

CABINET 07 FEBRUARY 2022

Report title: 49 Brixton Station Road/6 Canterbury Crescent – Contract to preferred Development Partner

Wards: Coldharbour

Portfolio: Councillor Matthew Bennett, Deputy Leader - Planning, Investment & New Homes and Councillor Andrew Wilson, Cabinet Member for Finance and Performance

Report Authorised by: Eleanor Purser and Sara Waller: Strategic Directors for Sustainable Growth and Opportunity

Contact for enquiries: Alessia Montero, Neighbourhood Regeneration Manager, Sustainable Growth & Opportunity, 07783 830903, amonterocastro@lambeth.gov.uk

REPORT SUMMARY

The project comprises two freehold sites owned by the Council in Brixton town centre, which currently provide successful temporary uses including workspace at International House and food and beverage, retail and workspace uses at Pop Brixton. The success of these uses demonstrates the potential of these sites to contribute to the resilience and long-term economic development of Brixton town centre through the delivery of new homes, new commercial space and as a result, new job opportunities for the local community. This project forms part of the council's wider and ongoing programme of investment focused on Brixton's Rec Quarter as well as the wider town centre and adjacent neighbourhoods, aimed at supporting a better, fairer Brixton.

Over the past year the council has been working with local residents, businesses and stakeholders in Brixton town centre to procure a partner to deliver our ambitions for these sites. In the midst of a housing crisis, these sites can contribute around 120 new affordable homes, including 80 council homes for local families, with priority for Brixton families on the waiting list. Following two years of rising unemployment due to Covid these sites will provide new workspace, including over 20% affordable workspace. This will mean good quality local jobs, apprenticeships and training opportunities both during construction of the project, and once completed, with a focus on providing more work for local people within Brixton, and a strong commitment to the London Living Wage. They also provide the opportunity to provide fit-for-purpose infrastructure to support Brixton's thriving street markets and better public realm in the town centre.

This report seeks approval to enter into a Development Agreement with London Square Developments Limited (London Square) to redevelop the Council's land at 49 Brixton Station Road and 6 Canterbury Crescent, following a competitive tender process. This award recommendation follows on from a Cabinet decision in February 2021, when approval was given to progress the project through a Competitive Procedure with Negotiation (CPN) procurement process. The report explains the work undertaken during the procurement process and recommends the appointment of a preferred developer.

This contract has been procured through a Competitive Procurement with Negotiation (CPN) procedure, which involved a Supplier Selection Questionnaire (SSQ) - stage 1, whereby potential bidders are shortlisted to submit their proposals followed by a 2-stage Invitation to Tender (ITT) process. The ITT stages consisted of:

- Invitation to Submit Initial Tenders (ISIT)
- Invitation to Submit Final Tenders (ISFT)

This contract is proposed to commence in March 2022 with the redevelopment works expected to be completed by Summer 2026.

FINANCE SUMMARY

The Development Agreement will lead to the grant of one or more long leasehold interest/s and which will create a minimum of 125 jobs, apprenticeships and traineeships, and 240 homes of which 50% will be affordable as well as a significant capital receipt, details of which are contained in the exempt part II of this report.

The Council can also expect to receive Community Infrastructure Levy and Section 106 payments that can be spent on local infrastructure.

In order to realise the benefits of the development the Council will need to deliver vacant possession of the site, which will require decoupling International House from Brixton Recreation Centre and this report recommends creating a new capital budget of £3,200,000 for that work, as well as a £400,000 capital budget for ongoing monitoring of the project.

RECOMMENDATIONS

(1) For the Council to enter into a Development Agreement with London Square for the redevelopment of the identified sites.

(2) To delegate the finalisation of the Development Agreement to the Strategic Directors of Sustainable Growth and Opportunity, in consultation with Director of Legal and Governance, in line with the key terms outlined in this report and for the Council thereafter to enter into that agreement with London Square.

(3) In accordance with and subject to the provisions of the Development Agreement to enter into a long lease of at least 250 years for each Development Phase on satisfaction of Conditions Precedent with London Square.

(4) To create a new capital budget of £3,200,000 to carry out works to separate the utility services supplying the Brixton Rec and International House, in preparation for the development.

(5) To create a new capital budget of £400,000 to cover professional fees, legal and commercial services costs anticipated over the life of the project.

REASONS FOR EXEMPTION FROM DISCLOSURE

The accompanying part II report is exempt from disclosure by virtue of the following Paragraphs of schedule 12A to the Local Government Act 1972:

3. Information relating to the financial or business affairs of a particular person (including the authority holding that information).

1. CONTEXT

- 1.1 As set out in the report approved by Cabinet in February 2021, this project is part of a wider programme of work that will support a better, fairer Brixton through a number of council-led initiatives aimed at driving economic development in Brixton and at fostering an inclusive and resilient recovery from the COVID-19 crisis, in line with the council's Economic Resilience Strategy (2020). It also reflects Lambeth's commitment to supporting and attracting high value, high growth, innovation led sectors, prioritising the creative and digital industries, the low carbon, and health and life sciences sectors.
- 1.2 Lambeth's resident population has higher rates of economic activity and highly skilled professionals than the London and UK averages. Brixton is known around the world for its unique character, rich diversity and cultural heritage inextricably linked with the Windrush regeneration. It is also home to a vibrant and creative community with fantastic and vibrant indoor markets, a dynamic and diverse food sector and one of London's most celebrated night-time economies, which presents an ideal opportunity for investment and growth in a post COVID-19 environment.
- 1.3 This project aims to respond to this opportunity, as well as some of the key challenges identified through previous consultation exercises, in key policy documents including the London Plan 2021, and neighbourhood-based data, which include:
- Increase in unemployed residents totalling 15,975 (6.7%), compared to a pre pandemic base of 8,730 (3.7%) in Jan 2020 [Nomis/ONS]
 - Concentrations of housing, income and employment deprivation – 20% most deprived in England [Office for National Statistics]
 - Shortage of council, social and affordable housing, with over 3,000 active bidders in the wards of Ferndale, Coldharbour, Herne Hill, Tulse Hill and Brixton
 - Reduction in office space across the borough over the last 10 years, a 6% decline, with only 3% of the Inner London office market. Coupled with a lack of variety in office accommodation – with very low completion of new office stock across the borough in the past decade and an ageing office stock [JLL – Commercial Office Market Baseline Report, 2020]
- 1.4 As part of the procurement process, the Council developed a robust set of development objectives/minimum requirements that the delivery partner is expected to meet to secure a range of public benefits. The development of the two sites at 49 Brixton Station Road and 6 Canterbury Crescent by London Square will respond to the challenges mentioned above and align with the development objectives/minimum requirements as follows:
- The delivery of 240 homes¹ of which 50% will be delivered as affordable housing in line with Lambeth Local Plan requirements and prioritised for local residents. 25% of these homes will be of family sized accommodation in line with Lambeth Local Plan requirements and local housing need.
 - The delivery of 7,867 square metres (Gross Internal Area) of employment floorspace which is in excess of the floorspace within International House, which:
 - Supports Brixton's economic resilience by strengthening and diversifying the local economy through the delivery of a new or refurbished commercial and affordable workspace in the town centre;

¹ Subject to planning.

- Provides a mix of workspace types which are responsive to Brixton's local economy and economic potential (e.g. fixed desks, co-working, private office space);
- Allocates over 20% of the workspace to be provided as Affordable Workspace, with a discount of at least 35% on market rents over a 25-year period which is double the amount of affordable floorspace required to be provided by planning policy;
- Supports relocation of existing tenants through a phasing/relocation strategy. This will be in line with the Council's own strategy to support businesses to relocate and progress on to alternative spaces in Brixton and the wider borough;
- Supporting the borough wide target for carbon neutrality and tackling climate change by delivering a net-zero development. This will be achieved by delivering a comprehensive sustainability strategy, including:
 - Retention, refurbishment and enhancement of International House (subject to further condition surveys), instead of demolishing and rebuilding, which will reduce the embodied carbon emissions of the development;
 - The use of appropriate and durable materials and greening;
 - The use of Air Source Heat Pumps to maximise onsite carbon reduction, combined with photovoltaic PV array to convert solar energy into direct-current electricity;
 - Passivhaus principles incorporated to reduce energy demand;
 - Electric charging points on site and a long-term parking strategy;
 - Insulation which has a clear carbon benefit as well as modern methods of construction to limit wastage from the construction process.
- Guarantees all jobs related to the delivery and ongoing operation of the development are required to pay the London Living Wage, to be monitored for 10 years;
- Secures the delivery of significant employment and skills benefits including providing over 300 new jobs and around 50 paid work experience, internships and apprenticeships, as well as additional programmes and courses targeting underrepresented groups during the planning, construction and operational phases of the development as part of a locally relevant employment and skills strategy.
- Ensures 25% or more of the construction and end-user jobs/apprenticeships are prioritised for local people in line with Lambeth Local Plan requirements.
- Maximising local community benefits and participation through commitments around engagement and co-design in respect of the design, planning, delivery and operation of the scheme.
- Commitments to a range of initiatives which will reduce inequalities including those affecting Black, Asian and Minority Ethnic groups in the local area by creating opportunities and driving the delivery of benefits for these groups through the development, e.g., through appointing a diverse project team and sub-consultants as well as supporting Black, Asian and Minority Ethnic led businesses to benefit from supply-chain opportunities.
- The delivery of infrastructure to support Brixton's Street markets including a market trader car park/storage space and the re-provision of a waste compound and welfare facilities.

- The delivery of street improvements including tree planting and soft landscaping to Brixton Station Road and Popes Road that will contribute to the council's wider efforts to support active travel and the wider network of safer and healthier streets as well as climate change adaptation. Similarly, London Square's landscape strategy includes a range of urban greening methods across the site, with potential for these to be increased and additional measures incorporated. The indicative plans for this achieve an overall rating of 0.41, based on the Urban Greening Factor target for new London developments of 0.40.
- 1.5 By regenerating these sites, the Council would be securing key community benefits as well as a capital receipt that will support the delivery of further investment and Council-led projects in the borough. The Council will also secure Community Infrastructure Levy funding, s106 contributions, council tax and business rates income as part of the development of the sites.

2. PROPOSAL AND REASONS

Proposal

- 2.1 Following a fully compliant procurement exercise, officers are recommending the award of contract in the form of a Development Agreement to London Square. The Development Agreement between the Council and London Square will deliver housing, employment floorspace, public realm improvements and re-provision of market facilities as well as a capital receipt to the council.
- 2.2 Once the Development Agreement has been finalised and engrossed, full mobilisation by the development partner is expected by May 2022. The first stage will involve significant community engagement and co-design of the scheme with the aim of submission of a planning application in Spring 2023.
- 2.3 The Council and the Developer have agreed to adopt a collaborative approach to the delivery of the Development and the Developer's delivery of the minimum requirements as set out in section 1.4, which include the provision of affordable housing and employment floorspace and public realm improvements. These will be monitored through a Joint Delivery Board (JDB) comprised of senior representatives from both parties.

Procurement Route and Evaluation Methodology

- 2.4 Following the approval of the Business Case and Procurement Strategy Report, the Competitive Procurement with Negotiation (CPN) procedure was used to tender this contract opportunity due to the complexity of the requirements and project objectives.
- 2.5 The negotiation stage of the process enabled the Council and shortlisted tenderers to discuss all aspects of the scheme's redevelopment from the quality of the bidder's proposal, workspace and residential unit design options, community engagement and involvement, their commercial and economic strategies and contractual clauses that would be acceptable to the Council.
- 2.6 The Development Partner opportunity was published on Contracts Finder and Find A Tender (FTS) on the 1st of April 2021. The FTS Contract Notice was published under reference no: 2021/S 000-006889 (<https://www.find-tender.service.gov.uk/Notice/006889-2021>).
- 2.7 The CPN procedure, which is in accordance with Regulation 29 of the Public Contracts Regulations 2015, consists of a 3-stage procurement process that involved the publication of draft tender pack containing:

- Invitation to Tender
- Statement of Requirements
- Instructions and Guidance
- The Evaluation and Award Criteria
- Development Agreement

The process of shortlisting of developers was set out in the tender documents to state that it was the Council's intention to invite a maximum of 5 (five) bidders to submit initial tenders. However, as evident from the evaluation process, below, 6 bidders were invited to submit initial tenders (ISIT), following the assessment of compliant SSQs.

2.8 **Stage 1:** The tender exercise was undertaken on the Council's e-tendering system www.eu-supply.com whereby potential bidders first had to complete and submit their responses to the **Supplier Selection Questionnaire (SSQ)**. The deadline for the receipt of SSQ was 4th May 2021.

2.9 The SSQ enabled the Council to assess the economic and financial standing and technical and professional ability of potential bidders and is structured and evaluated as follows:

Table 1

Part 1	Basic information about the bidder (e.g., name, registration address and company)	Information only
Part 2	Covers grounds for exclusion from this tender (e.g., financial convictions, corruptions, etc)	Pass/Fail
Part 3	Required potential bidders to satisfy questions in relation to relevant insurances requirements, Health & Safety, modern slavery, equalities, financial standing/confirm minimum turnover.	Pass/Fail
Part 3a	Technical and Professional Experience questions – potential bidders were asked to provide method statement responses demonstrating their delivery of 3 similar development contracts.	Scored – in accordance with the scoring matrix at table 2

2.10 As part of the initial shortlisting exercise, these questions were used to assess potential bidders' technical capacity and experience in delivering similar schemes:

	Technical Experience Questions	Evaluation Criteria
	Case Study 1 – Workspace Development	40%
1.1	Given the works and services that are required as part of the development described in the Draft Procurement Documents, please provide in no more than 3,000 words an example which clearly demonstrates your experience of delivering workspace development	

1.2	In addition to generally being relevant to the works and services required as part of the development described in the Draft Procurement Documents, the case study should address the following key areas: 1.2.1 - The delivery of at least 3,500sqm of workspace; 1.2.2 - how the scheme design, occupier strategy and marketing was tailored to meet local employment needs; 1.2.3 - how economic development outcomes from the project were maximised and diversified, including SMEs and social enterprises; 1.2.4 - the approach to the planning process including how a satisfactory consent was secured within a reasonable timeframe; 1.2.5 - and how efficient and effective long-term management of the workspace was secured.	
2	Case Study 2 – Mixed-use Town Centre Development	
2.1	Given the works and services that are required as part of the development described in the Draft Procurement Documents, please provide in no more than 3,000 words one example that clearly demonstrates your experience of delivering a mixed-use development in a town centre setting.	30%
2.2	In addition to generally being relevant to the works and services required as part of the development described in the Draft Procurement Documents, the case study should address the following key areas: 2.2.1 - the delivery of at least 200 residential units within the scheme, inclusive of private and affordable tenures; 2.2.2 - how proposals were well integrated within the town centre, in terms of design and uses; 2.2.3 - how design quality was delivered to a high standard in terms of built form and materials; and 2.2.4 - the approach to the planning process including how a satisfactory consent was secured within a reasonable timeframe.	
3	Case Study 3 – Community Engagement	
3.1	Given the works and services that are required as part of the development described in the Draft Procurement Documents, please provide in no more than 3,000 words one example that clearly demonstrates your approach to community engagement in the delivery of development.	30%
3.2	In addition to generally being relevant to the works and services required as part of the development described in the Draft Procurement Documents, the case study should address the following key areas: 3.2.1 - how stakeholders and local issues were identified to ensure a comprehensive understanding was held early on; 3.2.2 - how engagement was structured to maximise reach to a variety of groups from a wide cross section of the local population and gain extensive and useful feedback; 3.2.3 - how engagement was structured to maximise reach to a variety of groups from a wide cross section of the local population and gain extensive and useful feedback; 3.2.4 -how issues were resolved and potential political or communications risks were mitigated; and 3.2.5 - how such engagement benefitted the development over the course of the planning cycle.	
	Overall %Score	100%

The SSQ Technical Questions were evaluated on the following scoring matrix:

Table 2 - Scoring matrices:

Responses to the **SSQ's Technical and Professional Ability and the Award Criteria questions (A1 to A4)** were marked in accordance with the following scoring matrix ('Authority' meaning the Council):

Score	Term	Characteristics
0	Unacceptable	The evidence or explanation in the response is of very limited detail or relevance, which either (a) leaves the Authority with significant reservations as to how the proposal will satisfactorily address the majority of the key issues; or (b) leaves the Authority with significant reservations as to how the proposal will achieve the majority of Minimum Requirements /Project Objectives.
2	Poor	The evidence or explanation in the response is of limited detail or relevance, which either (a) leaves the Authority with significant reservations as to how the proposal will satisfactorily address many of the key issues; or (b) leaves the Authority with significant reservations as to how the proposal will achieve many of the Minimum Requirements/ Project Objectives.
4	Satisfactory	The evidence or explanation in the response lacks some detail or relevance, which either (a) leaves the Authority with some reservations as to how the proposal will satisfactorily address some of the key issues; or (b) leaves the Authority with some reservations as to how the proposal will achieve some of the Minimum Requirements / Project Objectives.
6	Good	The evidence or explanation in the response is detailed and relevant, which gives the Authority confidence that the proposal will satisfactorily address many of the key issues and Minimum Requirements / Project Objectives however leaves the Authority with minor reservations as to whether the proposal will satisfactorily address some of the key issues.
8	Very Good	The evidence or explanation in the response is detailed and relevant, which gives the Authority strong confidence that the proposal will satisfactorily address the majority of the key issues and Minimum Requirements / Project Objectives leaving the Authority with only very limited reservations as to whether the proposal will satisfactorily address some of the key issues.
10	Excellent	The evidence or explanation in the response is very detailed and relevant, which gives the Authority strong confidence that the proposal will satisfactorily address all of the key issues and Project Objectives/Minimum Requirements / Project Objectives, leaving the Authority with no reservations as to how all of the key issues will be addressed.

- 2.11 Fifty (50) potential bidders accessed the draft tender pack on the e-tendering portal and at the close of this stage, 12 SSQ's were received.
- 2.12 A compliance review of the SSQs received found that 4 submissions were either non-compliant or incomplete.
- 2.13 Of the 8 compliant SSQs evaluated in accordance with the methodology in Table 1, six (6) were shortlisted to be invited to **Stage 2 - Invitation to Submit Initial Tenders (ISIT)** and submit their proposals in relation to our Statement of Requirements.
- 2.14 The outcome of the SSQ's technical capacity assessment was as follows:

Bidder A	Bidder B	Bidder C	Bidder D	Bidder E	London Square	Bidder G	Bidder H
32%	68%	60%	26%	66%	66%	74%	60%

- 2.15 **Bidders A and D** were not shortlisted to Stage 2 of the procurement exercise.

Evaluation and Award Criteria

- 2.16 At Stage 2 (ISIT), bidders' proposals were evaluated in line with the published award criteria and the scoring matrices set out below:
- 2.17 The overall award criteria for this Development Partner Agreement is:

Section A - Quality	A1 – Economic Strategy	Criteria Questions	Criteria Weightings %
		Knowledge Understanding &	2.5
		Workspace Strategy	11.25
		Employment & Skills Plan	11.25
		Sub-Total	25%
	A2 – Partnership, Engagement & Co-Design	Engagement & Co-Design	6
		Partnership Structures	4
		Sub-Total	10%
	A3 -Equalities, Diversity & Inclusion Strategy	Equalities Diversity and Inclusion Strategy	7
		Living Wage	3
		Sub-Total	10%
	A4 -Land Use, Sustainability, Urban Design & Architectural Strategy	Land Use, Urban Design and Architecture	7
		Sustainability	3
		Sub-Total	10%

		Quality Total	55%
Section B - Finance	B1	Land Payment	30
	B2	Overage	5
		Finance Total	35%
Section C - Development Agreement	C1	Development Agreement	10
		DA Total	10%
Overall – Quality + Finance + Development Agreement			100%

Table 2 - Scoring matrices:

Responses to the **SSQ's Technical and Professional Ability and the Award Criteria questions (A1 to A4)** were marked in accordance with the following scoring matrix:

Score	Term	Characteristics
0	Unacceptable	The evidence or explanation in the response is of very limited detail or relevance, which either (a) leaves the Authority with significant reservations as to how the proposal will satisfactorily address the majority of the key issues; or (b) leaves the Authority with significant reservations as to how the proposal will achieve the majority of Minimum Requirements /Project Objectives.
2	Poor	The evidence or explanation in the response is of limited detail or relevance, which either (a) leaves the Authority with significant reservations as to how the proposal will satisfactorily address many of the key issues; or (b) leaves the Authority with significant reservations as to how the proposal will achieve many of the Minimum Requirements/ Project Objectives.
4	Satisfactory	The evidence or explanation in the response lacks some detail or relevance, which either (a) leaves the Authority with some reservations as to how the proposal will satisfactorily address some of the key issues; or (b) leaves the Authority with some reservations as to how the proposal will achieve some of the Minimum Requirements / Project Objectives.
6	Good	The evidence or explanation in the response is detailed and relevant, which gives the Authority confidence that the proposal will satisfactorily address many of the key issues and Minimum Requirements / Project Objectives however leaves the Authority with minor reservations as to whether the proposal will satisfactorily address some of the key issues.
8	Very Good	The evidence or explanation in the response is detailed and relevant, which gives the Authority strong confidence that the proposal will satisfactorily address the majority of the key issues and Minimum Requirements / Project Objectives leaving the Authority with only very limited reservations as to whether the proposal will satisfactorily address some of the key issues.

10	Excellent	The evidence or explanation in the response is very detailed and relevant, which gives the Authority strong confidence that the proposal will satisfactorily address all of the key issues and Project Objectives/Minimum Requirements / Project Objectives, leaving the Authority with no reservations as to how all of the key issues will be addressed.
-----------	-----------	--

Commercial / Financial Assessment

2.18 To satisfy the commercial element of their bids, bidders were asked to submit:

- A land payment schedule showing the payments to be made to the Council and proposed dates. This was then discounted to provide a Net Present Value for each bid submitted.
- A financial summary and development cash flow showing the expected costs and income related to the development along with evidence to demonstrate that those values are achievable for this scheme and thus the land value offered is realistic.

2.19 The evidence supplied was used to determine a robustness score in accordance with the Robustness scoring matrix set out below which was then applied to bidders proposed net present value of land payment(s) to give an Adjusted Net Land Value.

2.20 The bidders were also requested to make an overage offer to the Council based on the Gross Development Value of the scheme.

2.21 Additionally, the Council required payment of 0.5% of the stated Gross Development Costs (excluding land price) which will be payable as 50% on exchange of the Development Agreement and 50% on the Unconditional Date. This will be used to offset the costs of the procurement process.

Financial (Robustness) Scoring Matrix

Score Term		Characteristics
0.2	Very Poor	No evidence provided to demonstrate appropriateness of adopted assumptions and/or there are major concerns over its robustness or consistency with the rest of the Tenderer's submission which includes the legal mark up, and/or there are major concerns regarding risk to borne by the Authority.
0.4	Poor	Limited evidence provided to demonstrate appropriateness of adopted assumptions and/or there are concerns regarding material assumptions or risk to be borne by the authority, and/or there are some concerns over the robustness or consistency with the rest of the Tenderer's submission which
0.6	Satisfactory	Evidence supplied provides reasoned justification for adopted assumptions to some extent and/or there are minor concerns regarding material assumptions or risk to be borne by the Authority, and/or there are minor concerns over the robustness or consistency with the rest of the Tenderer's

0.8	Good	Evidence supplied provides reasoned justification for adopted assumptions to a large extent and there are no concerns regarding material assumptions or risk to be borne by the Authority, and there are no material concerns over the robustness or consistency with the rest of the Tenderer's submission which
1.0	Very Good	Evidence supplied provides very clear and reasoned justification for adopted assumptions and there are no concerns regarding material assumptions or risk to be borne by the Authority, and there are no concerns over the robustness or consistency with the rest of the Tenderer's submission which includes the

2.22 The Robustness Score was then applied to the net present value (calculated using the same discount rate) of land payment to give an Adjusted Net Land Value as follows:

- Net present value of land payments x Robustness Score = Adjusted Net Land Value

2.23 The Tenderer with the highest Adjusted Net Land Value was awarded 10 marks. Other Tenderers were awarded marks as follows:

$$\frac{\text{Bidder Adjusted Net Land Value}}{\text{Highest Adjusted Net Land Value}} \times 10$$

Overage

2.24 The Tenderer with the highest Overage Rate was awarded 10 marks. Other Tenderers were awarded marks as follows:

$$\frac{\text{Bidder Overage Rate}}{\text{Highest Overage Rate}} \times 10$$

2.25 Any changes to the operation of the overage clause in the Development Agreement formed part of the legal scoring.

Development Agreement (DA)

2.26 As part of the tender pack, potential bidders were provided with a draft of the Development Agreement, which outlined the initial terms and conditions the Council would consider with the Preferred Developer, that would not put the Council at any adverse risks.

2.27 Bidders were requested to mark-up the Development Agreement (including all populated schedules and appendices) and provide their reasons for their amendments and changes to be considered and evaluated in accordance with the table below.

2.28 Where Bidders were to score a 2 or below, for their proposed mark-up of the DA, their submission will be assessed as "poor" or "fail" as their revisions would be considered a substantial deviation from the Council's position that would materially adversely affect its position. The bidder would be excluded from the procurement.

Scoring Matrix used to score bidders' mark-up to the Development Agreement

Score	Term	Characteristics
0	Unacceptable	Does not meet the requirement. Does not accept the terms of the draft Development Agreement and risk allocation as proposed by the Authority – and/or the Tenderer has proposed amendments which alter the risk allocation to a wholly unacceptable degree.
2	Poor	Does not accept or reserves the Tenderer's acceptance of some of the terms of the draft Development Agreement, in particular material terms, and risk allocation as proposed by the Authority – which amounts to a substantial deviation from the Authority's position that would materially adversely affect the Authority's position.
4	Satisfactory	Demonstrates acceptance by the Tenderer of some of the terms of the draft Development Agreement and risk allocation as proposed by the Authority with some material deviations remaining that would adversely affect the Authority's position.
6	Good	Demonstrates acceptance by the Tenderer of the majority of the terms of the draft Development Agreement and risk allocation as proposed by the Authority. Some deviations whose cumulative effect adversely affects the Authority's position but not to a significant extent.
8	Very Good	Demonstrates acceptance by the Tenderer of the vast majority of the terms of the draft Development Agreement and risk allocation as proposed by the Authority. No material deviations from the Authority's position except where the Tenderer has demonstrated that there is no material detriment to the Authority in its proposals.
10	Excellent	Demonstrates acceptance by the Tenderer of all the terms of the draft Development Agreement and risk allocation as proposed by the Authority together with suggestions (and justification) which will offer significant added value by reference to the Authority's Minimum Requirements and Project Objectives.

Stage 2 – Initial Tender Returns and Negotiations

- 2.29 Of the six (6) bidders invited to submit initial tenders, only 5 bids were returned at the close of deadline, on the 26th of July 2021, for this stage. **Bidder B** did not submit a proposal. The five (5) tenders received were evaluated in accordance with the evaluation set out above.
- 2.30 The quality evaluation panel was made up of the Neighbourhood Regeneration project team, our commercial advisors Avison Young and officers from different council teams relevant to each of the quality sections. This included Economy, Culture and Skills (Employment and Skills and Business and Inward Investment), Strategy and Communications (Equalities and Communications and Consultation and Participation) and the Local Planning Authority.
- 2.31 Each panel member separately evaluated and scored the responses to the method statement questions, in line with the scoring matrix in Table 2; then the panel came together to moderate their scores and reach a consensus score for each response. The moderation meetings were facilitated and chaired by Corporate Procurement.
- 2.32 The conclusion of the **Stage 2 evaluation**, following consensus scores agreed at a moderation meeting, was as followed:

Award Criteria	Max %	Bidder C	Bidder E	London Square	Bidder G	Bidder H
A – Quality	55	32.5	28.05	40.35	41.8	29.1
B – Financial	35	32.5	6.34	32.56	12.94	8.25
C - Development Agreement	10	4	6	8	2	4
Overall Scores	100	69	40.39	80.91	56.74	41.35

- 2.33 **Bidders E and H** failed to achieve a sufficient score against the award criteria, overall, and were therefore eliminated from further participation in the procurement exercise.
- 2.34 **Bidder G**, although they produced the highest scoring ‘quality’ response, proposed amendments to the Development Agreement which amounted to a substantial deviation from the Council’s position that would materially adversely affect its position. Following clarifications, this bidder was not shortlisted to the negotiation stage with the Council. This was in accordance with the DA evaluation process set out in the tender pack and as stated in point 2.28, above.

Negotiations

- 2.35 Negotiation meetings, and clarification questions and responses, were conducted with the remaining 2 bidders, Bidders C and London Square, over a 3-month period, with the final sessions concluding on the 18th of November 2021. These sessions involved clarity on all elements of the Bidders’ proposals, with certain areas, such as Land Use, Land Payment and the Development Agreement, requiring in-depth discussions.
- 2.36 During this stage of the procurement, Bidders were given the opportunity to discuss their proposed designs with the Local Planning Authority, undertake additional visits to the site and meet with representatives from the local community at a “Meet the Bidders Day” event held on 6th November.

Stage 3 - Invitation to Submit Final Tenders (ISFT)

- 2.37 On concluding the negotiation sessions, the Council invited the two remaining bidders to submit their best and final offer – Invitation to Submit Final Tender (ISFT) by midday on the 3rd of December 2021. The award criteria and evaluation methodology were as set out above, with the exception of further negotiation sessions.
- 2.38 Bidders were given additional scope, in the form of increased page numbers, to revise and update their proposals based on the outcome of their negotiation meetings and the Council’s responses to clarifications questions.
- 2.39 The outcome of the final evaluation of bids, recommends the award of this Development Partner Agreement to London Square:

Award Criteria	Max %	Bidder C	London Square
A – Quality	55	42.70	44.00
B – Financial	35	33.13	34.10
C - Development Agreement	10	6	8
Overall Scores	100	81.33	86.10

- 2.40 Throughout this procurement exercise, the project team was supported by the Council’s Corporate Procurement Team, who were the point of contact to the bidders on the e-tendering portal, undertook compliance checks on the submissions, and facilitated the evaluation, negotiation and moderation sessions. The project also benefited from the support and expertise of the Council’s Finance team, Resident Engagement officers, Planning Officers, Facilities Management team and Economy, Culture and Skills. External support was provided by Avison Young (Commercial Consultants) and Trowers and Hamblins (Legal).
- 2.41 Full details of the comparative evaluation outcomes, which are commercially sensitive, are summarised in Part II of this report.

Preferred Development Partner

- 2.42 The evaluation and moderation process identified London Square as the Development Partner based on their demonstrable experience in delivering similar schemes, their economic offer and a broad understanding of the local context needed to successfully deliver the scheme and community benefits.
- 2.43 The following points expand on the evaluation of each of the section under each section and explain the strengths of the bid from London Square, which had the best overall score and represented the best value for money to the Council.

Evaluation – Quality

- 2.44 The Council placed quality of delivery at the centre of this procurement exercise with the aim to drive significant public benefits from the scheme. As a result, the evaluation criteria allocated 55% of the marks to Quality categories. The approach was designed to ensure that the prospective

partner shares the values, aspirations and priorities of the council and is committed to working with both the council and local community to deliver against the full range of priorities set out in 1.3.

A1 – Economic Strategy

- 2.45 The Economy Strategy section focussed on assessing the strength of the bids in terms of the developers' knowledge and understanding of the issues and opportunities facing Brixton's local economy; their ability to deliver and manage a workspace strategy to meet the project objectives and minimum requirements, and their ability to respond to the local economic issues and opportunities identified through an adequate employment and skills plan.
- 2.46 London Square demonstrated a clear understanding of the local economic context and its proven ability in delivering workspace and employment and skills strategies, and to deliver a scheme that addresses key issues in the local area whilst unlocking opportunities for the local community.
- 2.47 London Square's approach to the relocation of International House and Pop Brixton tenants was embedded in their workspace and engagement strategies, demonstrating a clear understanding of the challenges and opportunities, and setting out their approach in partnership with the council to support current tenants to find alternative accommodation in Brixton or the wider borough where possible.

A2 – Partnership, Engagement and Co-design

- 2.48 The Partnership, Engagement and Co-design section focussed on assessing the strength of the bids in relation to their approach to engagement and co-design at different stages of development, including planning, construction and during the operation of the workspace, as well as their ability to demonstrate their approach to partnership structures at these different stages.
- 2.49 London Square demonstrated a clear strength in its proven abilities and track record in community engagement and partnership building, as well as a very good understanding of the make-up of the local community in Brixton. Their approach to this section demonstrated a clear commitment to delivering a meaningful, thorough and innovative engagement and co-design process, placing the local community at the centre of the process.

A3 – Equalities, Diversity and Inclusion

- 2.50 The Equalities, Diversity and Inclusion (EDI) section focussed on assessing the strength of the bids in their approach to addressing the Council's project objectives and priorities in relation to equalities, diversity and inclusion in a way that reduces local inequalities.
- 2.51 London Square demonstrated a clear understanding of key local issues and challenges in relation to equalities, diversity and inclusion and demonstrated a clear commitment to promoting and delivering a robust EDI strategy with a particular focus on identified priority groups for Brixton: Black and Minority Ethnic communities, young people, women and people with a disability.

A4 – Land use, Sustainability, Urban Design and Architectural approach

- 2.52 This last section focussed on assessing the strength of the bids in demonstrating how their indicative scheme is deliverable and will address and meet the Council's minimum requirements and project objectives with regards to land use and design, as well as their approach to supporting a sustainable and net-zero carbon development.

2.53 London Square demonstrated a clear strength in its proven abilities and track records in both sustainability and quality design. The architectural vision for this scheme blends circular economy principles with socially sustainable housing, flexible workspace design and the provision of an enhanced public realm. The bidder proposes to connect International House with market traders along the Rec's edge and with the new development via an enhanced public realm. Their approach to sustainability includes the retention and delivery of a retrofitted zero-carbon International House, promotion of cycling and walking, as well as circular economy and social value initiatives to promote economic sustainability in the local community.

Evaluation – Finance

2.54 The financial evaluation assessed the proposed land payment to the Council along with any overage offers. It also reviewed the robustness of the offer to ensure that the schemes costs and revenues were deemed to be realistic and deliverable. A detailed breakdown of financial offer and payments is outlined in the exempt section to this report.

Evaluation – Legal

2.55 The legal evaluation panel was comprised of external legal advisors from Trowers & Hamlins, commercial advisors from Avison Young and the Council's project team.

2.56 The evaluators were satisfied that the final proposals were presented in a compliant manner and contained no errors or outstanding matters that could adversely impact on the capital receipt post award.

2.57 Further details on the Development Agreement are provided in the exempt section to this report.

Contract Management

2.58 Following the appointment of London Square, contract management will be achieved through the provisions of the Development Agreement detailed in the exempt section of this report. These provisions include:

- Joint Delivery Board – this will serve as a partnership working body for both the partner and senior council representatives. It will monitor progress of the delivery of the overall requirements in the Development Agreement as well as its associated strategies. It will be required to sign off certain contractual matters and meet on a bi-monthly basis throughout the life of the project and early operational stages of the development to ensure effective delivery of the desired public benefits.
- Project Monitor – a council appointed, and partner funded Project Monitor is required to monitor progress toward delivery of the requirements of the Development Agreement.

3. FINANCE

- 3.1 If the recommendations are agreed the Council can expect to receive a capital receipt once the development agreement becomes unconditional. The expected amount and timing of this receipt is outlined in the exempt section to this report.
- 3.2 It is expected that the costs of decoupling some shared utilities with Brixton Recreation Centre will be funded from the capital receipt and this report recommends creating a new capital budget of £3,200,000 for those works.
- 3.3 The net capital receipt will be used to support future capital expenditure for the Council according to priorities agreed by Cabinet and reduce the need for borrowing to fund capital expenditure.
- 3.4 The tender specification to provide 20% affordable workspace which exceeds the planning policy requirement of 10% does not result in an undervalue for land in excess of £2 million based on the preferred bidder's proposals and satisfies the requirement for the promotion or improvement of the economic wellbeing of the Council's area
- 3.5 Provision of 118 units of affordable housing would be expected to reduce the pressure on the Council's revenue budget for temporary accommodation.
- 3.6 The Council would expect to receive CIL and/or S106 payments related to the development which would also be expected to support future capital investment in local infrastructure and mitigate the impact of the additional number of residents. The development would also lead to Council Tax payments from the additional housing units.
- 3.7 The costs of the procurement exercise and consultant support have been met through existing budgets approved for this purpose. The report recommends creating a new capital budget of £400,000 for ongoing monitoring of the project. This budget would be used to fund both internal Council costs and the cost of support from external legal and commercial consultants.

4. LEGAL AND DEMOCRACY

- 4.1 Under Section 1 of the Localism Act 2011, local authorities have a general power of competence, this means a Local Authority can do anything which an individual can do. Under Section 123 of the Local Government Act 1972 a Local Authority has the power to dispose of land provided it does so for the best consideration that can reasonably be obtained in the open market.
- 4.2 The Secretary of State has issued a General Consent (The General Disposal Consent (England)2003) which gives consent to the disposal of any interest in land at less than best consideration where the Council considers it will help to secure the promotion or improvement of the economic, social or environmental wellbeing of its area, subject to the condition that the undervalue (i.e., the difference between the consideration obtained and the best consideration that can be reasonably obtained and does not exceed £2 million).
- 4.3 Guidance issued for Homes England states the minimum lease term for shared ownership homes funded under the Affordable Housing Policy 2021 to 2026 is 990 years and that there are no exceptions to this policy.

- 4.4 The authority to enact this report's recommendation is delegated to the Cabinet Member for Planning, Investment & New Homes. Before exercising that authority, this paper should be reviewed by the Procurement Board.
- 4.5 Under the Contract Standing Orders, all contracts with an estimated value of £100,000 or more should be competitively tendered to ensure that all tenderers have the economic and financial standing, technical ability and resource capacity to fulfil the Council's requirements. This report demonstrates how officers have complied with this requirement.
- 4.6 The statutory procurement regime applies to the proposed award by virtue of the Public Contracts Regulations 2015. For contracts for services which are valued above the £189,330 threshold, and works contracts valued above the £4,733,252 threshold, the full application of the statutory procurement regime applies. As such, the Council had a duty to publish a contract notice in the Find a Tender Service and to follow one of the procurement procedures prescribed in the regulations. This report describes how officers complied with these requirements.
- 4.7 As soon as possible after making the decision to award the contract, the Council must provide a written notice to the unsuccessful bidder(s), naming the winning bidder and describing the characteristics and relative advantages of the successful tender. The notice must also state when the 'standstill period' is expected to expire and the date before which the contracting authority will not enter into the contract.

Democratic services

- 4.8 This proposed key decision was entered in the Forward Plan on 23 August 2021 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. CONSULTATION AND CO-PRODUCTION

- 5.1 The project team has consulted with its lead Cabinet Member (Councillor Matthew Bennet, Cabinet Member for Planning, Investment and New Homes) pre procurement launch and throughout the procurement process.
- 5.2 The project team has also consulted with Ward Councillors Scarlett O'Hara, Donatus Anyanwu and Marcia Cameron.
- 5.3 Relevant teams across the Council including Finance, Property, Legal, Sustainability, Equalities, Community Safety, Economy, Culture and Skills and Planning, were consulted and involved at different stages of this procurement process.

Community engagement

- 5.4 From the outset the Council has worked towards delivering a project that is informed by the knowledge and aspirations of the local community. The development of the sites has been the subject of previous public consultation exercises, through successive versions of the Lambeth Local Plan and earlier work including the Future Brixton Masterplan (2009), Brixton SPD (2013) and the Brixton Central Masterplan (2014/2015). In recent years, the council has also undertaken proactive engagement work to understand, develop and support the potential of Brixton's local economy. This includes engagement activities and workshops used to feed into the priorities set out in the Brixton Economic Action Plan (2018).
- 5.5 Together, these policies, plans and strategies and the engagement and consultation that underpin them have informed the development objectives for this procurement exercise as set out above in section 1.3.
- 5.6 The Council is committed to making sure that the delivery of the project places meaningful community engagement at the centre of its strategy, and in line with the development objectives set out in section 1.3, the council placed significant emphasis within the evaluation criteria used to select a development partner on approaches to 'Partnership, engagement and Co-design' with 10% of the available marks allocated toward this area as part of the overall evaluation.
- 5.7 It is key for this process for the community to feel fully and meaningfully engaged in the project as it moves through different stages of development as follows: Phase 1 – Partner Procurement; Phase 2 – Design Development, Planning & Construction; Phase 3 – Management & operation of completed development.
- 5.8 Phase 1 – Partner procurement has involved council-led engagement activities including:
- Briefing sessions pre and post procurement launch with key local stakeholder groups including residents, local businesses, International House and Pop Brixton tenants, third sector groups and young people, providing an overview of the project and the procurement process and raising awareness around the development objectives and public benefits driven by this process.
 - A market stall at Brixton Station Road over the course of two days in Summer 2021, proactively engaging with the local community through face-to-face conversations to raise awareness of the GBRQ project amongst those who do not traditionally get involved in development proposals. This also helped to spread an understanding of the project and the overarching Brixton programme, including achievements, public benefits and programme milestones. These in person conversations provided the opportunity for the project team to build positive relationships with the local community and identify local advocates for the 'Meet the Bidders Day' and future engagement exercises.
 - The delivery of targeted engagement activities and workshops with young people, as key beneficiaries of the future development. A bespoke youth engagement initiative to raise awareness of the GBRQ project amongst young people and build capacity in regeneration and engagement processes, that enable them to have a better understanding of planning and development processes and the policies. Outputs from this engagement provided a group of Brixton Design Advocates with the tools, skills and knowledge to be better prepared to engage in future engagement and co-design development exercises. A findings report from this engagement was produced and shared with bidders for them to incorporate into their proposals.

- A 'Meet the Bidders Day,' where shortlisted bidders met key community stakeholders which included businesses, residents and third sector groups, to present their understanding of the local context in relation to the local economy, make-up of the local community, architectural/cultural heritage and equalities diversity and inclusion, and how their proposals planned to deliver intended outcomes. The community provided comments and raised questions on bidder's presentations which were used by each bidder to improve their final submissions.
 - Initial engagement has taken place with the operators of International House and Pop Brixton, setting out a partnership working structure to develop and deliver an exit strategy that will support the relocation of existing tenants to alternative long-term spaces within Brixton and the wider borough. Further engagement with tenants will be undertaken in the following months to further understand the needs and aspirations of these tenants and better align these with existing and future workspace opportunities within the Council's portfolio as well as the private offer. The operators of International House and of Pop Brixton are both under obligations to work with the council to develop appropriate exit strategies for businesses in advance of completion of the Term.
- 5.9 The preferred bidder has set out clear commitments and a convincing strategy around consultation, engagement and co-design in both the development of the scheme and in its later operation (Phases 2 and 3). Within this strategy, the engagement structures and mechanisms proposed will allow the community to meaningfully feed into the proposals on an on-going basis and iteratively as they develop. The council will provide oversight over the delivery of these commitments as well as the overall project through a proposed Joint Delivery Board as set out in section 2.

6. EQUALITIES, DIVERSITY AND INCLUSION

- 6.1 London Square has demonstrated a clear commitment to promoting and delivering a robust EDI strategy with a particular focus on identified priority groups for Brixton: Black and Minority Ethnic communities, young people, women and people with a disability. Their EDI strategy has been implemented across all areas of the proposal and considering all stages of the development, from planning to design through to delivery and operation. This includes the following initiatives:
- Securing a diverse workforce in the delivery team, through supplier packages from pre-construction through to operation. Tender shortlists will include a minimum of one organisation which meets at least one of the following criteria: a locally owned business; a business led by or with a majority of employees from the BAME community; a business led by or with a majority of employees who are women; a business led by someone with a disability or who employs a significant proportion of employees with a disability; a business led by a young person or with a significant proportion of young employees.
 - Engaging with networks such as Women into Construction, BAME property, BAME Planners Network, BPIC, Paradigm and The Workforce Integration Network.
 - Establishing a social or community enterprise as part of the proposals for local residents to obtain training and work experience opportunities. The clear focus on priority groups will address the long-term skills and employment inequalities that many residents face particularly from Black, Asian and Minority Ethnic groups.
 - A robust employment and skills strategy with focused apprenticeships, training, employment and skills workshops and initiatives, creating over 300 new jobs along with employment opportunities in green skills.

- Improving pathways into employment for young black men aged 16 to 24 by partnering with Moving on Up and the Black Training and Enterprise Group and Supporting ex-offenders into sustainable employment by working with Bounce Back.
- A robust engagement strategy with a broad cross section of the local community to ensure meaningful co-design of the proposals. London Square will select 50 residents to reflect the demographic profile of Brixton. From this group focused training for young people, black and disabled residents will be undertaken to become group facilitators.

6.2 The Council's Relocation Strategy Working Group will develop a robust Relocation Strategy collaboratively with the space operators and delivery partner and will identify a pipeline of spaces which may be suitable for VCS tenants in line with the council's VCS asset strategy.

6.3 Occupiers on the sites including BAME tenants are being communicated with through the Council's Relocation Working Group to collate and understand EDI data so that BAME tenants are helped to transition to new spaces in Brixton or the wider borough.

6.4 Pre engagement with the local community was undertaken through this procurement exercise. The Council will ensure that the engagement of young people with disabilities is prioritised in the co-design process, utilising existing organisations and networks such as Contact A Family (Lambeth), IPSEA (Independent Panel for Special Educational Needs Advice), Lambeth Information, Advice and Support Service and CEN (Communities Empowerment Network) to ensure we engage meaningfully with these groups in the future.

6.5 Proposals for the future development will be expected to comply with London policies and Lambeth Local Plan. The proposed development will benefit older people and those with a range of disabilities by providing inclusive access to public realm, communal and residential amenity spaces, disabled parking and Lifetime Homes.

7. RISK MANAGEMENT

7.1 The Project Team responsible for the delivery of the procurement and management of the subsequent contract have developed a risk register in Table 4 below.

Table 4 – Risk Register

Item	Risk	Likelihood	Impact	Score	Control Measures
1	Not securing delivery of desired outcomes/benefits	2	8	16	Development Agreement has been drafted to ensure appropriate control mechanisms and oversight of the development are contractually enforceable The future planning application will be subject to the requirements of the Lambeth Local Plan and assessed by the Local Planning Authority. Any future permission granted and associated s106

					<p>agreement provides another means of securing the desired outcomes.</p> <p>Ongoing effective management via Joint Delivery Board.</p>
2	Scheme not securing planning approval	2	4	8	<p>The procurement exercise was designed to assess any planning related risks as part of the evaluation criteria. Initial feedback on the indicative/conceptual scheme proposals was provided by the LPA. London Square will enter into a Planning Performance Agreement with the LPA to agree the process and objectives to support effective development of the scheme prior to submission.</p>
3	Businesses and tenants occupying International House and Pop Brixton leave Brixton/Lambeth	2	4	8	<p>London Square will support business continuity for existing tenants as part of their workspace strategy.</p> <p>The council will work with the operators/tenants to support relocation in the town centre and borough (including within new council-led schemes, new affordable workspace provision delivered by other developments and new meanwhile use sites) and the use of policy tools like its 'Organisations at risk' register to support retention and relocation.</p>
4	Changes in demand for workspace leading to insufficient space being commercially let, undermining the financial model and economic outcomes of the proposal	2	4	8	<p>London Square is expected to work closely with the community during the engagement and co-design stage to identify needs and ensure the workspace strategy caters local current demand and can adapt easily to changes and future demand.</p>
5	Change in housing market placing pressure on affordable housing numbers	2	4	8	<p>The council will work closely with London Square through the Joint Delivery Board to monitor and address any changes in the market that may have an adverse impact on the delivery of affordable housing.</p>
6	Challenge to the procurement	2	8	16	<p>The procurement process has been conducted in a fair and</p>

	process / recommendation of award			<p>transparent manner with all bidders being treated equally.</p> <p>At the SSQ and initial tender stage (ISIT) bidders were provided with detailed feedback and given the opportunity to discuss their submissions with the Council.</p> <p>Responses to clarification questions, except where they were noted as being “confidential,” were provided to all bidders.</p>
--	-----------------------------------	--	--	--

Key

Likelihood	Very Likely = 4	Likely = 3	Unlikely = 2	Very Unlikely = 1
Impact	Major = 8	Serious = 4	Significant = 2	Minor = 1

8. EQUALITIES IMPACT ASSESSMENT (EIA)

- 8.1 An EIA has been undertaken to understand the impact of this decision. Overall, the impacts are considered to be notably positive for the majority of groups with Protected Characteristics as well as local stakeholders who will be affected, either directly or indirectly. Examples of positive impacts are noted in the EIA and include new affordable and high-quality housing for local residents from Black, Asian and Minority Ethnic backgrounds and people with disabilities. These groups will also be identified as key beneficiaries for targeted jobs and employment and skills opportunities. Local young and working aged people stand to benefit from the London Living Wage guarantee that is expected as are Black, Asian and Minority Ethnic-led and female-led businesses who will be identified as target beneficiaries for local supply-chain opportunities.
- 8.2 Furthermore, the development proposals provide positive equalities, diversity and inclusion strategies detailing London Square’s commitments in this area to deliver outcomes that align with the procurement brief evaluation criteria.
- 8.3 Short-term negative impacts could be experienced by the current tenants and licensees occupying the sites on a temporary basis. However, the Council and London Square will both work to deliver a strategy that supports the relocation and retention of businesses in Pop Brixton and International House in the Brixton area as well as the uses currently supporting the operation of the street market. As this is a long-term project at an early stage, there are no immediate impacts of this decision on current tenants and no changes to the operation of any of the current uses on site, with leases on Pop Brixton and International House running until November 2022 and September 2023 respectively. Work will begin to understand and identify detailed options following the decision. Mitigation measures will be explored to extend the Pop Brixton lease depending on the preferred partner’s programme and timescales and subject to agreement with them. Further to this, mitigation measures tied to the future planning application process, which is not anticipated until 2023 and will be subject to a successful outcome from the procurement exercise will be undertaken.
- 8.4 The full EIA is appended to this report. It was taken to the Member-led Corporate EIA Panel on the 18th of January 2022 and feedback taken into consideration in order to inform the procurement exercise and consultation approach.

9. COMMUNITY SAFETY

- 9.1 It is expected that London Square's future development will enhance the sites and contribute towards a Child Friendly Lambeth and wider objectives around safer and healthier spaces by activating the sites with permanent development that will create a positive relationship with the adjacent streets and encourage footfall throughout the day and evening. Improvements to the public realm on Brixton Station Road and Pope's Road delivered through the scheme will add to and ensure a successful relationship with other public realm works being planned and undertaken in the immediate area including via the Regenerating Brixton's Rec Quarter project.
- 9.2 New affordable and family housing proposed in the future development will have a positive impact on quality of life and feelings of safety and security – reducing overcrowding and for some, the risk of homelessness. Furthermore, the creation of new jobs, training opportunities as well as a focus on young people is likely to have a positive impact on feelings of safety and belonging. Overall, London Square's proposed development is expected to help this key part of Brixton town centre feel safer, healthier and more inclusive.

10. ORGANISATIONAL IMPLICATIONS

Environmental

- 10.1 The development brief included a strong emphasis on the need to deliver a net zero development and contribute towards Lambeth's climate emergency action through the design, construction and operation phases of the scheme. London Square's commitment to supporting this is reflected throughout their proposals which include the retention of International House as part of a comprehensive sustainability strategy, use of materials and greening, as well as public realm interventions. Proposals will transform Pope's Road into a destination –with both a landscaped street and a square that serves as a vital inner-city green public space for people of all ages and abilities. Streetscape improvements include activation of frontages, encouraging pedestrian movement through the Brixton rec concourse to support climate change adaptation. Electric charging points will be provided, along with a long-term parking strategy that retains kerbside spaces on Pope's Road whilst adapting to changes in car use and greater adoption of zero-carbon transport options between now and 2050. The landscape strategy will seek to integrate the dynamic interrelationships between culture, community and the environment. This will look to create a green oasis, incorporating elements such as reinforced green infrastructure links north-south and east-west across the site; bio-solar and rewilded roof tops; habitat-focused gardens to support pollinators; invertebrates and bird species; unique refugia features (bee bricks, house sparrow terraces, swift boxes and loggery), and planting to embrace microclimate (undercroft planting, linear shade gardens). The minimum water efficiency for a BREEAM 'Excellent' standard under Water 01 criteria will be targeted for all buildings.

Overall, proposals for the scheme will also minimise built form and heights to achieve the lowest possible form factor and efficiency along with appropriate material choices built to be long-lasting and adaptable, with circular economy principles implemented to ensure reduction of CO2.

Health

- 10.2 It is expected that the scheme will contribute positively to enhanced health outcomes in the immediate area through direct and indirect factors such as public realm and street improvements aimed at encouraging walking and cycling and improving air quality; development of high-quality housing – including family sized homes and Lifetime Homes, and commercial workspace; securing good quality jobs and apprenticeships and an overall integration of health and wellbeing and equality, diversity and inclusion in the project, targeting young people and underrepresented groups.

Corporate Parenting

- 10.3 We will work within the Council and with employment and skills partners to identify opportunities for looked after children and care leavers to benefit from apprenticeships and employment opportunities and this will be part of the Employment and Skills Plan.

Staffing and accommodation

- 10.4 The Development Agreement with London Square will be managed by existing officer capacity within the Regeneration and Housing Growth division and Valuation and Strategic Assets.

Responsible Procurement

- 10.5 Lambeth's Responsible Procurement Policy has been fully considered and its priorities incorporated into or adapted to suit the nature of the procurement exercise.

Good Quality Jobs with Fair Pay and Decent Working Conditions

- 10.6 London Square is Living Wage Foundation accredited and has a contractual commitment to pay the real London Living Wage or Living Wage (for those outside London) to employees, contractors and sub-contractors directly paid for by them, as well as those of those contracted by third parties within the supply chain. Contractual commitments and delivery mechanisms to ensure Living Wage Jobs and Buildings are delivered as part of the workspace are also specified in their workspace strategy.
- 10.7 The Modern Slavery Act (2015) was applied to this procurement exercise and will be translated into the final contractual agreement. Equally, it will be required that partners evidence that they allow employees freedom to join a trade union and will not discriminate against those who belong to one.

Quality Apprenticeships, targeted Employment for Lambeth residents and Lambeth Priority Group

- 10.8 The Employment and Skills Strategy proposed by London Square will deliver 25% construction and end-user jobs for local residents and prioritising priority groups (such as Black, Asian & Minority Ethnic residents, long-term unemployed, disabled groups, care leavers and young people). It also includes a comprehensive offer and delivery mechanisms for training and skills development opportunities targeting local schools, colleges and wider local stakeholders/community groups.

Reduce Emissions: Lambeth Council has a commitment to being Zero Carbon by 2030

- 10.9 London Square provided strong evidence and high level of confidence to support their approach to sustainability and particularly to reduce emissions through the different stages of development, delivery and long-term operation of the scheme. This includes the retention and refurbishment of International House, the use of Air Source Heat Pumps to maximise onsite carbon reduction, combined with photovoltaic PV array to convert solar energy into direct-current electricity and delivery of electric charging points and a long-term parking strategy on Pope's Road. In terms of construction, this includes optimised built form and heights to achieve a good form factor and efficiency; appropriate material choices durable materials and systems designed to avoid leakage and building damage as well as material that helps reduce CO2 emissions and lean design principles to reduce material required for the substructures. Other examples of their proposals to reduce CO2 emissions through construction include utilising concrete frame, engineered to ensure that the slab

thicknesses and column sizes are as efficient as possible, as well as brick with elements of reconstituted stone for the exterior cladding. The structure of the walkways and secondary elements would be steel sections that can be dismantled and reused at a future date. Other elements such as the soffit of walkways, and the main public shelter will be recyclable polished aluminium. Passivhaus principles (reduced thermal bridges, improved air tightness and wall thicknesses) will also be incorporated into the scheme in order to reduce energy demand.

Similarly, secondary structural components would allow disassembly and avoid future waste and insulation which has a clear carbon benefit as well as modern methods of construction to limit wastage from the construction process. In terms of reducing CO2 from the atmosphere, some examples include unfinished concrete, some carpet products and maximising the amount of vegetation that we are considering for the development. London Square will also target 20% locally sourced materials to reduce transport distances and supply chain lengths.

Positive Health and Wellbeing

10.10 The proposed scheme will involve physical improvements that contribute toward positive health and wellbeing, including high-quality homes and workspace as well as public realm and street improvements including pedestrianisation and greening, to support healthier and safer streets for the local community.

Other Offers (Innovation)

10.11 This procurement exercise had a strong focus on securing innovative offers and solutions to promote sustainable economic growth and economic resilience through the delivery of this scheme. London Square has developed a number of innovative solutions that will positively impact the local community. This includes a bespoke employment and skills plan for Brixton which provides practical courses, trainings and programmes in addition to new jobs and apprenticeships; a circular economy approach embedded into their land use and economic strategies and an innovative and holistic engagement and co-design strategy that promotes inclusion and helps to maximise local impact.

10.12 The Development Partner will be required to submit a construction management plan at planning application stage. The Council will investigate the potential to provide a Brixton-wide Construction Coordination service, similar to that currently being formulated on the South Bank, with the intention being that this is funded by developer contributions, for example through Section 106 Agreements. This service would seek to coordinate construction activity between simultaneous major developments within the Brixton Area.

11. TIMETABLE FOR IMPLEMENTATION

NB: subject to planning, design development and procurement.

Activity	Proposed Date
Cabinet approval	February 2022
Standstill period	February 2022
Contract engrossment period	February/March 2022
Development Agreement signed	March 2022
Engagement and co-design	March 2022 – December 2023
Planning submission	Spring 2023
Start on site	Spring 2024
Practical completion	Spring 2026

12.AUDIT TRAIL

Name and Position/Title	Lambeth Directorate	Date Sent	Date Received	Comments in paragraph:
Sara Waller /Eleanor Purser, Co-Strategic Directors, Sustainable Growth and Opportunity	Sustainable Growth and Opportunity	01.12.21	10.12.22	Throughout
Tom Branton, Director Regeneration and Housing Growth	Sustainable Growth and Opportunity	20.12.21	26.01.22	Throughout
Matthew Gaynor, Assistant Director Finance	Finance and Property	20.12.21	26.01.22	Throughout
Gregory Carson, Principal Lawyer	Legal and Governance	20.12.21	06.01.22	Section 4
Democratic Services	Legal and Governance	20.12.21	24.12.21	Throughout
Jennifer Rhoden, Procurement Category Manager	Procurement	20.12.21	20.01.22	Throughout
Kay Milstead, Property	Finance and Property	20.12.21	06.01.22	Throughout
Paul Keenlyside, Climate Change and Sustainability	Sustainable Growth and Opportunity	20.12.21	07.01.22	Throughout

REPORT HISTORY

Original discussion with Cabinet Member	23.08.21 (PINH CMB)
Report deadline	26.01.22
Date final report sent	26.01.22
Part II Exempt from Disclosure/confidential accompanying report?	Yes
Key decision report	Yes
Date first appeared on forward plan	23.08.21
Key decision reasons	2. Expenditure, income or savings in excess of £500,000. 3. Meets community impact test.
Background information	<u>Cabinet Report February 2021</u> <u>Lambeth Local Plan</u> <u>Lambeth Economic Resilience Strategy</u> <u>Brixton Creative Enterprise Zone Action Plan</u> <u>Brixton Economic Action Plan</u> <u>Lambeth Commercial Office Baseline Report, October 2020</u> <u>Cabinet, 20 July 2020: Financial Planning and Medium Term Strategy Report 2020/21 to 2024/25</u> <u>Future Use of International House CMDR</u> <u>Pop Brixton Lease Extension ODDR</u>
Appendices	Appendix 1 – Equalities Impact Assessment (EIA) Appendix 2 – EIA panel feedback form