud solution which aligns with the technical requirements and strategic direction of the Council.

It provides mobile technology as standard that supports frontline staff decision making as it allows them to access live records anywhere in the borough. Customers are also provided with a mobile application which will allow them 24/7 access to services. This will enhance the customer experience and improve their satisfaction.

Further benefits to this award include:

- Harmonisation of services
- Alignment of service data
- Innovation in service delivery incorporating new delivery methods
- Replacement of out of support software
- Efficiencies in managing and monitoring operations, finances and KPIs under a single software contract
- The reduction of operational and financial risk

Pricing

The quoted price reflects the costs for the full seven-year contract term. The pricing model replaces the legacy housing management, homelessness and asset management solutions and includes all licences and annual support and maintenance, annual SaaS licences, third-party licences and support and maintenance, implementation services, and cloud hosting services. It has been confirmed by the winning bidder that pricing is fixed during implementation, and recurring fees are only subject to Consumer Price Index (CPI) increases 12 months after Phase 1 go-live.

Implementation

It is proposed that the software is delivered in a two-phased implementation plan. Phase one focusses on transitioning away from Capita and Jigsaw by prioritising core platform components and is estimated to last up to two years. Phase two aims to transition from Keystone, enhance the NEC Housing platform, and optimise its asset management and planned maintenance capabilities. This phase is estimated to last up to a year.

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A detailed customer resource provision and project plan has been supplied within the winning bidder's tender. To prevent project delays and increase in costs, it is a fundamental requirement of the project delivery that Havering meet the detailed resource requirements. A resource plan for Havering project delivery team is being developed in preparation for the implementation phase to ensure that the Council meets this commitment.

Therefore, approval is sought to award the contract to the preferred bidder.

Open Housing Contract Award

The contract for the existing Housing IT system, Open Housing, expires on 31st March 2026. The winning bidder's typical project plan has estimated that a period of three years is allocated to allow for the system to be fully implemented. To support the Housing service delivery during this period, it will be necessary to continue to use Open Housing.

The contract will allow enough time for data migration, implementation and legacy data storage to be organised until the replacement system is live. It has been confirmed by MRI that pricing is subject to annual indexation.

Therefore, a direct award to MRI Software Ltd for their Open Housing system via the CCS Technology Products & Associated Services 2 framework (RM6098) is recommended to cover the implementation period of three years.

OTHER OPTIONS CONSIDERED AND REJECTED

Option 1. Do Nothing

Unfeasible option, however, the consequences of this would mean that the Housing Service would not have any integrated software to support its operations, and the service would return to a largely paper based, manual processes leading to massive inefficiency and risk through unmanageable operating practices.

Option 2. Keep the existing Housing Management software for the longer term (for more than 3 years)

Unfeasible option. The service is currently supported by multiple, unintegrated software solutions including a system that is out of support from the supplier. The current service operating model also relies on many spreadsheets to fill functionality gaps across the service. The strategic direction of the service is to have a single source of the truth to reduce risk and increase operational efficiency for the future.

PRE-DECISION CONSULTATION

Soft Market Testing

Prior to the release of the ITT, a soft market testing process was undertaken to examine what housing management software was available to the Council, and to give stakeholders an idea

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of what the new system could look like. This information was used to refine the content of the technical requirements of ITT and to inform the Council of the likely cost of replacing the system.

Business Partners, Key Stakeholders & Executive Leadership Teams

The entire process has been subject to scrutiny from key project stakeholders who have regularly been engaged and contributed to the project direction. The Programme Manager also presents project progress reports and receives instruction from the Housing IT project board on a fortnightly basis.

Gateway Reporting Group

Consideration and approval was given to both recommendations at the Council's Gateway Reporting Group on 29th January 2026.

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

Name: **David Clifton**

Designation: **Programme Manager Transformation**

Signature:



Date: 11/03/2026

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council 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 limitations. The recommendations sought within this report are in accordance with this power.

NEC Housing platform

The Vertical Application Solutions (VAS) framework (RM6259) was established by the Crown Commercial Service, a Central Purchasing Body and is accessible to all public sector customers, including local authorities. The Framework was procured under the Public Contracts Regulations 2015 and remains a compliant route to market.

The Framework affords participating authorities the option of holding a mini-competition. As set out above, officers have conducted a mini competition for the provision of the NEC Housing platform in accordance with the framework rules and the Council's Contract Procedure Rule (CPR) 20.

MRI Software Ltd

The Technology Products & Associated Services 2 framework (RM6098) was established by the Crown Commercial Service, a Central Purchasing Body and is accessible to (among others) all Local Authorities. The Framework was also procured under the Public Contracts Regulations 2015 and remains a compliant route to market.

As set out in this report, the contract has been procured via a direct award from this framework. Officers must ensure they have followed the express framework provisions for choosing a supplier.

For the reasons set out in this report, Officers are satisfied that each contract award will achieve the Council's value for money requirements.

FINANCIAL IMPLICATIONS AND RISKS

1. All expenditure related to this decision is to be funded from the Housing Revenue Account (HRA). The expenditure will be revenue in nature due to this being a Service as a Software (SaaS) product and not a Council intangible asset.
2. This report sets out the requirement to complete two contract awards:
 - 2.1. Regarding existing systems, Open Housing and Jigsaw, the existing contract ends in March 2026. These systems are required in their current capacity for a further 3 financial years (2026/27 - 2028/29). The anticipated cost of this new award will be £487,000.

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2.2. Secondly, following a procurement process to enter a seven-year contract (3+2+2) with the successful provider, NEC, at a value of £2.196m. This will include both implementation costs for Phase 1 (Housing Management) and Phase 2 (Asset Management) as well as licensing costs.

3. Regarding 2.2, the implementation of this significant system will require both internal and external resources to be deployed for project management, data migration, subject matter experts and training across both phases. Across the three-year implementation of the new Integrated Housing System, this is estimated to cost £2.004m.

Project Costs	2026/27	2027/28	2028/29	Total
Phase I/Phase II	£'000	£'000	£'000	£'000
Internal - PM's, SME's	£645	£658	£82	£1,385
External - Training, Consultants	£253	£366	£0	£619
	£898	£1,024	£82	£2,004

4. The project has been included within the current MTFS HRA Budget which was approved by Cabinet on the 28th of January 2026. The budget growth for the project is outlined in the following table:

	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000
Housing Systems Growth	£347	£329	£84	£760
LBH Project Costs	£898	£1,024	£82	£2,004
Project Contingency	£129	£141	(£56)	£214
Total HRA Growth (ICT)	£1,374	£1,494	£110	£2,978

- I. The 2025/26 HRA Budget for ICT is £339,000. The above table reflects the additional budget required in each year above the existing budget allocation.
 - II. Housing systems growth reflects the costs of the two awards as well as estimated changes in existing systems over the period of transition and inflation.
 - III. The project contingency since setting the budget requires reprofiling between financial years, due to recent updates, hence the negative budget figure in 2028/29.
5. The intention is to have a fully integrated SaaS functioning after both phases have been completed in year 4 (2029/30). The cost of running the integrated system, and adjusting for inflation, puts this in line with the current budget for ICT within the HRA.
6. The authority will work to drive out costs and efficiencies through the life of the programme and will monitor this closely through the Programme Board. The expectation is that the new SaaS system will assist in delivering existing savings to the HRA Business Plan once the respective phases have been fully implemented

Risks

7. The existing contract for Capita Housing with MRI Ltd expires on the 31st March 2026. The Council requires a housing management system to be in place as we move into 2026/27.
8. This is a significant project, and systems implementation requires prioritisation from the Council's leadership to ensure the required officers are allocated to supporting the

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implementation as and when they are required to avoid slippages in project time. More fundamentally, a new system that is fit for purpose, requires significant input from the business for the successfully awarded partner to progress the build to the desired outcome.

9. Systems can fail when implemented because of insufficient staff user buy in and or training. The budget above includes an allocation for appropriate training and it is essential that staff are onboarded to maximise the potential benefit of this system to the Council in carrying out its duties to tenants and leaseholders.
10. For medium to long term service and financial benefits to be borne, the business and project leads must ensure all existing systems are ceased at an appropriate time. Otherwise, there will be functionality within the new system that is not being used, for which the authority might be paying for. Dual running is essential at the outset and authority will reserve its right to trigger or not the optional extension clauses.
11. Legislative changes may require a change of approach during the implementation of this project. For example, Awaab's Law (Phases II and III) and the Renters Rights Act 2025. This may delay implementation and or increase costs but are likely to have been required either way.

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

The recommendations made in this report do not give rise to any identifiable Human Resource risks.

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.

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An EqHIA (Equality and Health Impact Assessment) is usually carried out and on this occasion, this isn't required.

The Council seeks to ensure equality, inclusion, and dignity for all in all situations.

There are no negative equalities and social inclusion implications and risks associated with this decision.

HEALTH AND WELLBEING IMPLICATIONS AND RISKS

The recommendations made in this report do not give rise to any identifiable health and wellbeing risks.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

The NEC system is a SaaS solution and will be hosted in the Cloud. NEC Software Solutions UK partners with NTT, who are aiming for net zero emissions from their data centres by 2030. This will deliver many environmental benefits including:

- A cloud-based system reduces the Council's energy consumption and infrastructure costs, as you do not need to maintain your own hardware or data centres.
- The software is delivered with mobile applications to allow staff to operate onsite to minimise journey times, and to allow customers to access their records and raise support calls without the need to travel to the Council offices.

BACKGROUND PAPERS

None

APPENDICES

EXEMPT Appendix A

Key Executive Decision

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

Details of decision maker

Signed



Name: Kathy Freeman

Cabinet Portfolio held:

CMT Member title: Strategic Director of Resources

Head of Service title

Other manager title:

Date: 26/03/2026

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 _____