

Appendix 2 – Planned Procurement Activity: Deep Dives

- 1 **Electric vehicle charging infrastructure** (Environment and City Management)
 - 1.1 **Contract Information** - The Council currently has in place 8 contracts across 6 suppliers for the delivery of Electric vehicle charging infrastructure in Westminster. The contracts include electric vehicle charge points and lamp column chargers which the majority expire between 2022 and 2024.
 - 1.2 **Current service model** - The first on-street electric vehicle charge point (EVCP) was installed in Westminster in 2004. The EV Strategy set an ambition in 2019 to install at least 200 new charge points each year to 2025. With the completion of the latest expansion in lamp column charge points, over 1000 have been installed to date, the most in any local authority in the UK. The pressure to assist with the ongoing transition to EV remains, however, and we have set a further commitment to this in the coming year with our proposal to install a further 500 charge points by the end of 21/22.
 - 1.3 Given the speed at which EV and EV charging technologies are advancing the Council has continued to let separate contracts for different requirements (rapid, In column etc.) on an ad hoc basis to deliver the required demand without committing the Council to one technology for the entire estate. Current contracts are being awarded based on best value to the customer to encourage the growth in the utilisation of charging infrastructure, which supports the Councils climate commitments and also has a positive impact on Council concession revenue.
 - 1.4 A major goal of the recent EVCP roll-outs has been to maximise the coverage and implement the most equitable distribution within resources. This ensures no part of Westminster is disproportionately supplied with infrastructure and the transition from internal combustion engines can be made as easy as possible for residents across the city.
 - 1.5 **Recommissioning intentions** - There is no sign of the annual growth in sales of plug-in vehicles slowing despite the dampening effects the global pandemic appears to have had on sales elsewhere in the motor industry. Plug-in vehicle sales had risen to an almost 14% share of all new car sales in March 2021, a sizable increase from the 7.9% recorded a year previously, and a clear sign of the accelerating switch to zero emission capable vehicles. The expectation is that rate of increase will experience a sharper rise in the years approaching 2030 when the sales of new petrol and diesel cars will end in the UK. So further charging infrastructure will be needed to manage the likely demand in Westminster.
 - 1.6 To date, contracts let have focused on a concession approach allowing the Council to meet targets on EV points without large expenditure and avoiding commercial risk. This approach does however restrict commercial gain. Over the next six months the Council will therefore review the possibility for direct asset ownership. This will require greater investment but potentially greater reward.

Any decision on this will need to be data led with clarity on demand and potential returns.

- 1.7 As historic agreements come to an end, the first of which will end in under 6 months' time, the Council can look to continue to utilise charging sites through new arrangements. In future the Council will aim to avoid numerous procurement exercises and will consider the creation of a single supplier framework for each the differing types of chargers in use. This will allow the contract to respond to new areas of demand and drive better commercial value more easily. It will also offer the customer more consistency. Current feedback from residents is there is a lot of suppliers with varying apps and usage models all of which is slightly confusing for a user/visitor. We would look to ensure that whatever contractual arrangement we look to introduce has the flexibility to adapt to technology changes.

2 Car Clubs and Car Sharing (Environment and City Management)

- 2.1 **Contract Information** - Car sharing was first introduced to Westminster in 2009 with the aim of providing residents with an alternative to private vehicle ownership. There are two car sharing services currently operating in the City, Fixed Point and Flexible Car Sharing, and both are provided by Zipcar (UK) Ltd through two separate contracts. These are concession contracts, as the supplier pays an annual fee for each vehicle operating in the City, and the contracts, which began in 2018, were for a period of two years with a provision to extend for a further two years. Currently both contracts are in the final year of extension so will be formally re-procured in 2022.
- 2.2 **Current service model** - Flexible car sharing allows vehicles the flexibility to park in any permitted parking bay, initially paid for and shared use parking bays, although more recently this has been extended to include resident bays. Two suppliers were procured to deliver the service at the start of the contract, Drive Now UK Ltd and Zipcar. Drive Now, who only operated Flexible car sharing, decided to leave the UK market in February 2020, on the grounds that it was no longer commercially sustainable for them to operate the service London. Zipcar's concession allows them to have a maximum 135 vehicles parked on the Westminster highway, although their anticipated average is 90 vehicles. The estimated annual supplier turnover is £136,705.20 assuming 60 vehicles operating on average.
- 2.3 Fixed Point car sharing operates from dedicated "car club only" bays, with each bay designated to a specific car club vehicle. Users start their hire from a specific bay and must return the vehicle to that bay at the end of their session. There are 185 'fixed point' locations throughout Westminster from which car club vehicles operate (including 44 electric vehicles). An annual income of £396,912.29 is anticipated in the final year of the contract. Overall contractual performance since inception has exceeded expectations. Utilisation levels have exceeded those achieved in the previous iteration of the contract and Zipcar membership has increased from approximately 12,000, at the start of the current contract, to 22,000 at the end of May 2021.

- 2.4 **Recommissioning intentions** - A broad procurement exercise for car sharing in three lots is the intended approach to take the service forward, with contracts planned to start when current contracts expire in mid-2022. Lots to be considered are as follows:
- Flexible
 - Fixed Point
 - Geo Fenced
- 2.5 The procurement will aim toward the service providing an increased vehicle representation in the City, a multi operator solution to ensure competition and a revenue position that aims to cover the expected income budget assigned to the car sharing service. Procurement will liaise with the stakeholders to benchmarking income and explore the potential for collaboration with other boroughs before a specific procurement approach is embarked upon.
- 2.6 Considering Zipcar's growth to date, both in Westminster and London, there is a commercial opportunity for expansion of Fixed point and flexible car sharing. The Council is also seeking to introduce Geo-fencing which is another model of car sharing to enable Westminster to account for the financial void that Drive Now left when they departed from the car sharing market. A Geo fenced approach is currently in trial with results informing the future procurement strategy. There are limited players in the on-street car club market with four potential companies potentially interested in one or all of the future lots suggested.

3 **Transformation of Home Care (Adult Social Care)**

- 3.1 **Contract information** - The current bi-borough home care framework has been in place since 2016 and was extended until the end of September 2022. Westminster City Council (WCC) has four 4 Lead Providers (Healthvision, Sage Care, London Care and VCP) covering four geographic patches. Each Lead Provider has approximately a quarter of the WCC market share, with a range of 22-30%. The framework in WCC has an annual spend of circa £10 million and the delivery of 40,000 hours of care in every four-week period, equivalent to over 60% of the WCC home care market.
- 3.2 **Current service model** - This model with a lead provider in each of the four areas has worked reasonably well over the last five years. It enables guaranteed capacity across a fixed location, offering efficiencies from reduced travelling time and the model also has established some links with GPs, pharmacists and Primary Care Networks (PCNs). Some residents are also choosing to employ their own personal assistants (PAs) via their personal budget. The intention is to encourage more residents to recruit their own PAs if they want to, offering support around employing carers safely and to offer greater ways for people to purchase care via a Direct Payment.
- 3.3 **Recommissioning intentions** - When recommissioning the new home care service during winter 2021, the service seeks to retain the strong elements of the area model but develop it further to better meet residents' aspirations. Changes

might include moving to delivery and monitoring based on outcomes to meet needs holistically and to address health inequalities; looking at ways to offer greater integration with health to support the service user and improve quality, safety and ensure personalised approaches are delivered.

- 3.4 This transformation is currently at market engagement stage, with engagement events arranged throughout September 2021. Commissioners have reviewed home care commissioning programmes in other London boroughs and across the country. The voice of service user will be central to the new service, with a series of 'I' statements included in the specification based on what is important to residents and their family. There is also a Member and Directors away day planned for 23 September and independently facilitated by Healthwatch. The purpose of this is for the service to share users' feedback with Members and how this has helped shaped proposals and to get Members views on proposed service design. Following sign off on the procurement strategy, when the tender commences in December 2021, continued resident involvement and responsible procurement will be key parts of the specification and tender evaluation. The new service will be in place from 1 October 2022.
- 3.5 To deliver this more joined-up and flexible service model, consideration is being given to future technology requirements which may underpin this. Feedback from service users has shown a need for clearer insight for families and support networks with regards to the details of provisioned services (for example, the ability to remotely monitor service delivery to a relative), which may mean a need for more sophisticated online tools than are currently available. A care coordination model is due to be piloted with a care agency acting as a coordination agency, via a technology platform, connecting self-employed care workers to service users. The aim is to deliver more bespoke, community-based interventions and potentially reduce costs associated with travelling, as care teams would operate on a hyper local level and offer local jobs for local people. Other partners on this project include Institute of Public Care (IPC) and Digital First.

4 Church Street Site A Development Delivery Partner (Growth, Planning and Housing)

- 4.1 **Background** - Church Street is a flagship regeneration project, located within the Church Street ward. The Council has ambitious plans and is committed to significant investment to regenerate Church Street sustainably and build on the distinctive character of the place and its people. The objectives of the project are set out in the "City for All" Masterplan Framework and Housing Renewal Strategy. The scheme is split into three parcels, Sites A, B & C together with the Church Street market. The Council has prepared designs ready for a planning application to be submitted later in autumn 2021.
- 4.2 An Outline Business Case (OBC) was presented to Capital Review Group on 27 May 2020 and was financially agreed. Key to the OBC was a partnership delivery structure that has the potential to reduce the estimated peak debt requirement for the Council from £250m under self-delivery, to £170m. On 21 August 2020

the Council's Cabinet Member for Finance, Property and Regeneration considered delivery options for the Church Street scheme and approved the adoption of a 'partnership style model' where the Council and a developer will share project risks, rewards and funding.

- 4.3 **Commissioning intentions and Procurement timetable** - In parallel with work to define the commercial structure, the format and timetable for the procurement exercise is progressing. WCC will deliver Site A through a joint venture structure and thus seeks to procure a delivery partner, bringing together the right mix of financial commitment and industry expertise to help realise the long-term legacy aspirations for the communities of Church Street. The recommended route is a 50:50 Limited Liability Partnership (LLP) which will go to cabinet for decision in December. Consideration is also being given to the counterparty with options including WCC, Westminster Housing Investments Limited or both.
- 4.4 Works will start on Site A in 2023 with a minimum of 400 new homes (with the aspiration of 50% of these to be affordable). A new street will be built, a new library and two courtyards for residents. 700 sqm of retail space is also included. Although the Council are focusing on securing a delivery partner for delivery of Site A, there may be benefits to the inclusion of future sites B & C. Site B will consist of 465 Units with an anticipated start on site: 2024-2026. Site C will have 227 units with anticipated start on site of 2028-2029.
- 4.5 The procurement of Site A has progressed with a Prior Information Notice (PIN) on 18 June 2021 invited potential interested organisations to express an interest. 21 suppliers, predominantly developers and contractors expressed an interest. The Soft Market Engagement (SME) launch was held at City Hall on the 20 July with representatives from nine organisations. The event proved successful, with organisations wanting individual feedback sessions. These sessions were informative and, on the whole, extremely positive with the scheme to date, including design and the proposed JV structure, as well as the process for procurement.
- 4.6 Feedback from the SME exercise was very positive. Savills, as our property consultant representatives have prepared a SME report. Officers are currently finalising the scope of parameters to be tendered and used as a basis for negotiation which in turn will influence the principles of the JV procurement strategy. The principles of the JV are to be endorsed by Cabinet Member. The procurement strategy shall be approved via Cabinet, following endorsement from CGRB and the Executive Director of Growth, Planning & Housing.
- 4.7 Next steps are as follows:

Milestone	Date
Approval of procurement strategy by Cabinet	Dec 2021
Publication of Contract Notice and procurement commencement	Jan 2022
Approval to enter into JV by Cabinet, prior to finalisation of tender documents	Feb 2022
Approval of Contract Award	Jan 2023