
Cabinet Member for Strategic Finance and Resources

17th August 2026

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources - Councillor R Brown

Director approving submission of the report:

Director of Strategy and Performance

Ward(s) affected:

All

Title:

Response to Council Motion regarding the Palantir Contract.

Is this a key decision?

No

Executive summary:

This report responds to the Motion that was adopted at the Council meeting on 23 June 2026 and which requested an officer assessment of the practical implications of ending the Council's current contract with Palantir at the next lawful opportunity, subject to contractual requirements. The report is limited to the practical, operational, financial, contractual, procurement, legal, resident and organisational implications of such a course of action. It does not assess reputational or communication implications.

The report does not ask the Cabinet Member to make a decision to end, extend or replace the contract. It also does not seek to determine wider political, ethical or reputational matters relating to the Council's contractual relationship with Palantir. Those matters sit outside the scope of this officer assessment.

The purpose of the report is to answer the practical questions arising from the Council Motion: what the current contract supports; what would be affected if it ended; what alternatives might need to be considered; and what assurance would be required before any future decision could safely be taken. In simple terms, this report considers what the current contract is used for, what would happen if it ended, and what would be required before any alternative could safely replace it.

The officer assessment is that whilst ending the contract (through the natural expiry of the current extension period in February 2027) can be achieved in principle, ending the contract without an equivalent replacement solution being put in place would create significant

practical risks. These include disruption to current service activity, loss or delay of benefits already being realised, additional transition and replacement costs, increased staff workload, and potential impacts for residents who rely on services supported by the platform.

The most immediate service impacts would be in Children's Social Care, the Crisis Resilience Fund / Household Support Fund and corporate complaints, where the platform is currently supporting transcription, note production, case management, assessment activity, duplicate checking and complaints handling. Planned developments in Adult Social Care financial assessments, Kinship Foster Care and wider strategic use of data and AI would also need to be paused, redesigned or delivered through alternative arrangements.

Alternative delivery options exist, including procuring another strategic platform, developing capability through the Council's Microsoft technology estate, using targeted point solutions, exploring in-house or open-source development, working with public sector partners, or increasing workforce-based support. None can be treated as a like-for-like replacement without further assessment. Any alternative would require detailed assessment to ensure it was affordable, deliverable, secure, legally compliant and able to maintain services for residents.

On the evidence currently available, the current arrangement provides continuity for services already using the platform, benefits from existing engineering support and enables the Council to build on work already undertaken. Any decision to move to an alternative arrangement would require careful planning and assurance to manage the risks associated with transition and service continuity. This assessment does not preclude future market testing or alternative options appraisal. It means that any decision to move away from the current platform should be supported by a clear rationale, a costed transition plan and assurance that an alternative could provide equivalent or improved capability without unacceptable service, financial or resident impact.

Recommendations:

The Cabinet Member for Strategic Finance and Resources is recommended to:

1. Note the practical, operational, financial, contractual, procurement, legal and resident implications of ending the current contract with Palantir at the next lawful opportunity.
2. Note that irrespective of the longer-term decision on supplier or delivery model, continuation of the current arrangement into the next contract period will be required in order to provide sufficient time for procurement, implementation, testing, training and transition activity.

List of Appendices included:

Not applicable

Background papers:

Not applicable

Other useful documents

Not applicable

Has it or will it be considered by Scrutiny?

No

Has it or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title: Response to Council Motion regarding the Palantir Contract

1. Purpose and scope of this report

1.1. The following Motion was adopted at the Council meeting on 23 June 2026

“This Council notes the findings of the House of Commons Science, Innovation and Technology Committee report published earlier this month, which identifies data security, vendor lock-in and technology sovereignty as critical concerns for public sector digital transformation. The report expresses particular concern about Palantir’s growing role in the UK public sector and recommends that Government exercise the break clause in the NHS Federated Data Platform contract, publish a costed exit plan, and pursue in-house or UK-based alternatives where possible.

Additionally, this Council believes that the actions of the organisation and beliefs held by the leadership of Palantir are not compatible with the expectations of morality, integrity and accountability that befit the award of any contract for local public services. With social care and children's data being among the most sensitive information held by the Council, any party granted exposure to this data must be subject to the highest levels of scrutiny and only be considered when measured against an ethical framework consistent with the values of humanity and democracy.

Given the findings of the report and widespread public concern, this Council resolves to:

1. Immediately publish the findings of the Council’s earlier review into the use of Palantir technology in Council Services.
2. Ask officers to provide an additional briefing to all groups within council on the current and future intended usage of Palantir technologies prior to the September council meeting.
3. Ask officers to examine alternative options, including in-house development, open-source tools, UK-based suppliers, public sector collaboration, and locally based trainee or apprentice-supported administrative models, with appropriate safeguarding and data protection controls.
4. Require any future AI related contracts to be assessed against ethical practice, the potential for vendor lock-in and expected social value.
5. Request a report at the Cabinet Member for Finance and Strategic Resources’ next Cabinet Member Meeting on the practicalities of ending the current Palantir contract at the next lawful opportunity subject to contractual requirements.

1.2. This report has been prepared in response to the Council Motion. It provides an officer assessment of the practical implications of ending that contract at the next lawful opportunity, subject to contractual requirements.

1.3. The report answers the practical questions arising from that Motion by considering:

- **Current operational dependency** - where the platform is currently in use and what service processes would be affected if it were removed.
- **Realised benefits** - where benefits are already being experienced, including reductions in administrative effort, improved case handling and faster access to support.
- **Anticipated benefits** - where solutions are in development but not yet fully implemented, and where stopping the contract would delay or require reworking activity already under way.
- **Resident impact** - how withdrawal of the platform could affect waiting times, service quality, access to support and the Council's ability to identify and respond to need.
- **Financial impact** - including potential replacement costs, lost productivity benefits, implementation costs, transition costs and the impact on planned savings or cost avoidance.
- **Contractual and procurement implications** - including the lawful point at which the contract could be ended, any notice requirements and the procurement activity that would be needed to replace existing functionality.
- **Alternative delivery options** - including whether equivalent capability could be delivered through existing systems, in-house development, open-source tools, UK-based suppliers, public sector collaboration or additional staffing.

1.4. It should be stated that this report does not make a political judgement about Palantir, does not determine wider ethical or reputational issues relating to the supplier, and does not make a recommendation to end, extend or replace the contract. Its purpose is to set out the practical implications and assurance required before any future decision could be taken.

1.5. Whilst reputational and wider ethical considerations sit outside the scope of this practical officer assessment, officers recognise that any future decision about the contract would need to be supported by clear public information about the Council's use of AI, data safeguards, governance controls and the rationale for the proposed course of action.

1.6. The report addresses the key questions of what the current contract provides; which services and residents could be affected if it ended; what financial, workforce, contractual and procurement implications would arise; what alternative delivery options could be explored; and what further assurance would be needed before any future decision.

2. Officer assessment

2.1. The officer assessment is that whilst ending the contract (through the natural expiry of the current extension period in February 2027) can be achieved in principle, ending the contract without an equivalent replacement solution being put in place would create significant practical risks. These include disruption to current service activity, loss or delay of benefits already being realised, additional transition and replacement costs, increased staff workload, and potential impacts for residents who rely on services supported by the platform.

- 2.2. The current arrangement provides three related components: access to the technology platform; specialist engineering and delivery support to configure tools for the Council's requirements; and the operating costs of running the platform. Any alternative would need to replace all three elements, not simply the software.
- 2.3. The strongest current practical case for retaining the arrangement is that it is already supporting live and planned work, has engineering support attached, and is being developed around specific Council use cases. This does not remove the need for ongoing assurance, but it means that any exit would need to be planned, costed and sequenced carefully.
- 2.4. The most significant immediate impacts would be in Children's Social Care, the Crisis Resilience Fund / Household Support Fund and corporate complaints. In those areas, the platform is supporting transcription, note production, case management, assessment activity, duplicate checking and complaints handling.
- 2.5. There would also be an impact on planned developments in Adult Social Care financial assessments, Kinship Foster Care and wider use of data and AI to support earlier identification of need, better coordinated services and more preventative approaches. These developments would need to be paused, redesigned or delivered through alternative arrangements.
- 2.6. The key issue is therefore not whether the Council could ever exit the contract, but what would need to be in place before doing so. Ending the contract without an equivalent replacement would risk loss of current benefits, delay planned improvements, create transition and replacement costs, increase staff workload and require additional assurance on service continuity, data protection, cyber security, procurement and value for money.

3. Answering the practical questions from Council

- 3.1. The table below summarises the practical questions arising from the Council resolution and the officer assessment against each question.

Question arising from the Council resolution	Officer assessment	What would need to be managed
What is the current operational dependency?	The current platform supports live activity in Children's Social Care, the Crisis Resilience Fund / Household Support Fund and corporate complaints, with further work in development for Adult Social Care financial assessments, Kinship Foster Care and wider using appropriate data and insight to support earlier help, subject to information	A safe exit would need continuity plans for live services, replacement workflows, user support, training and a clear transition timetable before existing functionality is withdrawn.

	governance and service controls.	
What would be the resident impact?	Without equivalent support, there is a risk that residents could experience slower assessments, longer waits for support or reduced efficiency if equivalent replacement arrangements were not in place. Especially in areas where the platform currently supports screening, workflow or complaints management.	Resident-facing mitigations would need to cover prioritisation, manual fall-back processes, monitoring of waiting times, complaint handling and clear escalation where service quality is affected.
Workforce impact	Removal of transcription, note production and workflow support would increase administrative effort and reduce the time available for direct work, particularly in services already using the tools.	This would require workforce planning, process redesign, temporary administrative workload increase, benefits validation and clear decisions about which tasks should be replaced by technology or staffing.
What would be the financial impact?	Ending the contract would create replacement, transition and implementation costs, alongside the potential loss or delay of productivity benefits and future cost-avoidance opportunities.	A costed options appraisal would be needed, including finance review, affordability, procurement costs, transition resource and validation of benefits already being realised or anticipated.
What are the governance, legal and procurement implications?	Any change would need to comply with contract terms, procurement rules, information governance, cyber security, audit requirements, equality duties and the Council's controls for responsible use of AI and data.	Further evidence and checks would be required from legal, procurement, finance, information governance, cyber security and affected services before any future decision to exit or replace the arrangement.
What would happen to planned developments?	Planned improvements in Adult Social Care financial assessments, Kinship Foster Care and better use of appropriate information already held by the Council, where lawful and proportionate, to support more joined-up services and earlier identification of need would need to be paused, redesigned or rebuilt through alternative arrangements.	The Council would need a prioritised delivery roadmap, transition plan, resourcing model and clear decisions on which developments continue, stop or move to another platform or delivery route.

4. Current contractual position and procurement implications

- 4.1. The current arrangement was entered into through a public-sector framework route and is structured as a series of one-year commitments, with annual review and decision points rather than an unconditional long-term commitment. A five-year price book has been agreed, meaning the overall commercial structure is 1+1+1+1+1. The original contract commenced in February 2025 for an initial 12-month period. The current extended term commenced in February 2026 and runs to February 2027, subject to the detailed contract terms.
- 4.2. There is also a six-month notice period provision in the contract which is available to the Council and could be utilised to terminate the contract for convenience.
- 4.3. If the Council wished to replace the current arrangement, any re-procurement or alternative delivery route would need to start well in advance of the contract end date. The original arrangement has been developed as a pilot activity rather than a traditional detailed specification, so any future exercise would need to begin with a clear statement of the outcomes, capabilities and operational problems the Council needs to address. Given the fast-evolving AI market, any alternative would need to demonstrate, as a minimum, comparable functionality and tools to those currently available, including platform access, data integration, workflow support, AI-enabled productivity, engineering capacity, support arrangements, information governance, cyber security, audit requirements, data portability and transition requirements.
- 4.4. The most appropriate procurement route would need to be informed and supported by Procurement and Legal Services to ensure compliance with the procurement legislation and the Council's Contract Procedure Rules set out within the Constitution. Options may include use of an existing public-sector framework, a further competition under a framework, or a new competitive procurement exercise, depending on the scope, value, market availability and the Council's requirements.
- 4.5. A future re-procurement would not be a simple like-for-like supplier substitution. It would need to include market engagement, options appraisal, evaluation criteria, commercial modelling, data protection and cyber assurance, implementation planning, migration or rebuild of current functionality, user testing, training, support arrangements, mitigation of any risk of vendor lock-in and a managed cutover plan. Any future assessment would also need to recognise that the market is developing quickly and that the Council would need to test whether alternative products, platforms or delivery partners could provide comparable or improved capability without increasing cost, risk or service disruption. This would be likely to require a dedicated transition programme and sufficient lead-in time.
- 4.6. In overall timeline terms, any re-procurement and potential transition would need to be planned as a multi-stage exercise rather than a short procurement event. Indicatively, this could require several months to confirm the outcomes and capabilities required, undertake market engagement, complete options appraisal and secure internal approvals; a further period for procurement, supplier evaluation, award of a contract and any legally required waiting periods; and additional time for implementation, data migration or rebuild, testing, training and cutover. Given the six-month notice period and the February 2027 end date for the current term, any

future decision to replace the arrangement would need to be taken early enough to allow procurement and transition activity to run in parallel with contractual notice, rather than waiting until the end of the term.

- 4.7. As an indicative planning assumption, a well-managed procurement exercise for a suitable replacement arrangement would be expected to take approximately 12 to 18 months (as an indicative planning assumption) due to the need to undertake such procurement utilising the Competitive Flexible Procedure to include dialogue or negotiation stages and implementation and transition period, before the Council could reasonably expect to return to the current position in terms of functionality, deployment, user adoption and operational benefit.
- 4.8. This reinforces the need for any future exit or replacement decision to be planned early, costed fully and managed as a transition programme. It also means that, before deciding not to proceed with the current platform, the Council would need to be clear about the rationale for that course of action and have a balanced understanding of the practical, financial, service and resident impacts of doing so. This is not intended to influence any future decision on supplier or delivery model, but to ensure that any such decision is taken with a full understanding of the consequences, dependencies and mitigations required.

Proposed Way Forward

- 4.9. Based on the reasons set out above, it is unlikely that an alternative arrangement could be fully implemented before the expiry of the current extension period under the contract. Accordingly, a further permissible extension to the contract is likely to be required to provide sufficient time for procurement, implementation, testing, training and transition activity of a new contractual arrangement (which could be awarded to the current incumbent if their submission when evaluated against the award criteria represents the most advantageous tender). This observation is included to aid understanding of the practical and governance implications of the available options and should not be interpreted as a recommendation on the future supplier or delivery model.
- 4.10. Under paragraph 9.1.1 of Part 2M of the Council's Constitution, delegated authority is given to Directors "Subject to acting within approved budgets, to take any steps and decisions necessary for the day-to day operational management and administration of the functions and services for which they are responsible including the production, amendment, review and deletion of all plans, policies, procedures, strategies and other similar documents except those that form part of the Policy Framework". Accordingly, whilst a decision to extend the current arrangement is capable of being taken under the officer delegated authority, any future decision regarding extension, replacement or procurement of services would be considered in accordance with the Council's Constitution, Scheme of Delegation, approved budgets and applicable procurement requirements. The appropriate decision-making route would need to be determined at the relevant time having regard to the value, nature and implications of the proposed decision.

- 4.11. In practical terms, this means that some contract-related decisions may be taken by officers under existing delegated powers, depending on the nature and value of the decision.

5. Alternative delivery options

- 5.1. This section sets out the alternative delivery arrangements that could be considered if the Council wished to move away from the current contract. It is not a procurement evaluation and does not recommend a preferred supplier or delivery model. Its purpose is to identify the broad options available and the tests each would need to meet before it could be treated as a safe and deliverable alternative.
- 5.2. The Council's approach to AI and data-enabled improvement is not dependent on a single type of technology. Current and future requirements are likely to need a combination of: strategic platform capability (the ability to bring together information from different systems, support workflows and apply AI tools across multiple services) for complex data, workflow and integration requirements; productivity tools such as Microsoft Copilot and related Microsoft services; and targeted tools within individual service systems where they meet a specific operational need.
- 5.3. Any alternative provision would also need to be assessed on the basis of the full operating model, not only the software platform. The current Palantir arrangement includes access to the platform, specialist engineering resource to design, build and adapt solutions around Council use cases, and provision for the ongoing running costs of the platform. A replacement approach would therefore need to make explicit provision for all three elements, including who would provide the engineering capacity, how the platform would be operated and supported, and how the ongoing costs would be funded.
- 5.4. As with our current position, any future AI-enabled arrangement would need to operate within the Council's information governance, data protection, cyber security and ethical AI controls. This includes using data only for agreed lawful purposes, limiting access to authorised users, maintaining audit logs, completing Data Protection Impact Assessments where required, and ensuring that AI supports staff rather than replacing professional judgement or statutory decision-making.

5.5. Summary of alternative options

Option	Summary	Key considerations
Alternative strategic platform supplier	Procure another strategic AI and data platform to replace the current strategic platform capability, including platform access, integration, workflow support and specialist delivery support.	This would likely provide the closest like-for-like replacement route, but would require full market testing, procurement, legal and financial assurance, implementation planning, migration or rebuild of existing functionality, user testing, training and support arrangements. It would not remove transition risk and should be treated as a

		significant change programme rather than a simple supplier substitution.
Microsoft-based approach	Build further AI and data capability using the Council's existing Microsoft technology estate, potentially supported by an external delivery partner.	This option is relevant because the Council already has a substantial investment in Microsoft technologies and an established Microsoft environment. However, for it to be considered a viable alternative to the current arrangement, it would need to demonstrate that it could provide equivalent operational functionality, integration, data engineering, audit requirements, security, delivery pace and value for money for the Council's live and planned use cases. Sufficient engineering capacity would also be a key dependency.
Targeted point solutions	Use separate products for specific tasks such as transcription, note production, assessment support, complaints handling or workflow automation.	This could provide practical tools for individual service needs and reduce reliance on one strategic supplier. However, it may increase fragmentation, integration complexity, licensing, training, support and assurance requirements, and could make it harder to maintain a consistent view of activity and outcomes across services.
In-house, open-source or public sector collaboration	Develop or share capability internally, through open-source tools, or with other councils and public sector partners.	This could increase local control, transparency and shared public-sector learning. It would require clear arrangements and assurances for product ownership, engineering capacity, secure hosting, scalability, cyber security, information governance, support, maintenance and long-term sustainability. Current internal engineering capacity is limited, so external support will still be required.
Workforce-based alternatives	Use trainees, apprentices or additional administrative support for activities that do not require integrated platform capability.	This may support some administrative activity and provide social value, but it would not replace platform functionality, data integration, automated workflow, audit requirements or scalable data processing. It may also increase ongoing staffing costs and would require strong quality assurance where work involves sensitive information or complex service decisions.

6. Results of consultation undertaken

6.1. Not applicable

7. Timetable for implementing this decision

- 7.1. Not applicable. This report is for noting only, addressing the Motion that was adopted at full Council on 23 June 2026.

8. Comments from Director of Finance and Resources and Director of Law, Governance and Safer Communities

8.1. Financial Implications

No decision is being sought through this report and, as a result, there are no direct financial implications arising from this paper. The report sets out an officer assessment of the practical implications and assurance requirements associated with any future decision about the Council's approach. Any subsequent decision to end, replace, extend or otherwise change the current arrangement is likely to have financial implications and would need to be considered through the relevant financial, procurement and governance processes at that time.

8.2. Legal Implications

This report is for noting only and does not seek a decision to terminate, extend, replace or otherwise vary the Council's current contractual arrangements with Palantir.

The Council's current arrangements are governed by the terms and conditions of the existing contract. Any decision to terminate the contract prior to its expiry date would need to be taken in accordance with the contractual provisions, including any applicable notice requirements and exit obligations.

Any future decision to replace the current arrangement would need to comply with the Procurement Act 2023 and the Council's Contract Procedure Rules. The procurement route adopted would depend upon the Council's requirements, estimated contract value, available procurement vehicles and the circumstances existing at the time. Appropriate legal and procurement advice would be required before any procurement exercise is commenced.

Any future replacement, extension or variation of the current arrangements would also require consideration of the Council's statutory obligations relating to data protection, information governance, confidentiality, cyber security, public law decision-making, the Public Sector Equality Duty under section 149 of the Equality Act 2010, the Human Rights Act 1998 and the Council's wider governance framework for the responsible use of data and artificial intelligence.

Any future decision would need to be supported by a robust evidence base, consideration of all relevant factors, an assessment of risks and impacts on service delivery, and compliance with the Council's constitutional and decision-making requirements. Where appropriate, Data Protection Impact Assessments, Equality Impact Assessments and other governance assessments would need to be undertaken.

Legal and Procurement Services will continue to support officers in relation to contract management, procurement compliance, information governance and the protection of the Council's interests.

9. Other implications

- 9.1. No direct decision is being sought through this report. The relevant practical implications and assurance requirements are set out in the main body of the report. Any future decision to end, replace or extend the arrangement would require further assessment of risk, finance, legal, procurement, equalities, information governance, service and resident impacts.

9.2. How will this contribute to the One Coventry Plan?

Please see paragraph 9.1

9.3. How is risk being managed?

Please see paragraph 9.1

9.4. What is the impact on the organisation?

Please see paragraph 9.1

9.5. Equalities / EIA?

Please see paragraph 9.1

9.6. Implications for (or impact on) climate change and the environment?

Please see paragraph 9.1

9.7. Implications for partner organisations?

Please see paragraph 9.1

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