

## **OFFICER DELEGATED DECISION REPORT 16 JUNE 2022**

**Report title:** Revitalising Brixton's Rec Quarter - variation to muf architecture/ art contract

**Ward:** Brixton Windrush

**Portfolio:** Deputy Leader, Sustainable Growth and New Homes: Councillor Danny Adilypour

**Report Authorised by:**

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

**Contact for enquiries:**

Xander Beck, Neighbourhood Regeneration Manager, Regeneration and Housing Growth,  
07956 493 773, [xbeck@lambeth.gov.uk](mailto:xbeck@lambeth.gov.uk)

### **REPORT SUMMARY**

This report seeks approval for an increase in the maximum contract value, by way of a variation, for the sum of £145,810 for the design and delivery of the 'Revitalising Brixton's Rec Quarter' project to improve Brixton Station Road and the Brixton Rec. The project is funded by the council, the Mayor's Good Growth Fund, and the Corporation of London via the Stride programme.

muf architecture/ art was procured under the GLA's OJEU compliant ADUP framework as lead consultants for services associated with the delivery of the complex Revitalising Brixton's Rec Quarter project in March 2020.

### **FINANCE SUMMARY**

The total budget for the Revitalisation of Brixton's Rec Quarter is £4,095,000, comprising £3,995,000 capital and £100,000 revenue. The proposed increase of £145,810 can be contained within the existing budget.

The new maximum contract value including the proposed increase will be £498,395.

### **RECOMMENDATIONS**

1. To approve the variation of the contract to lead consultants muf architecture/ art by the sum of £145,810 for design services and delivery of capital prototyping and co-ordinating activation.

### **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:

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

## 1. CONTEXT

- 1.1 'Revitalising Brixton's Rec Quarter' is a public realm and affordable workspace project focused on Brixton Station Road between Brixton Road and Pope's Road, Beehive Place, the Brixton Recreation Centre, including its concourse and retail units, and new workspace to be developed in an underused storage space. The council has secured grant funding from the GLA via the Mayor of London's Good Growth Fund, the Corporation of London through the Stride programme, and council funding via a Community Infrastructure Levy (CIL) and loan. The total budget is £4,095,000.
- 1.2 The detailed project scope has evolved through a codesign process working with local businesses, community organisations and young people (including children from Max Roach Centre and young people working with Business Launchpad) and will see:
  - Replacement storefronts and signs at 13 shops and internal shop improvements according to specifications agreed with each shopkeeper;
  - Reinstatement of the original Brixton Rec signage, significant new lighting improvements and a new Wall of Fame celebrating athletes along the ramp entrance to the Rec;
  - An unused storage space in the basement and ground floor of Brixton Rec converted into workspace with a new entrance and windows onto Beehive Place, activating this street and supporting employment, training and education activity;
  - Market traders in Brixton Station Road benefit from new electrical infrastructure for cooking and lighting;
  - Public realm improvements on Beehive Place and Brixton Station Road including planting mature trees in locations agreed with businesses;
  - A social history project to celebrate the history of the Rec and Station Road creating an archive to preserve its legacy in collaboration with Lambeth Archives.
  - Events and activities led by local businesses and market traders with access to business support and micro grants to promote the street and drive footfall.
  - Continued engagement with children and young people including London Living Wage payments to a cohort of young people engaged by Business Launchpad to deliver activation and project evaluation.
- 1.3 The council signed a grant agreement with the GLA in November 2019 and appointed muf architecture/ art to lead a multidisciplinary consultant team in March 2020 via an OJEU compliant procurement process.
- 1.4 The project was due to be completed in March 2022. However, a deed of variation has been signed with the GLA to extend the project. The new deadline for spending the GLA funding is March 2023. The council-led works are expected to be completed by then, with Category B works and occupation of the workspace thereafter with a final evaluation to be completed a year later to ensure that outputs delivered by this project can be reflected.
- 1.5 The emergence of covid-19 led to project delays and changes in project scope. Most significantly, the council had to revise its Rec Workspace tenancy strategy after being unable to secure a workspace operator.
- 1.6 Two applications for planning permission and listed building consent have been submitted; the

first was approved with no objections in October 2021, the second was approved with no objections in January 2022. The success of both planning applications with no objections reflects the quality of the design work to date and the commitment to genuine codesign from the design team, where the designs reflect the aspirations of local stakeholders and close attention to local context.

- 1.7 The strength of the design approach was earlier recognised by the GLA’s design review panel; in November 2020, the report summary stated: ‘The panel endorse LB Lambeth on appointing an excellent team to bring this project forward, with muf setting the standard for this approach. This project methodology is correct for this site and context.’
- 1.8 The GLA design review panel helped the council to formulate its delivery approach where the workstreams were divided into 3 packages for delivery. In the original contract, the minimum design services (£253,000) were for design to RIBA stage 3 and for a small part of the project to be delivered via a traditional method with the architects delivering full services for RIBA 4-7. The final delivery approach, which was agreed by the project steering group, increased the value of the work package to be delivered via a traditional method and it was agreed that enhanced design work and additional cost consultancy work was required in relation to a package for design and build (described as RIBA 3+ drawings for tender.) The scope of design services contract was amended in March 2021 and a low value waiver agreed at this time to reflect the revised delivery approach.

## 2. PROPOSAL AND REASONS

- 2.1 This Officer Delegated Decision Report is seeking approval to increase the maximum contract value awarded to muf architecture/ art by £145,810 to a cumulative total of £498,395.
- 2.2 The costs can be broken down as follows, with additional details supplied in the Part II report:

<b>Project workstream</b>	<b>Description of costs</b>	<b>Costs</b>
Design Fees in response to changes to project scope including the change to the Rec Workspace tenancy approach after the council was unable to appoint a workspace operator	muf architecture/art	£38,150
	Sub consultants (QS, engineers, M&E specialists, lighting design)	£37,000
	<b>Subtotal</b>	<b>£75,150</b>
Activation programme co-ordination and expenditure	Muf architecture/art fees associated with project management and co-ordination for a yearlong programme which will drive footfall and increase public involvement in the project and area.	£22,100
	Costs (capital) associated with capital prototyping and testing,	£11,000

	paid by muf, commissioned in line with contract standing orders e.g. testing interventions such as a stage to support street events.	
	Costs (revenue) including business support and microgrants, funding for local partners to deliver the activation programme including London Living Wage payments to young people involved in events, promotion and photography.	£34,560
	<b>Subtotal</b>	<b>£67,660</b>
	<b>Contingency</b>	<b>£3000</b>
	<b>Total additional costs</b>	<b>£145,810</b>
	<b>New contract value</b>	<b>£498,395</b>

### Contract Management

2.3 Detail contract management here if applicable:

- a. The Neighbourhood Regeneration team will be managing the contract with muf architecture/ art, lead consultants who are responsible for delivery of services in line with their updated scope of works.
- b. There are fortnightly client meetings and design and progress meetings with a wider group of stakeholders when needed.
- c. An internal project steering group including senior officers from around the council supports project decision making.

### 3. FINANCE

- 3.1 The original contract cost with muf architecture/ art was £253,000, a low value waiver was agreed taking the maximum contract value to £352,585. This report proposes to increase the maximum contract value by a further £145,810 to a total of £498,395.
- 3.2 The proposed increase can be met from the existing project budget which comprises £3,995,000 capital and £100,000 of revenue funding.
- 3.3 The proposed increase is itemised within paragraph 2.2 of this report.

### 4. LEGAL AND DEMOCRACY

- 4.1 The authority to approve the recommendation in this report is delegated to the Strategic Director for Sustainable Growth and Opportunity. Before enacting that authority, this paper should be reviewed by a category board.
- 4.2 The Public Contracts Regulations 2015 allow for the modification of contracts without a new procurement procedure where, due to circumstances which a diligent contracting authority could not have foreseen, additional services have become necessary and where a change of contractor

cannot be made without causing significant inconvenience or substantial duplication of costs for the contracting authority.

- 4.3 The Council's Constitution requires that all key decisions, decisions which involve resources between the sums of £100,000 and £500,000, and important or sensitive issues, must be published on the Council's website for five clear days before the decision is approved by the Cabinet Member or Director concerned (Constitution, Part 2, Chapter F). Any representations received during this period must be considered by the decision-maker before the decision is taken.

## 5. CONSULTATION AND CO-PRODUCTION

- 5.1 The scheme has been developed through a comprehensive process of codesign and co-clienting working intensively with local businesses and community organisations. Ward Councillors have been consulted on this scheme and will continue to be engaged throughout the construction period.

## 6. RISK MANAGEMENT

- 6.1 This project is programmed to be completed by March 2023. The main risks that could impact on final cost and the delivery within this timeframe are noted in the table below

**Table 1 – Risk Register**

Item	Risk	Likelihood	Impact	Score	Control Measures
1	Project independencies - e.g. finding a tenant for new workspace – may impact on programme and cost	2	3	6	We are splitting the demise which it is hoped increases the chance of securing tenants and being able to proceed on time.
2	Covid 19 impact –the emergence of future variants and the government response may impact on ability to deliver within timescales which may have a knock on impact on cost	2	3	6	The expectation is that vaccination and population immunity will achieve a level of protection such that economic activity will continue. Should serious variants of concern arise this may change but cost impact will be mitigated through contingency. Any unforeseen cost increases related to design fees will require another decision report.
3	Price inflation – proposals have been costed by a QS but construction costs are known to be increasing; cost increases may impact on project with need for redesign	3	2	6	The overall project has healthy contingency and the risk is being closely monitored. Value engineering/ prioritisation of proposals will be undertaken if required. There is a limited contingency included within this contract so any further

					increases in design fees will require another decision report.
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**Key**

<b>Likelihood</b>	Very Likely = 4	Likely = 3	Unlikely = 2	Very Unlikely = 1
<b>Impact</b>	Major = 8	Serious = 4	Significant = 2	Minor = 1

**7. EQUALITIES IMPACT ASSESSMENT**

- 7.1 An Equalities Impact Assessment was undertaken for the overall project and the impact is considered to be positive with key aims to increase accessibility and inclusivity of public spaces and to create opportunities local people.

**8. COMMUNITY SAFETY**

- 8.1 Improvements to the local public realm and activation of the area are expected to deliver community safety benefits, given that the area has been impacted by antisocial behaviour. Public Protection and Regulatory Services have been consulted about proposals and interventions will be reviewed in the light of the impact on CCTV coverage and lines of sight.

**9. ORGANISATIONAL IMPLICATIONS**

**Environmental**

- 9.1 Design proposals will have environmental benefits for local residents with significant improvements to the public realm.

**Health**

- 9.2 Design interventions in line with ‘healthy streets’ principles.

**Corporate Parenting**

- 9.3 Consultation with young people will seek to involve children in care and care leavers.

**Staffing and accommodation**

- 9.4 None

**Responsible Procurement**

- 9.5 The adopted tender strategy complies public procurement regulations and protocols and has been designed to reflect the programme constraints that arise from requirements for completion by the end of March 2023.

*Good Quality Jobs with Fair Pay and Decent Working Conditions*

- 2.1 The successful bidder has set out their policies on recruitment of staff, retention of staff and dealings with others, where they demonstrate a commitment to equality, diversity and inclusion in policy and practice.
- 2.2 The successful bid includes a commitment to payment of the London Living Wage to all employees, including trainees during the full length of their contract. Training and employment opportunities during the design and construction stage will be identified for young people Not in Education Employment or Training and other vulnerable constituents where feasible. The successful bidder also has experience breaking down large capital budgets in order that certain

elements can be procured directly from local suppliers, thereby enhancing the social value of the project.

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

9.6 NA

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

9.7 The design team will prioritise achieving climate resilience, while making design choices that facilitate low carbon transport, limit carbon emissions from material use, and, where technical and budget constraints allow, maximise opportunities for renewable energy generation.

*Single Use Plastics*

9.8 NA

*Positive Health and Wellbeing*

9.9 NA

*Other Offers (Innovation)*

9.10 N/A

## 10. TIMETABLE FOR IMPLEMENTATION

10.1 The table below details the stages and deadlines for implementing the recommendations:

<b>Activity</b>	<b>Proposed Date</b>
Date published on Forward Plan	N/A
Category Board	31 March 2022
Publication on Decisions online	08 June 2022
Officer or Cabinet Member Decision	Officer
End of Call-in Period (key decisions only)	N/A
Execution of the variation of the Contract	10 June 2022

## AUDIT TRAIL

Name and Position/Title	Lambeth Directorate	Date Sent	Date Received	Comments in paragraph:
Councillor Danny Adilypour	Deputy Leader (Sustainable Growth and New Homes)	23.05.22	31.05.22	
Sara Waller & Eleanor Purser, Co-Strategic Directors	Sustainable Growth & Opportunity	31.03.22	31.03.22	6
Tom Branton, Director	Sustainable Growth & Opportunity	18.03.22	29.03.22	
Matthew Dibben – Assistant Director, Neighbourhood Regeneration	Sustainable Growth & Opportunity	11.02.22	11.02.22	Throughout
Will Steadman, Head of Service – Neighbourhood Regeneration	Sustainable Growth & Opportunity	23.12.21	12.01.22	Throughout
Matthew Gaynor, Assistant Director	Procurement, Finance & Investment	08.04.22	08.04.22	3
Daniel Grantham, Group Manager, Finance and Property	Procurement, Finance & Investment	14.01.22	19.01.22	3
Julia Skinner, Democratic Services	Legal & Governance	28.03.22	28.03.22	Throughout
Michael O’Hora, Senior Contracts Lawyer	Legal & Governance	23.12.21	23.12.21	4
Jennifer Rhoden, Category Manager	Procurement, Finance & Investment	23.12.21	24.01.21	Throughout
Latoya Boyer, Senior Policy and Communications Officer	Strategy & Communications	14.02.22	dd.mm.yy	
Paul Keenlyside, Climate Change and Sustainability Officer	Sustainable Growth & Opportunity	14.02.22	02.03.22	9.7

## REPORT HISTORY

<b>Original discussion with Cabinet Member</b>	June 2019 (Grant Agreement and match funding CMDRR)
<b>Report deadline</b>	N/A
<b>Date final report sent</b>	
<b>Part II Exempt from Disclosure/confidential accompanying report?</b>	Yes
<b>Key decision report</b>	No
<b>Date first appeared on forward plan</b>	N/A
<b>Key decision reasons</b>	Not applicable.

<b>Background information</b>	<p><a href="#"><u>Decision details to enter into the Grant Agreement and allocate match funding for the Regenerating Brixton's Rec Quarter Project, with original EQIA</u></a></p> <p><a href="#"><u>Decision details to enter into a Grant Agreement with the City of London Corporation to secure Strategic Investment Pot grant funding for the South London Innovation Corridor Programme</u></a></p> <p><a href="#"><u>ODDR - Contract Award – Regenerating Brixton's Rec Quarter - Design for Public Realm, Market and Shopfront Improvements and Workspace Conversion</u></a></p>
<b>Appendices</b>	<p><a href="#"><u>Appendix 1 – Equalities Impact Assessment</u></a> (Original Equalities Impact Assessment published with the decision to enter into the grant agreement in June 2019)</p>

**APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION**

**I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board, and taken account of their advice and comments in completing the report for approval:**

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Post:** Martha Levi Smythe  
Neighbourhood Regeneration Manager, Sustainable Growth and Opportunity

**I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:**

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Post:** Sara Waller & Eleanor Purser  
Co-Strategic Directors, Sustainable Growth and Opportunity

**Any declarations of interest (or exemptions granted):** None

**Any conflicts of interest:** None

**Any dispensations:** None