

Decision Maker: Cabinet **Date:** Tuesday,
9 June 2026

Title: Award of Finance System Contract

Portfolio Holder: Cllr Neil Hargreaves, Portfolio Holder for
Finance and the Economy

Report Author: Lance Porteous, Director of Finance,
Revenues & Benefits **Key decision:** No
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Summary

1. In Summer 2024, the Council were advised that it could not extend use of its current finance system beyond Summer 2025. This timeframe was subsequently extended to Summer 2026.
2. As part of the rapid procurement process, an options appraisal was completed exploring system requirements, costs and procurement pathways. In November 2024, Cabinet took the decision to procure and start work on implementation of a new finance system, TechnologyOne with a focus on a phased implementation approach.
3. In December 2024, the government published its White Paper on Devolution in England, which also set the scene for future Local Government Reorganisation (LGR). At this stage, very little detail was available on the scope and timing for LGR, indeed it was unclear whether the Greater Essex area would be included in the government's priority programme for change.
4. In Spring 2025, the Council were advised that a further year's license was available for its current finance system. This offer was accepted to enable a longer and more robust implementation pathway targeting go-live in April 2026.
5. The detail of the future arrangements for local government reorganisation crystallised in March 2026 when the government announced its minded to decision to create a new West Essex Council comprising the district council areas of Uttlesford, Harlow and Epping Forest together with services and responsibilities disaggregated from Essex County Council. The government confirmed that the new unitary council would be vested on 1 April 2028.
6. In order to fulfil its financial management duties, the council must have a stable finance system throughout the LGR transition period and ensure that there is provision for retention of financial records for 7 years following closure of the accounts for financial year 2027-28.
7. In early 2026, the Council were advised that provision for the current finance system could be extended beyond the transition period to the new West Essex Council in 2028.

8. Analysis of the time and cost to complete implementation of the new finance system did not compare favourably with the option to retain the existing finance system. It was also noted that if the Council continued to implement a new finance system in 2026 prior to then moving to a new finance system for West Essex Council in 2028, then both legacy systems would need to be maintained in archive state, substantially increasing costs. A recommendation was made to pause the TechnologyOne project and formally engage with the provider of the current finance system to establish new contract arrangements.

Recommendations

9. To approve award of a contract to Integrated Business Software and Solutions Limited (IBSS) for ongoing use of the Integra Finance System. For the over 9 years plus 4 months system provision, the total value of the contract is £461,855. The contract value comprises £244,322 for support, managed services and hosting for the full system for the period 01/09/2026 to 31/12/2028 and £217,533 for license, managed services and hosting for an archive version for the 7-year period from 01/01/2029 to 31/12/2035 to enable the future West Essex Council to access financial information for audit purposes.
10. To note that the project to implement TechnologyOne has been paused pending further development of LGR transitional arrangements.

Financial Implications

11. The £244,322 cost of licensing a finance system is within existing and approved budgets and the current MTFP.
12. The £217,533 cost of maintaining financial records for 7 years following closure of the accounts for financial year 2027-28 is an unavoidable cost that would be included as part of the normal MTFP and budget setting process.
13. If a decision is taken to continue with implementation of TechnologyOne, we would need to allocate an additional sum to complete the project. At the time of calculation, the additional sum was estimated at £620k (compared to the budgeted cost £244k for staying with the current supplier), however if continuing with the implementation, the £620k sum would require re-pricing and increasing to include costs of maintaining an archive version of the TechnologyOne system for 7 years (the Integra 7 year cost in paragraph 12 above would not be incurred).
14. Pausing the project to implement a new finance system allowed the council to avoid further costs arising from the required implementation activity.

Background Papers

15. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.
 - a. Cabinet Report 18 November 2024 (Part 2)
 - b. Transparency Notice published March 2026

c. LGR announcements published widely

Impact

16.

Communication/Consultation	Professional users of the finance system have been provided with an update on the changing approach to continuity of finance system provision during LGR transition.
Community Safety	N/A
Equalities	In contract negotiations suppliers are required to demonstrate in the process their capability to provide service which gives full consideration to Equality and Diversity issues.
Health and Safety	N/A
Human Rights/Legal Implications	In line with the requirements of the Procurement Act 2023, a transparency notice was published during March 2026 detailing the intention to let a new contract for a finance system. All contracts must comply with the Public Contracts Regulations 2015 (as amended) and the Procurement Act 2023. The Council also has a duty to deliver best value under the Local Government Act 1999
Sustainability	N/A
Ward-specific impacts	N/A
Workforce/Workplace	Following this decision, employees will be provided with an update on the changing approach to continuity of finance system provision during LGR transition.

Situation

17. In response to the changed commercial offer from the supplier of the council's incumbent finance system, in early 2026 the S151 Officer commissioned a rapid review of the work to implement a new finance system and to evaluate options.

18. The rapid review identified that:

- a. Further investment was required in time and specialist skills for implementation of the new finance system. The implementation date would be 1 September 2026 at the earliest, only 18 months prior to vesting day for the new West Essex Council
 - b. The cost of completing implementation of the new finance system was considerably higher than the cost of maintaining current system provision
 - c. The current finance system could be provided through the LGR transition period and closure of the final year of accounts for Uttlesford District Council (for Financial Year 2027-28), and the financial records could then maintained in an archive state for audit purposes for the required 7 years. The Council retains the option to migrate to the latest version of the incumbent system if appropriate.
 - d. Continuing with implementation of a new finance system could result in duplication of effort because it is expected that LGR will require transition to a new finance system in April 2028.
 - e. Work completed on data cleansing and design of a new chart of accounts could be retained for future transition under LGR
19. The rapid review also recognised that forthcoming work on delivery of LGR would place additional pressure on officers and that the council will need to prioritise LGR transition activity.
20. In response to the findings of the rapid review, officers sought advice from the Council's procurement partner, Chelmsford City Council on the options available for extending access to the incumbent finance system.
21. As a result, and in line with the requirements of the Procurement Act 2023, a transparency notice was published on Contract Finder in March 2026 to notify the market of the Council's intention to let a contract under Direct Award to its incumbent system provider. The transparency notice set out the rationale for Direct Award including that a change in supplier would result in incompatibilities and disproportionate technical difficulties in operation and maintenance, and that the council considers that the award of a contract is justified under Schedule 5 of the Procurement Act, Paragraph 7. No enquiries have been received in relation to this Transparency Notice.
22. Following this Cabinet Decision to award a new contract to IBSS, the Council's contract register will be updated and an Award Notice published.
23. Following this Cabinet Decision, the relevant entry on the Council's Corporate Risk Register will be reviewed and updated.

Risk Analysis

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Risk	Likelihood	Impact	Mitigating actions
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<p>There is a risk of challenge as the use of a direct award arrangement means that the opportunity of providing a new finance system to the council has not been made available to the open market</p>	<p>1</p>	<p>3</p>	<p>Publish a transparency notice well in advance of decision.</p>
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1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.