

	Officer Key Decision
	Report to the Corporate Director of Partnerships, Housing and Resident Services
AUTHORITY TO EXTEND CONTRACT FOR HOUSING, COUNCIL TAX AND BENEFITS	

Wards Affected:	All
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	None
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	<p>Name: Peter Cosgrove Job Title: Head of Revenue and Debt Email: peter.cosgrove@brent.gov.uk</p> <p>Name: Asha Vyas Job title: Head of Customer Services and Assessments Email: asha.vyas@brent.gov.uk</p>

1.0 Executive Summary

1.1 This report requests authority to extend a contract in respect of Housing, Council Tax and Benefits with NEC as required by Contract Standing Order 112. The report summarises the reasons for the request to extend and the duration of the extension.

2.0 Recommendation(s)

2.1 That Corporate Director of Partnerships, Housing and Resident Services:

Approves the extension of the contract for Housing, Council Tax and Benefits system with NEC Software Solutions UK Limited for a period of two years from 1 May 2025 to 30 April 2027.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

The first strategic priority within the Borough Plan is to promote prosperity and stability of the borough's residents. In particular there are two areas forming part of this priority around easing the cost-of-living crisis and the provision of safe, secure, and decent housing. Crucial to these aims is to make sure that Council has access to computer systems that are secure and stable for housing, council tax and benefits. The extension of this contract to 2027 fulfills this requirement.

3.2 Background

3.1 The Council currently uses a software system provided by NEC Software Solutions UK Limited ("NEC") for the administration of Housing, Council Tax and Benefits (the "Contract"). The services under the Contract are to ensure the Council can manage the Housing functions and the administration of Revenues and Benefits in an effective and efficient way.

3.2 The Council entered the Contract with NEC for Housing, Revenues and Benefits on 14 April 2022, for an initial period of three years (from 1 May 2022 until 30 April 2025) plus a possible further two-year extension.

3.3 Because the contract is about to expire in April this year and the Contract contains a provision permitting the extension of the Contract by two years, Officers recommend extending the Contract for the following reasons:

3.3.1 Officers are undertaking a full review of the Council's needs regarding these services and that are expected to be fully completed latest by October 2026.

3.3.2 Officers will carry out a procurement exercise, so a new contract is in place and starts from 1 May 2027. The procurement exercise will commence in May 2025. This time is required as it is expected that should a new supplier be selected at least 18 months will be required to implement any new systems. The way on which the procurement exercise will be carried out is yet to be determined.

3.3.4 The proposed extension will ensure that software support services continue as they are and should further work and or modules be required, during the extension period, then they potentially could be

acquired or taken forward at a later date and will be subject to a separate report.

3.4 Under section 3(b) of the table at paragraph 9.5 of Part 3 of the Constitution, Corporate Directors and Directors can extend contracts and agreements without the need for Cabinet approval, provided that:

- (a) the extension would not be in breach of Procurement Legislation.
- (b) the extension does not substantially alter the terms and conditions of the contract.
- (c) there is sufficient existing budgetary provision.
- (d) if the extension goes beyond the period of extension provided for in the contract (if any) or is otherwise not in accordance with the extension provisions in the contract:
 - (i) in the case of any contract, agreement, deed, or other transaction with a life of not more than one year (including any possible extension provided for in the contract) the extension shall not exceed a period of six months; or
 - (ii) in the case of any contract, agreement, deed, or other transaction with a life of more than one year (including any possible extension provided for in the contract) the extension shall not exceed a period of one year.
- (e) the relevant cabinet member shall be consulted prior to a decision within (d) (i) or (ii) above and may request that the decision instead be referred to them.

3.5 It is considered that the Corporate Director has delegated authority to agree the extension as, addressing the points detailed in paragraph 3.5:

- (a) the extension is specifically allowed for in the Contract therefore, not considered to be in breach of Procurement Legislation.
- (b) the extension will be as for the existing contract plus the changes agreed since 2022 that do not substantially alter the terms of the Contract
- (c) there is sufficient budget, the details are set out in paragraph 5.
- (d) the extension is in line with the provision within the Contract
- (e) the cabinet member has been consulted and is content with the report's recommendation.

4.0 Stakeholder and ward member consultation and engagement

4.1 There has been no consultation with third parties nor with ward members.

5.0 Financial Considerations

5.1 The cost of a two-year extension is £284,182 for the first year and £284,182 plus RPI as at the preceding December, as detailed in the Original Contract, for the second year.

5.2 There is an existing budget of £191k for this contract and the increase in annual cost is due to the inclusion of the NEC Citizen Access Council tax and Benefits portal in the contract.

5.3 The increase of circa £93k per year will be absorbed by the Partnerships Housing and Resident Services department as a result of anticipated efficiencies associated with providing a self-service solution for revenues and benefits.

6.0 Legal Considerations

6.1 Officers are recommending extending the Contract with NEC Software Solutions UK Limited (“NEC”) by two years relying on the contractual right the Council has under the Contract. The Contract’s Special Conditions requires the Council to give NEC not less than 30 days prior written notice before the Contract expires; and accept that the Annual Charge will be increased on 01/05/2025 and each subsequent anniversary in order to exercise such right. It is to note that under the Contract the Annual Charge increase will not exceed the annual percentage increase in the Retail Prices Index (RPI) as calculated in the preceding June or preceding December, whichever is closer to the date indexation is due to be applied. Therefore, as long as the Council complies with such requirements, the Council will be able to extend the Contract by the proposed two years.

6.2 The value of the proposed extension (see section 5.0 Financial Considerations) is in excess of the threshold for Services/Supplies and as such it is subject to the Public Contract Regulation 2015 (PCR 2015). However, the Contract contains provision regarding extending it for a period of two years as mentioned in paragraph 6.1.

6.3 Regulation 72(1)(a) of the Public Contracts Regulation 2015 (PCR 2015), recognises that contracts may need to be modified without the need of a new procurement procedure where the modifications, irrespective of their monetary value, have been provided for in the initial procurement documents in clear, precise and unequivocal review clauses, provided that such clauses—

- (i) state the scope and nature of possible modifications or options as well as the conditions under which they may be used, and

- (ii) do not provide for modifications or options that would alter the overall nature of the contract or the framework agreement.

6.4 Officers at paragraph 3.5 have confirmed the proposed extension is in accordance with the contract and therefore, the proposed extension falls within the case envisaged by Regulation 72(1)(a) of the PCR 2015.

6.5 The Corporate Director, Partnerships, Housing and Resident Services is authorised pursuant to Paragraph 9.5 of Part 3 of the Constitution to extend contracts subject to the conditions set out in paragraph 3.4 above. As set out in paragraph 3.5 above, none of these conditions preclude the Corporate Director, Partnerships, Housing and Resident Services agreeing the recommended extension.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 Pursuant to s149 Equality Act 2010 (the “Public Sector Equality Duty”), the Council must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act

- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and

- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,

7.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

7.3 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.

7.4 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.

7.5 The proposals in this report have been subject to screening and officers believe that there are no adverse equality implications.

7.6 There are no health equalities implications.

8.0 Climate Change and Environmental Considerations

8.1 None

9.0 Human Resources/Property Implications (if appropriate)

9.1 This service is currently provided by an external contractor and there are no implications for Council staff arising from extending the contract.

10.0 Communication Considerations

10.1 None

Report sign off:

Peter Gadsdon

Corporate Director of Partnerships, Housing and Resident Services