

**CABINET PROCUREMENT & INSOURCING COMMITTEE
CONTRACT AWARD REPORT**

Title of Report	Human Resource Information System (HRIS) Payroll Hosted Application		
Key Decision No.	F S683		
For Consideration By	Cabinet Procurement and Insourcing Committee		
Meeting Date	2 March 2026		
Cabinet Member	Councillor Robert Chapman, Cabinet Member for Finance, Insourcing and Customer Service		
Classification	Open with Exempt Appendices		
Ward(s) Affected	All Wards		
Key Decision	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; text-align: center; vertical-align: middle;">Yes</td> <td>Result in the Council incurring expenditure or savings which are significant having regard to the Council's budget for the service / function</td> </tr> </table>	Yes	Result in the Council incurring expenditure or savings which are significant having regard to the Council's budget for the service / function
Yes	Result in the Council incurring expenditure or savings which are significant having regard to the Council's budget for the service / function		
Implementation Date if Not Called In	11 March 2026		
Group Director	Naeem Ahmed - Group Director Finance and Corporate Resources		
Report Author	Cassy Goring, Assistant Director - HR & Traded Services Sabhia Malik, Head of ICT Enterprise Systems		
Contract value (both Inclusive of VAT and Exclusive of VAT (for the duration of the contract including extensions))	£ 1.754m (excluding vat) £ 2.105m (including vat)		
Contract duration (including extensions e.g. 2 yrs + 1 yr + 1 yr)	3 + 2 Years		

1. Cabinet Member's Introduction

- 1.1. The Human Resources Information System (HRIS) for HR and Payroll is critical for Hackney Council's management of essential processes, including payroll, pensions, HMRC submissions, statutory leave, and workforce data for approximately 9,000 employees, including schools, and other partners.
- 1.2. The Council's existing contract for the HR and Payroll system (iTrent) with the existing supplier is expiring at the end of March 2026. The 5 + 5 year contract, which covers the iTrent licence and system support, has been in effect since April 2016 and was renewed in 2021.
- 1.3. In accordance with our Digital Strategy, the Council is exploring aligning HR, ICT, and Finance systems into a single system to provide a more cost effective approach that makes more effective use of data. Extensive work will have to be undertaken before both specification and implementation of such a new system. There has not been sufficient time nor will it be cost effective to undertake similar work and a full blown process to replace the current system. Members will appreciate that payroll and HR systems are highly "business critical".
- 1.4. As the contract will end imminently, and can not be extended further a resolution is now urgent. This report proposes an interim solution with a new contract utilising the framework agreement referred to in the report. It will include the current system and existing supplier to ensure that there is no interruption to the service.

2. Group Director's Introduction

- 2.1. The Council's current contract for iTrent is expiring and needs to be replaced.
- 2.2. The Council relies on a robust HRIS system that can underpin good HR and Payroll practices. The current system is the iTrent platform which is supplied and hosted by the incumbent supplier. The system is widely used across the Council for HR and Payroll management of the Council's 9000 employees (including schools).
- 2.3. The iTrent platform has proved to be resilient, reliable, secure, and meets the current needs of the Council and has been deployed in Hackney for the past 10 years since 2016. The contract negotiated in 2016 for 10 years did not include any indexation therefore Hackney has been paying hosting, maintenance and licensing costs at the same rate for the past 10 years.

- 2.4. This report seeks approval for award of a contract to Supplier 1 Reseller for the provision of a Full Hosted iTrent HR and Payroll System as an integral requirement to provide the facility to remunerate staff for their services to LBH.
- 2.5. The Council selected the KCS Framework Agreement (Y23065 - Software Products and Associated Services). This framework provides a compliant route to market for public sector buyers to acquire technology products and associated services, leveraging trusted suppliers. The preferred supplier on the framework, Supplier 1's Reseller, was identified as the best fit for the Council's requirements for the HR/Payroll System.
- 2.6. The cost of changing to a new system would require a significant financial investment and commitment of officer time and resources to manage any change and the associated risk. This has been demonstrated in other local authorities where delays and complications in implementation have resulted in substantial unexpected overspends. Industry estimates are circa £5m to migrate large business critical systems to a consolidated ERP system. The timeline involved is estimated to be 5 years to migrate existing systems to integrated ERP systems.

3. Recommendation

- 3.1. **That Cabinet Procurement and Insourcing Committee is recommended to approve a direct award of a contract to Supplier 1 for a Human Resources Information and Payroll System via the KCS Framework. The contract will be for an initial three (3) year term, with a single two (2) year contract extension option.**

4. Related Decisions

- 4.1. N/A

5. Reason(s) For Decision / Options Appraisal

- 5.1. This is a combined business case and award request by the HR/OD and ICT teams. We are collectively seeking approval to award a contract for a HR Information and Payroll System (iTrent).
- 5.2. The current contract for the hosting and management of the iTrent application and associated functions with the incumbent supplier expires on 31 March 2026. There is no provision for an extension of the current contract and therefore a new contract is required to ensure continuity of service of the business critical HR and Payroll system and associated functions.

- 5.3. The current iTrent system has proved to be resilient and reliable both in terms of its data integrity and system availability which is currently at 99.7%. The current platform delivers all of the Council's core requirements for a HRIS system, however it is recognised that periodic reviews of those requirements and market testing of available alternatives is always prudent.
- 5.4. We have carried out some soft market research to support this procurement (detailed below in the Consultation / Engagement section).
- 5.5. Briefly, the market research carried out with information received from 13 suppliers indicated only 3 suppliers that fulfilled the complex requirements of a large Local authority and schools HRIS system. iTrent was amongst the top 3 suppliers that fulfilled the Council's requirements and the supplier has a detailed and focused roadmap to future proof the application including the cloud deployment of the application.
- 5.6. Further research with similar Local Authorities in London shows that the iTrent platform has been a positive choice for similar organisations who have carried out competitive tendering and the price offered to the Council in the submission from the recommended supplier is comparable to that offered to these Councils. This reinforces our belief that iTrent continues to offer value for money for Hackney and will continue to be developed and meet our needs for the next contract term. Consulting other similar Local Authorities to understand their spend levels proved to be comparable to this procurement.
- 5.7. Market research and past experience shows that it could take between 3 to 5 years to carry out a discovery, proceed with a full tender exercise and then implement a new system if required. Therefore there was not enough time to complete this within the current contract. Any attempt to rush through a review that resulted in a change of platform could have resulted in significant risk to the Council of not completing the implementation in time. In addition, the migration and implementation costs are estimated to be in excess of £3m, which will need to be budgeted for as part of the Council's financial planning.
- 5.8. It is envisioned that during the course of the new 3 + 2 year contract a full discovery will take place within the first 8 to 9 months of the contract, allowing time to review options and, if required, carry out a tender exercise and implementation process if a new system is preferred. We have added two new modules in this procurement - Development and Performance Management, this will increase productivity and overall performance of the system by providing targeted information to manage the workforce statistics. An indicative timetable for a future discovery, procurement and implementation is detailed in the table below.

Proposed activity	Estimated delivery date
Commission and agree a Task force / Project team to continue the process of exploring options and establishing Hackney's requirements in alignment with the Council's Digital Strategy	April 2026
Agree action plan with terms of reference for continued discovery and market exploration	September 2026
Identify and map current and future user and service requirements	October 2026
Map discovery outcomes to current and alternative systems and providers.	January 2027
Decision point on future procurement route	February 2027
Seek approval of recommendation (CPIC)	February 2027
Procurement process as required (Tender, framework call off, etc, including governance)	February - August 2027
If required implementation of new contract deliverables (Allowance of 18 months)	Sept 2027 - March 2029

Option	Rationale/Benefits	Risks/Drawbacks	Recommendation /Status
Option 1: Direct Award to Current Supplier under an existing framework	Offers business continuity for delivery of payroll and related council statutory duties. Ability to pay 9,000 council employees and school employees. Offers continued ability for manager self service (MSS) and employee self service (ESS), to manage employee personal information and requests such as;	No competitive tender process as we have no time to engage and implement a new system. We have missed an opportunity for an in-depth competitive dialogue that could elicit innovative solutions or greater added value from suppliers	Recommended

Option	Rationale/Benefits	Risks/Drawbacks	Recommendation /Status
	absence/leave, performance and Learning/Development. To provide workforce reporting data.		

<p>Option 2: Reprocure using a competitive tender process</p>	<p>This would have been the preferred route to market, however, due to staff changes within the Council. In addition, resources would have been re-diverted from other critical work which was not feasible at this time.</p>	<p>This would have been the preferred option but by doing so, we would have been out of contract with the incumbent and that would put the Council at risk of non-compliance with the Council Contract Standing Order and the Procurement Act 2023.</p>	<p>Rejected</p>
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<p>Option 3: Do nothing</p>	<p>If the council does not award a contract for a HR & Payroll System, it will mean staff will no longer be paid, and statutory payroll duties, to HMRC, for example, will not be fulfilled. As a result the Council would incur major reputational and financial damage as well as the potential impact on residents if staff cease to work.</p>	<p>Disruption to service and continuity. Reputational damage to the Council. Off-contract spend incurred if no contract</p>	<p>Rejected</p>
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Consultation/engagement

- 5.9. The Procurement, ICT, and HR leads agreed to conduct soft market testing in 2025 to ascertain available options and to identify potential developments for inclusion in a new single tender direct award to the current incumbent.

Alternative Options (Considered and Rejected)

- 5.10. Due to changes in key stakeholders, initial collaboration between HR, ICT, and Procurement commenced in March 2025. It was determined that this timeframe was insufficient to execute a full, open procurement exercise and implement a new system, which is anticipated to require a year for tender completion and an additional two years for implementation if a completely new system were selected.
- 5.11. A three year term has been considered and rejected. A standard three-year term could be sufficient for a total system evaluation. However, we have identified that a 3+2 year call-off from a framework will provide the runway needed for a stable, low-risk transition, ensuring that a new system, if required, is fully optimised before the legacy environment is retired.
- 5.12. The additional two-year extension is intended strictly as a contingency measure, ensuring operational continuity and serving as a safety net should unforeseen variables arise. The contingency of an additional two years strengthens our position in aligning with the Council's Digital Strategy.
- 5.13. Financially, the 3+2 year structure is cost-neutral relative to a standard three-year agreement. There is no price premium for the additional flexibility; the cost schedule for the initial three years remains identical, ensuring we gain a safety net without any added financial commitment.
- 5.14. In addition, a fixed five-year commitment was bypassed in favor of a 3+2 year structure to maximise our strategic agility. This 3+2 year model provides the necessary long-term security while granting the discretionary power to evaluate our position at the three-year mark, rather than being locked into a rigid five-year obligation.
- 5.15. In addition, the supplier is re-platforming the system on cloud based technology with new functionality and security benefits. This will be a further opportunity to evaluate our requirements and align with the Council's strategic direction.
- 5.16. The soft marketing exercise conducted last year (detailed below in the Consultation / Engagement section) resulted in a decision to remain with the current supplier, Supplier 1, and to utilise the product, iTrent. This will allow the Council to continue to pay employees, traded service partners, and schools; and to deliver essential statutory processes.

- 5.17. The Council selected the KCS Framework Agreement (Y23065 - Software Products and Associated Services). This framework provides a compliant route to market for public sector buyers to acquire technology products and associated services, leveraging trusted suppliers. The preferred supplier on the framework, Supplier 1, was identified as the best fit for the Council's requirements and to support the Council to rationalise and improve upon its technology offering.

6. Project Progress

N/A

7. Developments since the Business Case approval

- 7.1. Following an internal discovery exercise to understand user needs, user experience and business requirements for our HR Information & Payroll System, a Pre-procurement market engagement exercise was undertaken from June 2025 to September 2025 to inform the procurement strategy. Organisations were invited to demonstrate how their products could provide HRIS & Payroll requirements aligned with our specification and the following:

- Latest trends and developments
- Best practices
- Ideas for optimal delivery
- Market insights and lessons

Key considerations for the soft market testing included:

- Understanding Hackney Council's delivery objectives
- Ability to innovate and add value
- Market experience with similar projects
- Overall value added in scoping the project

- 7.2. We received responses from 13 suppliers and analysed their offer which did not include pricing. Supplier 1's product, iTrent, that we currently use, was identified as one of the top 3 products that met the above criteria. In particular we were excited by Supplier 1's innovative cloud based platform, People First.

- 7.3. People First enables the customer to process payroll in real time, streamlining inefficient, time-consuming processes and reducing risk of payroll errors; allowing them to address errors and anomalies at any time through the pay period without affecting other HR tasks. Employees would be able to access their pay information when they want, which will free up our team to work on more strategic activities. Moving to this platform when it has the full capabilities

to accommodate our needs as a council wouldn't incur additional cost through the new contract life cycle.

- 7.4. If during the term of the contract the opportunity to upgrade the software and/or a move to the supplier's SaaS version of the platform (People First) becomes an option, it will be evaluated and may become a contract variation that will be subject to the appropriate governance.
- 7.5. HR/OD and ICT colleagues had a demonstration of the following modules that iTrent could offer which we are not currently procuring; Performance Management, Learning & Development, Case Management and Applicant Tracking System (Recruitment). As a result we have included Learning & Development and Performance Management modules to support us to deliver objectives of the Council's workforce transformation programme and new target operating model.

Conflicts of Interest Assessments

- 7.6. We confirm that stakeholders involved in this project declared that they do not have conflict of interest.

Whole Life Costing and Budgets

- 7.7. The whole life costs of the new contract are shown in the table below. As this is a re-procurement of the current iTrent platform there are no implementation costs that would be associated with a new procurement.
- 7.8. The figures are based on a (3 +2) year contract with the Council having the option to take up the 2 years contract extension. The KCS framework and the contract which the Council will place with the recommended supplier will be for an initial three years and we will only take up the two year contract extension if it is required for any reason. During the course of the contract any new business requirement implementation would be negotiated separately.
- 7.9. Full costings spreadsheet is attached in the Appendices
 Note: The final costs presented in the table below represent the third iteration of negotiations with the supplier. Following extensive and vigorous discussions to reduce the significantly higher initial quotes, these figures reflect the final agreed-upon pricing.

Total costs over the term of the contract : £1,754,382

Item	One off costs, £	Year 1 £	Year 2 £	Year 3 £	Year 4 £	Year 5 £

Current incumbent Supplier 1 hosting/maintenance/licensing costs	193,912 (split across year 1-3)	380,672	412,648	412,648	274,230	274,230
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8. Risk Assessment

Risk	Likelihood	Impact	Overall	Action to avoid/mitigate risk
Doing a direct award	High ▾	Low ▾	Low ▾	The only option available is a direct award. Due to changes in key stakeholders, initial collaboration between HR, ICT, and Procurement commenced in March 2025. It was determined that this timeframe was insufficient to execute a full, open procurement exercise and implement a new system, which is anticipated to require a year for tender completion and an additional two years for implementation.
Increased contract costs	High ▾	Me... ▾	Me... ▾	The current contract was signed off 10 years ago and the price was fixed. Due to annual inflation and the suppliers commercial pricing we can not avoid an increase in costs. The final cost proposal was arrived at after several meetings with the supplier, which included discussions with our Directors and their CEO. As a consequence the price was revised three times and has resulted in over £100k annual reduction across the contract period. The supplier has

9. Contract Modification should a Known Risk Occur

- 9.1. The framework agreement has a variation clause enabling the Customer to request a variation to Goods and/or Services ordered provided that such variation does not amount to a material change to the Order.

- 9.2. We have taken full consideration and assessed our requirements. At this point, we are not anticipating any change to legislation, or business requirements that would warrant a material change or variation to the base contract.

10. Future Additional or Repeat Goods/Services/Works

- 10.1. At this time, there is no anticipated future requirement for any additional modules or repeat services.

11. Savings

- 11.1. While no cashable savings are identified for this contract, it is important to note the significant value for money maintained over the last decade. The previous 2016 agreement lacked indexation, allowing the Council to maintain fixed costs for 10 years. Consequently, the current baseline reflects outdated 2016 pricing, making further cashable reductions against modern market rates unfeasible.

12. Procuring Green

- 12.1. The Supplier claims to have generated 266,551 kWh of solar electricity in 2023, and reduced Carbon emissions by 38.4%. They are ISO14001 accredited. The supplier is actively working towards achieving net zero by 2050 with the support of Planet Mark to reduce footprint each year to achieve this. They aim to be a carbon-neutral business by 2028. The Supplier has invested heavily in renewable energy, highlighted by a £4.5 million solar-powered car park and a specialized in-roof PV system at its main headquarters. These installations provide sustainable power for office lighting and EV charging as part of a broader strategy to reduce the company's carbon footprint. This commitment to offsetting energy usage through solar technology extends across their modernized UK campus to their international locations.

- 12.2. As a company they have been:

- Using 100% REGO-backed electricity from EON.
- Promoting a circular economy, with an internal IT equipment donation scheme, to reduce e-waste.
- 22% of suppliers are local - East Midlands
- Recycling 98.2% of our waste via waste partner, Enva
- Installing 400 solar panels.
- Have over 1000 protected trees

12.3. **Procuring For A Better Society**

- 12.4. The Supplier has a commitment to have a zero-tolerance approach to any form of modern slavery. They are committed to acting ethically and with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within the business or their supply chain.
- 12.5. 26% of employees in the industry are women, compared with nearly 40% of their employees. While two members of their executive board are women, and they have a growing number of female directors across the business, there are still gaps when it comes to women in leadership positions across the company.

13. **Procuring Fair Delivery**

The Supplier has a commitment to a good quality pay standard that is above the LLW because of the nature of the service provided. The provision of the HR/Payroll system and associated services pays well above the LLW.

14. **Social Value Benefits**

- 14.1. The delivery of Social Value was not part of the initial submission from the Supplier even though this was part of the negotiation with the recommended supplier. The first offer was abstract and empty which was rejected and further conversations were held with the Supplier. The Corporate Procurement and Hackney Employment engagement team were also involved in negotiation to secure enhanced social value that meets the requirements of the Council.
- 14.2. After many correspondences with the supplier the final offer remains light. However because of the urgency to secure approval for a new contract with the recommended supplier, the proposed plan is to continue this negotiation and seek further social value benefits above what is provided below:
- 2 CV workshops per annum for Hackney Residents. Tech discussions and / or graduates attending local events that are run to promote job opportunities working alongside Hackney Works and EET.
 - Mock Interview support with Hackney Works for residents two times per annum via remote support
 - Work Experience annually for 2 x Students 18+ who have been DBS Checked and Signed NDA – unpaid opportunities to be based at their HQ in Nottingham.
 - Each year, the supplier can apply for sponsorship of the employee awards evening, and this will be reviewed by the MHR Board for approval.

15. Equality, inclusion, diversity and belonging (including statutory equality impact assessment)

- 15.1. The supplier statement demonstrates their DEIB strategy ensures that all employees, regardless of background, have equal opportunities to thrive.
- 15.2. Key principles include:
- Inclusive Recruitment: Fair and transparent hiring practices to attract diverse talent.
 - Equal Pay & Fair Work: Commitment to Real Living Wage and gender pay gap transparency.
 - Employee Networks & Support: Programmes promoting cultural awareness, mental health and wellbeing.
 - Continuous Education: Mandatory training on unconscious bias, inclusive leadership, and accessibility.

16. Evaluation of framework catalogue service offerings

- 16.1. The Council's existing Human Resource Information System (HRIS) and Payroll contract for the iTrent platform with Supplier 1 is expiring after a 10-year term (since April 2016). The system has proven to be resilient, reliable, and secure, meeting the core HR and Payroll needs for approximately 9,000 employees. Critically, the previous 10-year contract did not include any indexation, meaning hosting, maintenance, and licensing costs have remained fixed for the entire duration, providing significant historical value for money.
- 16.2. To ensure a compliant route to market for the direct award, the Council selected the KCS Framework Agreement (Y23065 - Software Products and Associated Services). This framework provides a mechanism for public sector buyers to acquire technology products from trusted suppliers, and Supplier 1's Reseller was identified as the best fit for the Council's requirements.
- 16.3. A pre-procurement market engagement exercise was undertaken from June 2025 to September 2025 to inform the strategy. Organisations were invited to demonstrate how their products could meet HRIS & Payroll requirements, covering latest trends, best practices, innovation, and value-add.
- 16.4. The exercise received responses from 13 suppliers. Analysis indicated that only 3 suppliers fulfilled the complex requirements of a large Local Authority and schools HRIS system. The soft market research confirmed that the incumbent product, iTrent, was one of the top 3 products meeting the Council's extensive requirements. The Council's needs are highly specific, including a robust, integrated payroll facility for a large and diverse workforce, which many

alternative suppliers were found to lack or not fully accommodate. This reinforced the decision to remain with the current platform to mitigate the high risk and financial investment associated with a system change.

- 16.5. The approved 3 + 2 year contract term is designed to provide the necessary stability while creating a 'runway' for a strategic review. A full discovery, market review, and potential procurement process for a longer-term solution—including the exploration of a single Enterprise Resource Planning (ERP) system aligning HR, ICT, and Finance—will be undertaken during the contract term.

17. Reason for Recommendation

- 17.1. The recommendation to approve a direct award of a contract to Supplier 1 Reseller via the KCS Framework for the provision of the Full Hosted iTrent HR and Payroll System is justified based on the following key factors:
- 17.2. Meets the needs and objectives as identified in the Business Case: The current iTrent system is resilient, reliable, and continues to deliver all of the Council's core requirements for a business-critical HRIS system, including payroll, pensions, and statutory compliance for approximately 9,000 employees. The continuation of this platform ensures business continuity (as detailed in Option 1 of the Options Appraisal) and prevents major service disruption. Furthermore, the inclusion of the new Learning & Development and Performance Management modules directly aligns with and supports the Council's workforce transformation programme objectives.
- 17.3. Affordability/contract value and the management of budget: While there is an unavoidable increase in contract costs compared to the fixed 2016 pricing, the final agreed-upon pricing was secured after extensive negotiation, resulting in an annual reduction of over £100k across the contract period from the initial quotes. This revised pricing reflects a favourable offer compared to the supplier's standard Local Authority rates, representing effective budget management under the circumstances (as detailed in the Risk Assessment on Increased contract costs).
- 17.4. Measurable benefits, particularly in relation to any efficiency savings and assessment of Value for Money: Although no direct cashable savings are identified against the fixed 2016 baseline, the continuation of the iTrent platform through this contract avoids estimated migration and implementation costs in excess of £3M that would be incurred with a new system replacement. The three-year term with the option to extend by a further two year term provides critical stability while allowing for a full discovery, procurement, and potential ERP implementation process to be managed strategically over a sufficient and risk-mitigated timeframe (as outlined in the Reason(s) For Decision / Options Appraisal).

17.5. Cost of client and contractor management: As this is a re-procurement of the existing system with no material changes to the application or hosting, the client and contractor management arrangements remain consistent, leveraging the established processes of the Systems Team in ICT and existing contract management tools, minimising new management overhead (as detailed in Contract Management Arrangements).

18. Contract Management Arrangements (and Mandatory Use of the Contract Management System)

18.1. The contract will be managed by the Enterprise Systems Team in ICT using the contract management system.

18.2. As this is a re-procurement there are no material changes to the application, current operation or hosting arrangements.

18.3. The supplier's KPI performance data will be reviewed monthly with the supplier through reports and meetings. Additional meetings will be held if there are concerns that can not be dealt with through the standard escalation processes.

18.4. Key Performance Indicators

Performance indicators will apply to all modules unless otherwise stated.

Main KPI Targets Set	Monitoring
Number of users	Monthly
99.9% availability (measured by total minutes lost vs contracted system up time)	Monthly
SLA targets for incident and request responses	Monthly
User satisfaction	Annually

SLA targets for incident and request responses

Priority	Business Impact	Target	Target
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		Response	Resolution
1	Critical Business Impact	30min	2 Hrs
2	Major Business Impact	1 Hr	4 Hrs
3	Minor Business Impact	4 Hrs	2 Days
4	No Business Impact	8 Hrs	5 Days

19. Financial implications

- 19.1. The proposed contract award is within the Council's approved budget and policy framework. All relevant financial and resource implications associated with the award of this contract have been identified and appropriately considered within the report.
- 19.2. The contract value of £1.754m (excluding VAT) will need to be met from existing approved revenue budgets across HR and ICT, with agreed contributions from the Housing Revenue Account (HRA).

Financial Implications prepared on behalf of the Group Director Finance & Corporate Resources by Mizanur Rahman, Assistant Director of Corporate Finance, Email: Mizanur.Rahman@Hackney.gov.uk, 10 February 2026

20. HR/OD implications

- 20.1. The approval of this contract award is critical for the continuity of the Council's HR and Payroll functions whilst ensuring that the options that are being explored as part of the delivery of the digital strategy are wide ranging and provide the best value for money overall. The contract with exit options sufficient to conclude the marketing testing and discovery phases before implementation. This is likely to include looking for a single system solution. The council is responsible to pay its approximate 9,000 employees (including schools and traded partners) and fulfil its statutory duties regarding payroll, pensions, and HMRC submissions. Therefore a Direct Award is essential.
- 20.2. The decision to award a short-term contract for the continuation of the existing iTrent system provides essential stability and mitigates the significant service disruption risk associated with a rushed change of system. Furthermore, the inclusion of the Learning & Development and Performance Management modules in the new contract directly supports the Council's workforce

transformation programme and the implementation of a new target operating model. These modules will enable more robust management of employee performance, talent development, and skills mapping across the organisation. The 3 + 2 contract duration aligns with the ICT & HR/OD goal of conducting a thorough discovery and market review within the first two years, ensuring that future HRIS requirements are fully met, potentially through an integrated ERP solution, to deliver long-term efficiency and strategic HR support.

HR/OD implications prepared on behalf of the Director of HR/OD by Cassy Goring, Assistant Director, HR & Traded Service. Email: Cassy.goring@hackney.gov.uk. 4 February 2026

21. **Legal implications**

- 21.1. This matter has been classified as High Risk. Contract Standing Order 2.9.5 states that High Risk contracts will be overseen by the Cabinet Procurement and Insourcing Committee.
- 21.2. Contract Standing Order 5.8 states that "*Where it is proposed to use an External Framework for a project and prices and terms are certain at the point the Business Case is formulated, and there is only one Supplier (or exceptionally where it is permissible under the framework to use a single Supplier) within a relevant category, or where selection from Suppliers within a relevant category is solely based on the lowest price (i.e. approved quality for all Suppliers within a category is equal and prices have already been obtained), a single stage combined Business Case and Contract Award report may be presented where alternatively two separate reports would be required*". Therefore a combined Business Case and Contract Award report may be presented to the Cabinet Procurement & Insourcing Committee for approval.
- 21.3. The Council used the KCS Framework Agreement (Y23065 - Software Products and Associated Services) to undertake a direct award of contract for the system. Details of the procurement process undertaken are set out in this Report. The User Guide for the KCS Framework states that the framework allows for customers to place their orders via direct award or further competition. It states that direct award orders may be placed under this framework provided the customer can meet any one of the specified objective conditions, one of which is "Continuity of existing services from an awarded supplier".
- 21.4. Notwithstanding this, it is felt that there is some risk to the Council that a challenge to the award of the contract could come from competitors the Council has not approached to undertake the services via a mini-competition. If such a challenge were successful it is likely that the Council would be liable to pay the

lost profits of a party who has successfully challenged, as well as the costs of bringing such a challenge and potentially a fine from the government for a breach of the Regulations. This should be considered in the decision to approve the award of the contract in this Report.

Legal implications prepared on behalf of the Director of Legal, Democratic & Electoral Services by: Patrick Rodger, Senior Lawyer, Email: Patrick.Rodger@legal.hackney.gov.uk, 11th February 2026

22. Comments Of The Procurement Category Lead

- 22.1. The re-procurement of this system is a requirement under the Procurement regulations, nevertheless, the complexity of this integrated system made it difficult to carry out a competitive bidding process due to timescales.
- 22.2. Procurement Corporate Services team supported a market engagement exercise which was conducted in July 2025 and 13 (thirteen) responses were returned. A careful evaluation of the market was conducted by ICT and HR to evaluate potential innovation and new modules. After that, the service areas required demonstrations from key suppliers to better understand their systems.
- 22.3. Under the Public Contracts Regulations 2015 (PCR 2015), Kent County Council via Procurement Services have created a national framework agreement for the supply and delivery of Software Products and Associated Services valid until the 29th February 2028. The Framework Agreement covers the provision of a full range of software including HR and Payroll systems. The framework allows a direct award under the condition of continuity of existing services from an awarded supplier and that the Council is satisfied that supplier offers best value for our requirement.
- 22.4. All relevant documentation about this exercise is saved under the Corporate Procurement folder and Contract Award Notice will be advertised accordingly. As this award was not competitively tendered, there is a possibility that a competitor challenges this direct award. The report explains the need for the award and the plan for next steps under 5.8.

Comments of Procurement Category Lead prepared by: Leila Gillespie - Procurement Category Lead, Corporate Services, Email: leila.gillespie@hackney.gov.uk, 09th February 2026

23. **Appendices**

Appendix 1 - CPIC HRIS Contract Award Pricing Schedule (Exempt)

Reason(s) for exemption

By Virtue of Paragraph(s) 3, Part 1 of schedule 12A of the Local Government Act 1972 this report and/or appendix is exempt because it contains Information relating to the financial or business affairs of any particular person (including the authority holding the information) and commercially sensitive information and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Background Documents

Supplier 1 supporting information - [Here](#) (Exempt)