NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

CORPORATE LEADERSHIP TEAM'S REPORT TO

Cabinet
02 September 2025

Report Title: **Renewal of Civica Financials Contract**

Submitted by: **Service Director for Finance (Section 151 Officer)**

Portfolios: **Finance, Town Centres and Growth**

Ward(s) affected: **All**

Purpose of the Report	**Key Decision** Yes ☒ No ☐
To award a contract to Civica UK Limited, through the Crown Commercial Services RM6259 Vertical Applications Solutions (VAS) Framework (Lot 1 – Business Applications) (in the sum of £258,685) to provide the Council's Financial Management System.	
Recommendation **That Cabinet:** **1. Approve the contract award to Civica UK Limited for the provision of the Council's Financial Management System on a 2+1+1+1 contract at a total cost of £258,685 (should the contract be utilised for the full 5 years).**	
Reasons The Council relies on a suite of financial software applications in order to attend to its financial management needs. This includes systems by which it makes its day to day financial transactions and its financial accounting systems.	

1. Background

1.1 The Council relies on a suite of financial software applications in order to attend to its financial management needs. This includes systems by which it makes its day to day financial transactions and its financial accounting systems.

1.2 The systems that the Council currently use are provided by Civica UK Limited. The Council first procured these systems in 2013, to replace its Agresso system which had come to the end of its contract and was out of date.

1.3 The 2013 purchase was made under a framework agreement which stipulated a maximum contract length of five years. At the end of this period in 2018, the Council entered into a new contract with Civica through the Crown Commercial Services (CCS) framework agreement.

1.4 The 2018 contract was taken for a period of two years only, to reflect the fact that the CCS framework had itself expired and had been extended whilst CCS undertook the process of procuring a new framework of suppliers.

1.5 The Civica Financial System has since been renewed twice and the current contract (which will be under a VAS Framework) will end in November 2025, and therefore the Council now needs to secure a new contract.

1.6 The Finance Team together with the Service Director for Information and Technology and the Procurement Manager have been discussing the options of the Financial Management System provision and it was felt that due to the Local Government Reorganisation, it would be most prudent to maintain the Civica Financial Management System.

2. <u>Issues</u>

2.1 In light of strategic planning and market opportunities, the Council is exploring the option to renew the contract just before the initial period renewal date and not enter into the optional extension. This early renewal presents a range of significant benefits:

• **Access Lower Pricing Sooner**: By renewing now, the Council can secure improved commercial terms and realise cost savings earlier than waiting for the current term to expire.

• **Streamline Software Usage**: The renewed contract will exclude the iCasework module, ensuring the solution aligns better with the Council's evolving operational requirements.

• **Enhance System Capability**: Renewal provides the opportunity to negotiate the inclusion of additional modules, improving functionality and delivering greater value across departments.

• **Secure Favourable Day Rates**: New terms will include competitive day rates, supporting cost- effective service delivery and project work.

• **Support Through Local Government Reorganisation (LGR):** The renewed agreement can be tailored with a more appropriate contract term to support the Council through the upcoming LGR programme. Importantly, break clauses and extension options will be built in, giving the Council the flexibility it needs to adapt during a period of ongoing uncertainty.

2.2 Renewing the contract early enables the Council to align technology and commercial arrangements with its strategic goals, while maintaining agility in a time of change.

2.3 The contract renewal will include an annual health check of the core business processes, and the inclusion of a 'Making Tax Digital' module which is a UK

Government initiative led by HM Revenue and Customs. In addition the renewal also includes Civica's Intelligent Invoice Processing module.

3. **Proposal**

3.1 Approve the contract award to Civica UK Limited for the provision of the Council's Financial Management System on a 2+1+1+1 contract at a total cost of £258,685 (should the contract be utilised for the full 5 years).

4. **Reason for Preferred Solution**

4.1 Renewing the Civica Financial Management System Contract provides the benefits outlined in paragraph 2.1 and also enables Officers to focus on the Local Government Reorganisation as opposed to implementing a new financial management system.

5. **Options Considered**

5.1 The options considered included renewing the Civica Financials Contract or completing a formal tender process in order to obtain a new Financial Management Systems supplier.

6. **Legal and Statutory Implications**

6.1 The proposed direct award can be made through the Crown Commercial Services RM6259 Vertical Applications Solutions (VAS) Framework (Lot 1 – Business Applications).

6.2 On account of the proposed contract sum (£258,685) this is a Key Decision which required Cabinet approval.

6.3 The Council is required to have an appropriate Financial Management System in order to record and monitor the collection and spending of public money.

6.4 The contract would be completed on standard framework terms.

7. **Equality Impact Assessment**

7.1 There are no direct implications, but cloud-based systems do offer employers much greater flexibilities that can assist with enabling employees with certain protected characteristics to more easily discharge the requirements of their role. This assists with the Council's public sector equality duty and being an inclusive employer.

8. **Financial and Resource Implications**

8.1 The costs of the first year of the renewed contract with Civica amounts to £61,337 followed by a cost of £49,337 for each year after.

8.2 The total costs of the renewed contract compared to the existing contract over a four year period shows a saving of £52,565.

8.3 The revenue budget for the provision of the Financial Management System is already in place and approved, there will be no additional pressure as a result of renewing the contract with Civica.

9. Major Risks

9.1 The Council needs to operate and maintain an appropriate financial management system (General Ledger) which is up to date and fit for purpose. By renewing the contract with Civica, this ensures that the Council will have the appropriate system in place for the foreseeable future, whilst navigating the Local Government Reorganisation.

10. UN Sustainable Development Goals (UNSDG)

10.1 The utilisation of cloud-based solutions can have a positive impact on sustainability given the flexibilities that offers in terms of agile working.

11. One Council

11.1 Please confirm that consideration has been given to the following programmes of work:

One Commercial Council ☒
We will make investment to diversify our income and think entrepreneurially.

One Digital Council ☒
We will develop and implement a digital approach which makes it easy for all residents and businesses to engage with the Council, with our customers at the heart of every interaction.

One Sustainable Council ☒
We will deliver on our commitments to a net zero future and make all decisions with sustainability as a driving principle

11.2 The acquisition of an effective financial management system supports the One Council aims and objectives.

12. Key Decision Information

12.1 On account of the proposed contract sum (£258,685) this is a Key Decision which required Cabinet approval.

13. Earlier Cabinet / Committee Resolutions

13.1 None.

14. List of Appendices

14.1 Confidential Appendix – Civica Financials Re-Contract Proposal.

15. **<u>Background Papers</u>**

15.1 Civica Financials re-contract proposal.