



London Borough of Hackney – Decisions taken by the Cabinet Procurement and Insourcing Committee on Monday 4 December 2023

Agenda Item No	Topic	Decision
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This document outlines the decisions taken by Cabinet Procurement and Insourcing Committee on Monday, 4 December 2023.

Decisions listed below that are Key Decisions will come into force and may then be implemented on the expiry of 5 clear working days, unless called-in by at least 5 non-executive members in writing and submitted to the Monitoring Officer using the attached form;

[Executive Decision Call-in Request](#)

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Items considered in public

6	UNRESTRICTED MINUTES OF THE PREVIOUS MEETING OF CABINET PROCUREMENT COMMITTEE HELD ON 23 October 2023	RESOLVED: That the unrestricted minutes of the meeting of the Cabinet Procurement and Insourcing Committee held on 23 October 2023 be agreed as a true and accurate record.
7	CHE S269 Hackney Residential On-Street Electric Vehicle Charging Points Contract Variation	RESOLVED: To increase the PAYG price per kWh charged by the Electric Vehicle Charge Point Operator (CPO), Zest Eco Ltd as per Table 1 in Appendix 2 'Proposed tariff increase'. The variation will take effect from 1 January 2024 until 31 December 2034. That following the receipt by the Council of grant funding from the Local Electric Vehicle Infrastructure (LEVI) fund pilot scheme, award to Zest Eco Limited a contract for the

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		<p>delivery of 70 fast chargers and dedicated EV Car Club bays for a maximum value of five hundred thousand pounds (£500,000).</p> <p>Reason(s) For Decision</p> <ol style="list-style-type: none"> 1. This report recommends Cabinet Procurement and insourcing Committee to agree to increase the PAYG price per kWh charged by the Electric Vehicle Charge Point Operator, Zest Eco Ltd. 2. The price would be increased from the previously proposed PAYG price per kWh included in the cost submission from Zest in response to the procurement exercise, carried out between June 2021 and May 2022, to deliver and operate a network of Electric Vehicle Charging Points within the borough. (See Appendix 1 for cost submission). 3. The variation will take effect from 1 January 2024 until 31 December 2034. 4. After 31 December 2034, the PAYG price will be reviewed by the Council and Zest and a new recommendation on price will be agreed in line with the existing contract terms and conditions. 5. The setting of a new PAYG price will be consistent with the terms and conditions of the concessionaire contract. 6. As described in the Cabinet Member’s introduction, the unforeseen war in Ukraine and energy price shocks have redefined the wholesale market for energy and fundamentally affected the operating dynamics for Electric Vehicle Charge Point Operators (CPOs). 7. Tender bids received in March 2022 required a maximum PAYG price submission that

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		<p>would be maintained for 2 years and then rise based on CPI +3% each year. The Contracting service accepts that there have been fundamental changes to the market and wholesale energy prices that are likely to make the original bids unviable for the CPOs</p> <p>8. Resetting the starting price per kilowatt hour charged to the customer would allow the approved charge point operators to adjust to the current market conditions to ensure business viability and be able to deliver the agreed project outcomes and maintain the assets and service throughout the lifetime of the concession contract.</p> <p>9. EV charge point operator Zest has completed the Council's 'Variation to PAYG price' form and provided the requested evidence in support of the request to vary the price per kWh included in the original cost submission. These forms are in Appendix 4 .</p> <p>10. EV charge point operator Zest has provided recent benchmarking to underpin their proposed starting price per kilowatt hour (see Appendix 3 for benchmarking).</p> <p>11. The Council's contract management mechanisms will be used as a way to flag any discrepancies in the current market price and the price per kWh charged to the customer if it is deemed that the CPO has not responded sufficiently to the change in the wholesale price for energy in moderating their tariff.</p> <p>12. In March 2022 the Council was awarded Five Hundred Thousand Pounds, £500k through the Local Electric Vehicle Infrastructure (LEVI) fund pilot scheme. The funding was awarded for the Council's bid proposal to use the money to fund otherwise less profitable use cases for EV charging.</p> <p>13. The proposal is to install 70 on-street fast charging sockets, 35 of which will be dedicated to EV car clubs and 35 of which will be available for public access charging. This</p>

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		<p>infrastructure will support car clubs in Hackney move to electric vehicles and ensure an equitable transition to electric motorised travel for all Hackney residents.</p> <p>14. The proposal is in line with the Council’s objective to reduce vehicle ownership and miles driven whilst rapidly facilitating the transition to electric vehicles and improving local air quality.</p> <p>15. The pilot project will be delivered under the existing contract agreed with Zest Eco Ltd to install and maintain fast charge points because they meet all the requirements as set out in the tender.</p> <p>16. The existing contract with Zest contains a provision for the Council to receive an increased share of the revenue from the operation of the charge points in response to additional external grant funding, (or other income sources) secured for the delivery of public EV charging infrastructure.</p> <p>17. This is detailed in paragraph 8.9, section 8 on ‘partnership working.’ of the tender specification Appendix 1 which reads that the CPO will ‘actively bid for the external funding available for Local Authorities, to contribute to the partnership financially in return for the lower tariff rates available to residents, where feasible.’</p> <p>18. The £500k LEVI pilot scheme funding meets this criteria and, as such, Zest has agreed to increase the share of the revenue to the Council from 10% to 12.5%. The additional revenue share received by the Council will be reinvested into sustainable transport projects.</p> <p>Alternative Options (Considered and Rejected)</p> <p>Option 1: Do Nothing</p>

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		<p>Doing nothing will result in the Electric Vehicle Charge point operator experiencing a financial loss. If the operators go out of business then the success of the EV charging scheme and ambitious targets for the deployment of EVCPs across the borough will be at risk and could impact on the Council’s reputation</p> <p>Option 2: Reject the request to vary the PAYG price per kWh Rejecting the changes recommended in the report will result in the outcome described in paragraph 6.1.1 of the report.</p> <p>Option 3: Reject the award of a contract under a Single Tender Award mechanism to Zest Eco Ltd to deliver the EV project which has been awarded grant funding of £500k from the Local Electric Vehicle Infrastructure (LEVI) fund.</p> <p>Rejecting the award of contract to Zest to deliver this work would mean that the project objectives are not delivered and the benefits to residents are not realised.</p> <p>Furthermore, it would not be possible to deliver the project with the same, or similar value to the Council by awarding the work to another CPO. The Council is able to benefit from the scale of the existing contract with Zest to leverage additional returns as noted in 3.5 that Zest has agreed to increase the profit share received by the Council from 10% to 12.5% in response to the additional external funding secured from the LEVI pilot fund.</p>
8	CHE S275 New Homes Programme - Multi Disciplinary, Engineering and Technical Consultancy Services (Contract Award)	<p>RESOLVED:</p> <p>To approve the appointment of Bidder D to provide Multi- Disciplinary, Engineering and Technical Consultancy Services to the Council’s New Homes Programme, following a Restricted Tender Procedure under the Public Contracts Regulations 2015</p> <p>To approve entering into a contract with Bidder D for a duration of three years to a value</p>

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		<p>of £2,922,650 excl VAT.</p> <p>Reason(s) For Decision</p> <ol style="list-style-type: none"> 1. On 12 December 2022 Cabinet Approval was received for the New Homes Programme, as part of the Council’s ambitious plan to bring forward 1,000 new Council homes for social rent by 2026. The new programme includes 15 anchor site locations on Housing Revenue Account land identified through the Asset Review process as having the potential to accommodate new homes along with surrounding improvements. In order to progress to the design development and planning stages a series of consultant teams providing a full range of design and development professional services must now be assembled. 2. This new programme of housing delivery is expected to provide over 400 new homes across the borough, enabling the Council to continue to address Hackney’s acute and ongoing crisis of housing affordability. 3. The professional services included in this report are wide-ranging and in some cases highly specialist, including environmental consultants, mechanical and electrical engineers and specialist technical consultants in relation to building safety, fire engineering, highways and transport, ground conditions, ecology, trees and utilities, amongst other disciplines. 4. The range of services and specialist expertise required is typical of the contemporary construction and housing development process. Careful consideration has been given particularly to securing appropriate expertise for the rapidly evolving building safety and sustainability contexts, and to maintaining industry best practice and implementing lessons learned from existing and previous regeneration programmes. 5. The December 2022 Cabinet approval provided budget and authority to commence design development work on the new sites and to submit planning applications. It requested a

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		<p>further report in due course on the proposed plan for construction delivery. The consultant services for procurement in this report reflect that position by including for services from RIBA Stage 0/1 (Initiation) to RIBA Stage 3+ (Developed Design, Planning and Tender).</p> <p>6. Whereas the in-house Asset Review Team and Regeneration Strategic Design (RSD) team have prepared initial project appraisals and capacity options for the sites, much more significant design development, site due diligence and technical work is now required to develop implementable and viable designs and to secure planning permissions. The Council does not have the in-house expertise nor capacity to undertake this specialist work directly therefore the only option is to procure these services from external consultants. This approach also has the advantage of securing the expertise and skills of sector leading designers and engineers to bring forward designs for high quality, sustainable, safe and affordable homes and places in Hackney.</p> <p>7. A detailed options appraisal on the structure of the consultant services across the new projects has been carried out, assessing key priorities and risks against a range of consultant team structures and contracting arrangements. See section 5 below. The key drivers and issues to be considered are around suitable consultant capacity and financial stability proportional to the diverse project characteristics; access to the required specialist services for technical, quality, environmental and building safety assurance; cost efficiency including Council project management resources, socio-economic benefits, and EDI and procurement policy objectives.</p> <p>Alternative Options (Considered and Rejected)</p> <p>1. A number of options for this procurement and the wider NHP procurement strategy were appraised at the Business Case stage and are provided in section 7.5 of the Business Case document.</p>

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		<p>2. With respect to in-sourcing, the council does not have the required expertise nor resources to provide these extensive and specialist services in-house. The engagement of professional consultants is therefore essential to enable the New Homes Programme to be delivered.</p>
<p>9</p>	<p>CED S286 Extension of Temporary Accommodation Dynamic Purchasing System</p>	<p>RESOLVED:</p> <p>To agree the extension of the current Temporary Accommodation Dynamic Purchasing System for a period of up to four years, from 26th January 2024 to 26th January 2028.</p> <p>Reason(s) for the Decision</p> <p>1. The DPS was procured in 2016, to replace two framework agreements (one each for stage 1 and stage 2 accommodation) which had been the source of temporary accommodation suppliers for the Council. This model offered an ineffective solution, as Frameworks are closed after the tender process, restricting the service to only those providers appointed to the Framework. The nature of the accommodation needs in Hackney meant that suppliers were required urgently and this resulted in a large amount of off contract spend as officers used non Framework providers to meet urgent need, which was either non-compliant (under Council Contract Standing Orders [CSOs], which state spend must be covered by a contract or a STA), or covered by a large number of Single Tender Actions (STAs).</p> <p>2. The Dynamic Purchasing System model offered a resolution to this issue, as suppliers can join a DPS at any stage of its duration, and can try again if their application fails. This allows for the service to encourage more suppliers to join the DPS, offering a wider variety of accommodation options, giving a more compliant solution and reducing off contract spend and STAs.</p> <p>3. The DPS system was then extended for a further three years. This was to allow a</p>

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		<p>comprehensive review of systems to take place which had been on hold due to the resource impact of the Covid19 pandemic. This was agreed at Cabinet Procurement Committee Meeting on the 7th December 2020.</p> <ol style="list-style-type: none"> 4. The DPS is currently divided into 4 categories based on the types of properties required by the Council. These categories are Bed and Breakfast, Hostels, Annexes and Private Sector Leased accommodation. During the 4 years of operation, the current DPS has seen bids from a wide variety of providers, including local small and medium enterprises and larger, national companies. 5. This model will continue during the extension period. The volume of work under each category is reliant upon the requirements of residents being placed into temporary accommodation. 6. The comprehensive review of systems that was due to take place has been disrupted by the impact of the cyber-attack. The key systems that were utilised by the Temporary Accommodation Team i.e. Temporary Accommodation Payment to Landlord (TAPL) and Universal Housing (UH) were lost in the attack. 7. Work is ongoing to build new systems to replace the manual processes that are currently in place. Meaning at this time we are not in a position to integrate any alternative property management system. 8. The proposal is therefore to extend the current DPS contract by four years to allow the new systems to be fully built and embedded into the Benefits & Housing Needs Service. 9. Following the new systems being embedded this will also allow time for a further option appraisal to be carried out based on revised requirements.

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		<p>Alternative Options (Considered and Rejected)</p> <p>Build A Bespoke Management System In House This option was rejected for two reasons, firstly the significant cost and resources required from the Council to develop and build a bespoke in-house system. Secondly, the other systems currently in use within the service are manual or in the process of being rebuilt following the cyber-attack. Meaning we are not currently able to clearly define the integration required for any management system to work effectively</p> <p>Purchase ADAM Or Another Temporary Accommodation Property Management Software Solution. The ADAM product can either be purchased and utilised as a direct replacement for the DPS or can be joined as part of the WREN Group (Waltham Forest, Redbridge, Ealing and Newham).</p> <p>Utilising the ADAM solution through the WREN Group has the following advantages:</p> <ul style="list-style-type: none"> • Councils use many common suppliers and 49 of our suppliers are already on the ADAM system. • ADAM supports suppliers through the application process. Removing the need for the time consuming chasing, evaluating and scoring. • Once a supplier is approved available properties are loaded onto the system for Councils to book. Currently this is all done manually via emails between various officers and suppliers. • All the relevant safety certificates are also uploaded with the property and the system provides prompts for when these are due to expire. Again these are currently provided manually via email exchange with the supplier. Documents are being stored on google drives and logged on a spreadsheet to track expiry dates. • Payments are automatically adjusted for overpayments utilising the booking dates entered. Payments currently have to be manually adjusted.

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		<p>The main issue regarding the potential use of ADAM is the manual processes that are currently used within the Benefits & Housing Needs Service. Following the loss of legacy systems in the cyber-attack, bookings and payments are made via a complex network of spreadsheets.</p> <p>Development work is ongoing to build new systems that will allow booking and payments to be carried out more effectively. Until these are operational, the Benefits & Housing Needs Service isn't in a position to accurately scope the integration requirements of ADAM.</p> <p>ADAM is designed purely to procure, book and make payments for temporary accommodation from private providers. The Benefits & Housing Needs Service also needs to make payments for void Council properties used for temporary accommodation and leased properties.</p> <p>This option was rejected as the research carried out into using ADAM (or an alternative system, if available as the market is extremely small) highlighted the need for clear, effective integrations between ADAM / the system and other Hackney systems, such as payments and housing allocations, in order to achieve the best results. As set out above, these processes are currently manual and carried out utilising a complex network of spreadsheets, so integration isn't currently possible or cost effective. Also there is currently ongoing work building new systems for temporary accommodation bookings and payments, until these have progressed further, it is not possible to effectively integrate a management system such as ADAM.</p> <p>Procure a new Dynamic Purchasing System This option was rejected for three reasons. Firstly, the time required to complete the full Find a Tender process needed to set up a new Dynamic Purchasing System would be significant, a minimum of six to nine months. The process would not be complete prior to the end of the current DPS and short / medium term Single Tender Actions would need to be put in place for all DPS suppliers.</p>

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		<p>Secondly, the time and resources required, from both the Council in setting it up and the suppliers in applying to join (current DPS providers would have to reapply to join the new system) would be significant. The Benefits & Housing Needs service is currently under extreme pressure due to the increase in homeless approaches, the impact of the Housing Crisis on supply and the cost of living crisis, meaning it is not possible to undertake this resource intensive piece of work.</p> <p>Thirdly, the procurement of a new DPS would not resolve the wider issues, regarding the volume of manual processes currently being utilised to provide and manage accommodation. As discussed in this report, work is ongoing to build new systems to resolve this. The commitment to a new DPS would not fit into the long term strategic goals of the service area, and may add further complication.</p>
10	AHI S256 Decision to end the City and Hackney Young People’s Clinical Health and Wellbeing (CHYPS Plus) Service - Briefing/For information	<p>RESOLVED:</p> <p>To note the update.</p>