

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 5 January 2018	<b>Meeting Name:</b> Cabinet Member for Regeneration and New Homes
<b>Report title:</b>		Gateway 1 Procurement Strategy Approval Professional Services (Architect) for the New Homes Delivery programme	
<b>Ward(s) or groups affected:</b>		All Wards	
<b>From:</b>		Director of Asset Management	

## RECOMMENDATIONS

That the Cabinet Member for Regeneration and New Homes:

1. Approves the procurement strategy, as outlined in paragraphs 34 to 37 of this report, for the next phases of the New Homes Delivery Programme, using Major Projects Panel Peabody (Services) Limited Consultants' framework agreements and the Hyde Group consultants' framework for provision of Architectural Services for the life of the frameworks and including any extension to the frameworks for up to a total value of £4m, with no individual contract exceeding £2m.
2. Notes the use of the council's works approved list for procurement of architectural services where appropriate as noted in paragraphs 50.
3. Notes that the packaging of schemes and the procurement route of each package will be approved by the Director of Asset Management as outlined in paragraph 13.
4. Notes that the gateway 2 approvals to enter into contracts for the individual schemes will be approved by the Strategic Director of Housing and Modernisation in line with contract standing orders. The total value of all contracts will not exceed £4m and any individual contracts will not exceed £2m.

## BACKGROUND INFORMATION

5. This procurement strategy relates to the council's 11,000 new homes programme. The initial target of which is to build 1,500 new homes by 2018.
6. The decision taken by the Cabinet Member for Regeneration and New Homes in May 2015 sought approval to use the Major Projects Panel Peabody (Services) Limited Consultants' framework agreements and the Hyde Group consultants' framework for the provision of Architectural Services up to a total value of £3m.
7. The total value set on the May 2015 gateway 1 Report for the procurement of architectural services has been reached. The following list details the schemes that have been commissioned under that approval over two procurement exercises:

### **Summer 2015 procurement**

- Canada Estate - Haworth Tompkins (Peabody framework)
- Meeting House Lane - Haworth Tompkins (Peabody framework)
- Goschen Estate - Bell Philips (Peabody framework)
- Pelier Street - Bell Philips (Peabody framework)
- Haddonfield Garages - Bell Philips (Peabody framework)
- Commercial Way - Weston Williamson (Hyde framework)
- Daniels Road - Pollard Thomas Edwards (Hyde framework)
- Tenda Road - Pollard Thomas Edwards (Hyde framework)
- 35-41 Nunhead Lane - Pollard Thomas Edwards (Hyde framework)
- Kingslake Street - Pollard Thomas Edwards (Hyde framework)

### **Summer 2016 procurement**

- Sceaux Gardens - Weston Williamson (Hyde framework)
- Seavington House - Weston Williamson (Hyde framework)
- Rye Hill Park - Weston Williamson (Hyde framework)
- Rutley Close - Weston Williamson (Hyde framework)
- Salisbury Estate - Levitt Bernstein (Hyde framework)
- Mayflower TRA - Levitt Bernstein (Hyde framework)\*
- Tissington Court - Levitt Bernstein (Hyde framework)
- Edmonton Court - Levitt Bernstein (Hyde framework)\*

8. Schemes marked with \* have since been removed from the new homes programme and are not being progressed.
9. The summer 2015 procurement for phase 2 (10 sites) was split into 4 lots and attracted a total of 14 different architectural practices. The summer 2016 procurement for phase 3 (8 sites) was split into 2 lots and attracted a total of 7 different architectural practices.
10. In Summer 2016 the following schemes were procured via the council approved works list:
  - Welsford Road Garages
  - Fenham Road
  - Lugard Road.
11. The procurement via the council approved list was split into 2 lots and attracted a total of 8 different architectural practices.
12. In order to keep the New Homes Delivery Programme progressing, it is proposed a procurement strategy for architectural services be put in place for the next phases of sites to be taken forward. All schemes would have undergone a capacity study and been approved by the Delivery Programme Board prior to any tendering exercise.
13. The sites within the next phases will be packaged up into lots for procurement using one of the frameworks or the council's works approved list if they are under the Official Journal of the European Union (OJEU) threshold.

14. The packaging of lots will be approved by the Director of Asset Management with each lot not exceeding the estimated value of £2m. The approach has been to split the schemes across the two frameworks on an estimated value basis; however the decision of which framework to use will be at the discretion of the New Homes Delivery Team and approved by the Director of Asset Management.
15. Detailed information about the frameworks is outlined in paragraphs 38 to 49.
16. The Hyde framework expired 31 October 2017 but has been extended 12 months until 31 October 2018. The Peabody framework is set to expire in 30 September 2018 and they are likely to put a new framework in place afterwards.

### **Summary of the business case/justification for the procurement**

17. The council has committed to the delivery of 11,000 new homes by 2043. The initial target is to build 1,500 new homes by 2018. This procurement exercise will build on the progress made to date.
18. The current approach to the procurement of consultancy services, as agreed by cabinet in December 2014, has identified a cost effective and time efficient way for the Council to procure professional services.

### **Market considerations**

19. The main procurement route for securing architects to work on a programme of development opportunities is developing a framework using the OJEU procurement process or using an existing framework that is already in place that has been through the OJEU process, and is available for use by local authorities. Using a procured framework in a competitive market means the council should benefit from competitive rates, without having to undergo a 12-18 month procurement process to develop a bespoke framework. This will allow the council to deal with organisations who have been tried and tested in this field and possess a wealth of experience in the affordable housing sector.
20. The approach of using a framework has been successful and worked for the council to date. The New Homes Delivery Team are satisfied that the service providers on the frameworks are appropriate contractors based on their experience of working with a number of other social housing providers.
21. Using an existing framework does not preclude individual direct procurement for schemes using the council's approved works list where appropriate to provide the opportunity for smaller practices and ensure a variety of delivery options.
22. With significant growth in the construction market in London there is competition for consultancy services. However, given the scale of Southwark's ambitious housing building programme, many practices see working on the developments as an attractive opportunity and therefore using either framework or direct procurement the council should secure practices with the necessary capacity and skills.

## **KEY ISSUES FOR CONSIDERATION**

### **Options for procurement route including procurement approach**

23. The following options are available to the council for the continuation of the procurement of architectural services:

#### **A bespoke framework**

24. The council's commercial team in based in Asset Management is developing a bespoke framework agreement to deliver a number of services, including those of professional architects. This framework is still being developed at a strategic level however should be available for use in late 2018. The New Homes Delivery Team is planning to undertake the next round of procurement of architectural services in early 2018 and it is proposed to continue with the Hyde and Peabody frameworks until this bespoke framework is operational.

#### **Existing framework**

25. As stated, the New Homes Delivery Team, have used the Hyde Consultants Framework and the Peabody Consultants Framework for both Architectural Services and Employers Agent Services to procure professional services to date.

26. The New Homes Delivery could consider using another framework agreement, as there are a number of frameworks available, however we would like to continue using the current frameworks as we are satisfied with the current procurement of these services.

27. The New Homes Delivery Team are satisfied with the selection of architectural practices that are available for tender and the level of service that has been given from architectural practices currently commissioned. They are also satisfied that the offerings from both the frameworks offer the council good value for money.

28. The existing tender packs and legal agreements are on the basis of the Peabody consultant framework and the Hyde consultancy framework. To change frameworks at this stage is likely to mean that new tender packs and agreements will have to be drafted, which will have an additional cost and time implications.

29. Southwark Council has already paid to use both of these frameworks, which allows continuous use for the life of the framework and therefore to continue to use this framework is cost effective for the Council.

30. The existing procurement (listed in paragraph 7) delivered the following:

- The summer 2015 procurement attracted 28 tenders from 14 different architecture practices across 4 lots. We used both the Hyde and Peabody frameworks – from this we successfully appointed 4 architectural practices.
- The summer 2016 procurement attracted 14 tenders from 7 different architecture practices across 2 lots. We used the Hyde framework only – from this we successfully appointed 2 architectural practices.
- The fees from the existing procurement equated to an average of 3.36% of the estimated construction cost.

### **Council's Works Approved list**

31. The original Gateway 1 report committed to active promotion of the Council's Work Approved List, In the Summer of 2016 we encouraged a number of architectural practices to join the Council's approved list and in Summer 2016 we undertook a procurement exercise for smaller niche schemes (3 schemes), through this process we invited 8 practices to tender. We successfully appointed two architectural practices with an average fee of 5.40% of the estimated construction costs.
32. This approach will continue for the duration of this procurement strategy and processes for encouraging local and emerging practices are in place. The tender process will follow the same assessment of 50/50 on price and quality and to ensure that the programme overall provides a mix of design approaches.
33. The Approved list accreditation system enables the council to attract the interest of small to medium sized companies who may feel excluded from large-scale contracting processes by virtue of their size or experience. It also promotes the inclusion of emerging practices that may reflect the diversity within the borough.
34. It is proposed that this approach be used on schemes with an estimated fee below £150,000 (which fall under the OJEU procurement limit) on a case by case basis, in order to ensure that the programme complies with public procurement legislation.

### **Proposed procurement route**

35. The proposed procurement strategy is to continue to utilise two existing framework agreements contracted by Peabody and the Hyde Group to procure architectural services for the next phases which come on stream up to a value of £4m.
36. Given the scale of the programme, it was originally decided in December 2014 that it would be advantageous not to rely on one framework, but to spread the programme over the two which would offer a wider choice of practices to select from.
37. To the date the Peabody framework has offered an average rate of 3.8% and the Hyde framework has offered an average rate on similar schemes of 3.2%. Whilst the Hyde framework has offered on average better value, we still believe that it is prudent to continue using both frameworks to ensure a wider choice.
38. For both frameworks, it is proposed that the selection process follows the same pattern previously used. An expression of interest would be issued to all the consultants on the chosen framework, inviting them to bid for a package of schemes, and a shortlist would then be drawn up and a mini-competition undertaken. The selection would be based on the assessment of their submission and a clarification session on the basis of 50% quality and 50% cost.

### **Framework 1 - Peabody's Major Projects Panel Consultant's Framework**

39. This framework has a four year life, which commenced on 1 October 2014 and is due to terminate on 30 September 2018. The selection of practices was based on an evaluation of 70% cost and 30% quality.

40. This framework offers 9 architectural practices to be appointed pre contract up to RIBA Stage 4 and are then novated to the contractor at the discretion of the employer. The following practices are on the framework:
- Bell Phillips
  - Haworth Tompkins Limited
  - Lifschutz Davidson Sandilands
  - Pitman Tozer
  - Proctor and Matthews
  - Project Orange
  - Mecanoo
  - Alison Brooks Architects
  - Feilden Clegg Bradley.
41. There is the option to make contract awards via Direct Call-Off. However the Council is proposing to award a Call Off contract on the following process:
- An Expression of Interest after which practices will be shortlisted
  - A mini competition of short listed practices.
42. The selection would be based on the assessment of their submission and a clarification session on the basis of 50% Quality and 50% cost.
43. The winning practice(s) will be appointed to take each scheme forward to planning stage. Additional detailed design services may be required thereafter, following which a contractor will be appointed to Design and Build the development.
44. Southwark Council have already paid to use this framework.

### **Framework 2 – The Hyde Group Architectural Services Framework**

45. This framework has a 3 year life terminating on 31 October 2018. The selection process for architects was based on an evaluation of 50% cost and 50% quality.
46. This framework offers 14 architectural practices to be appointed pre contract up to RIBA Stage 4 and are then novated to the contractor at the discretion of the employer. The following practices are on the framework:
- Alan Camp
  - BPTW Partnership
  - Fraser Brown Mackenna
  - HGP
  - HTA
  - M H Architects
  - Pollard Thomas Edwards
  - R H Partnership
  - Stephen Davy Peter Smith
  - Waugh Thistleton
  - Conran and Partners
  - Weston Williamson
  - Sprunt
  - Levitt Bernstein

47. There is the option to make contract awards via Direct Call-Off, however the Council is proposing to award a Call Off contract on the following process:
- An Expression of Interest after which practices will be shortlisted
  - A mini competition of short listed practices.
48. The selection would be based on the assessment of their submission and a clarification session on the basis of 50% Quality and 50% cost.
49. The winning practice(s) will be appointed to take each scheme forward to planning stage. Additional detailed design services may be required thereafter, following which a contractor will be appointed to Design and Build the development.
50. Southwark Council have already paid to use this framework.

### Approved List

51. Whilst this report is seeking approval to use the Peabody and Hyde framework, it should be noted that the council would also like to continue to attract new and emerging practices who may wish to tender for standalone schemes. In these instances the council will be using the approved list to procure new and emerging practices for schemes that fall below the OJEU limit.

### Identified risks for the procurement

Risk No.	Identified Risk Procurement	Likelihood	Risk Control
1.	There is a low response to expression of interest.	Low	The work the council is seeking to procure will be additional to that initially envisaged when consultants joined the frameworks so will provide additional opportunities. In addition, the size of the firms on the frameworks mean there should not be capacity issues. The council has had a healthy interest on the procurement exercises carried out to date.
2.	Quality of submitted tender proposals do not meet the Council's expectations	Low	Ensure comprehensive project briefs that are clear and without ambiguity are developed.
3.	Tenders do not have the relevant expertise to deliver a high standard of service	Low	The frameworks have been procured by two very experienced RP developers with a track record of delivering high quality schemes. Following the procurement in Summer 2015 and Summer 2016 the Council have experienced the quality of services provided.

<b>Risk No.</b>	<b>Identified Risk Procurement</b>	<b>Likelihood</b>	<b>Risk Control</b>
4.	Fee proposals exceed budget or do not deliver value for money	Low	The fee rates are current, detailed and affordable when estimated against the programme.
5.	Framework not Extended	Medium	The current life of the frameworks take us up to September 2018 – during this time we expect to procure architect’s services for the next two phases of schemes which is likely to reach the £4m limit of this report. Should the Hyde framework not be extended the life of the Peabody framework will be sufficient.

### **Key /Non-Key decisions**

52. This report deals with a non-key decision

### **Policy implications**

53. The council plan agreed in July 2014 commits the council to a promise of building more homes of every kind, including 11,000 new council homes as part of the overall priority theme to deliver quality, affordable homes. The first 1,500 will be either completed, on site or committed by the end of 2018.

54. The council’s long-term Housing Strategy to 2043 was agreed by Cabinet on 27 January 2015. This was built on the vision for a new housing strategy as agreed by Cabinet in January 2014 which emerged from the extensive community conversations on the future of council housing following publication of the Housing Commission’s report. The Housing Strategy has been designed from the principles and commitments that were agreed by Cabinet in January 2014 in the report “Vision for a new housing strategy for Southwark”. The vision consists of four key principles;

- a. Principle 1 - We will use every tool at our disposal to increase the supply of all kinds of homes across Southwark.
- b. Principle 2 - We will demand the highest standards of quality, making Southwark a place where you will not know whether you are visiting homes in private, housing association or council ownership.
- c. Principle 3 - We will support and encourage all residents to take pride and responsibility in their homes and local areas.
- d. Principle 4 - We will help vulnerable individuals and families to meet their housing needs and live as independently as possible.

55. Under Principle 1 (‘We will use every tool at our disposal to increase the supply of all kinds of homes across Southwark’) the housing strategy includes the following specific commitments:

56. Building 11,000 new council homes for social rent, and hundreds more to be made available on a shared ownership basis.

57. Delivery of a mix of homes of different types and sizes, which are accessible and respond to people's changing housing needs over time, through direct provision and in partnership with housing associations.
58. The council has adopted a 'Charter of Principles', governing the approach to engagement on housing investment and renewal, and in particular the delivery of the 11,000 new council homes and was revised in 2017.

**Procurement project plan (Key decisions)**

Activity	Complete by:
DCRB Review Gateway 1:	06/02/2017
CCRB Review Gateway 1:	16/03/2017
Approval of Gateway 1: Procurement strategy report	05/01/2018

59. This Gateway 1 report will follow with a number of procurement exercises which will include:
  - Expressions of interest for the provision of architectural services
  - A shortlisting process
  - An invitation to tender
  - Clarifications of tenders
  - Evaluation of tenders.
60. The New Homes Delivery Team will ensure that they allow adequate for each of these processes and ensure that all council rules and notices are adhered to. The first of these exercises will take place in January 2018.
61. The procurement exercises will result in a number of Gateway 2 reports which will be approved by the Strategic Director of Housing and Modernisation in line with Council governance and contract standing orders.

**TUPE/Pensions implications**

62. Not applicable

**Development of the tender documentation**

63. There is a standard set of tender packs that have been used for the last 2 phases of schemes and refined.
64. The project co-ordinators in the New Homes Delivery Team will be responsible for the development of the project briefs, which will form the basis for each of the lots that will be tendered for Architectural Services. The briefs for each site will include the initial capacity studies and Southwark Design Standards, and any other relevant background information.
65. The documentation for the appointment of each consultant / standard framework agreements under the respective framework will follow the respective templates.

66. The Development Delivery Manager will be responsible for ensuring adequate resources, deliverable objectives and efficient and effective procurement best practice.

### **Advertising the contract**

67. Once it has been decided by the Director of Asset Management which of the frameworks to use and the splitting of lots, architectural practices listed on the relevant frameworks will be approached and given the opportunity to express an interest in tendering.

### **Evaluation**

68. The selection process for both frameworks will follow the relevant framework arrangements as set out in their standard procedures and working practices.
69. There will be a sifting brief after which we aim to shortlist a minimum of three of the highest scoring practices to participate in the mini competition. The number shortlisted will depend on the size of the lot, the previous response, previous performance, and which framework is used.
70. The shortlisted companies will be invited to tender for the lots through a mini competition which will be evaluated against quality and cost criteria.
71. The selection panel will comprise of the following officer representation from the Housing & Modernisation department;
- Development Manager
  - Project Coordinator(s)
  - Project Support Officer(s).
72. The overall assessment will be based on a quality / price ratio of 50/50 to ensure an equal balance between value for money and quality. In addition, this allows for harmonisation of approach between the two frameworks, and therefore maintain consistency across the programme. Also it increases the focus on quality, whereas the standard approach within Major Works is to assess on 30% quality and 70% price.
73. Clarifications will take place with all tenderers in order to clarify points from their submissions if necessary. The panel will then moderate their previous scores where appropriate, and one company is likely to be recommended for appointment. If a company is not recommended for appointment another tender process will be undertaken.
74. Information on health and safety for the project, as advised by the Health & Safety Manager, will also be requested and checked as necessary to ensure that the council's standards are satisfied prior to making an appointment.

### **Community Impact statement**

75. Southwark is a borough with high levels of deprivation, low income levels and high levels of housing need. Southwark's housing Strategy 2009-16 identified that there is a shortage of affordable housing in the borough, particularly of larger

homes. Households from black and ethnic minority communities tend to be over-represented among those living in overcrowded, poor quality housing.

76. Cabinet recently agreed a new vision for the future housing strategy including a principle to use every tool at our disposal to increase the supply of all kinds of homes across Southwark.
77. The proposal to increase the supply of affordable, good quality homes will benefit households in need from all Southwark communities, and will increase the housing options available for older people and people with disabilities.
78. Those households in the vicinity of the new developments may experience inconvenience and disruption in the short term, whilst works are taking place but such communities will benefit in the longer term from the provision of new homes. Particularly as 50% of these homes will be let to existing tenants from the local area subject to an agreed local lettings policy.
79. Local residents will continue to be consulted at each stage of the development proposal as outlined in the Charter of Principles agreed by cabinet in 2017.

### **Social Value considerations**

80. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well being of the local area can be secured. The details of how social value will be incorporated within the tender are set out in the following paragraphs which set out economic, social and environmental considerations.
81. The council's approach to procurement of design, development and construction process will ensure a requirement to maintain and improve the sustainability of each tendered project.
82. A low energy, efficient and cost effective building engineering services design that keeps running costs to a minimum will be an essential component of the project brief. Key considerations will include;
  - Consideration of whole life-cycle costs
  - Sustainable sourcing
  - Incorporation of environmentally benign heating and lighting provision
  - Provision of facilities and equipment to encourage the re-use and recycling of materials including, where practical, water recycling.
  - Ensuring projects achieve Code of Sustainable Homes criteria or any successor requirement.
83. The council are keen to ensure that the apprenticeship schemes are undertaken by the council's contractors and service providers. This is not a requirement for this framework or contract, however the planning approval and planning conditions will ensure that works contractors do have a duty to ensure that appropriate apprenticeship scheme is undertaken.

### **Economic considerations**

84. The design briefs for the new homes will be developed in consultation with the 'user client' officers and make it clear that the council is seeking developments that are not only attractive and functional in their design but also durable and easy to maintain with low running costs.
85. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors engaged by the council that provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. The 11,000 new homes programme is a strategically important undertaking for the council and its benefits are expected to be realised in a number of ways, including the recruitment of qualified staff, retention of staff and an improved service delivery to the council. Due to the nature of the professional service being sought those employed will be paid in excess of the LLW.

### **Social considerations**

86. The new housing will provide high quality affordable housing for local people in need of accommodation. 50% of these homes will be made available to existing tenants in the local area based on an agreed local lettings policy. The remainder will be made available to other households in need of accommodation from the council's housing register.
87. The new rented homes will be let at social rent levels.

### **Environmental/Sustainability considerations**

88. By investing in high quality and well designed buildings and estates the Council aim to achieve positive impacts which will benefit the environment and increase the stock of environmentally friendly buildings within the borough.
89. As part of the design development process, there will be a requirement for environmental assessments to be completed, with a view to identifying what impact would be caused by any proposed development.

### **Plans for the monitoring and management of the contract**

90. The project clienting, including the management and administration of the consultant appointments will be run and resourced through the New Homes Delivery Team in the Housing & Modernisation directorate. Performance of the consultant team will be subject to constant scrutiny and monthly formal review, including reviews on cost, quality and programme. The officer client team will use a number of mechanisms for monitoring and controlling the financial and programme performance of the contract, including,
  - On-going design reviews, checking quality and cost against agreed standards and budgets
  - Monthly financial statements by the consultant
  - Monthly appraisals of progress against programme and monthly reports by the consultant
  - Tracking and chasing actions on critical issues

- Periodic project team 'look ahead' workshops covering key phases of work and risks
- Risk and issues log

91. Internal governance arrangements for the programme were reported to cabinet in December 2014. These confirmed that ultimate responsibility for the overall programme resides with the Delivery Programme Board, chaired by the Strategic Director of Housing & Modernisation.

92. A 6 monthly contract monitoring report will be taken to DCRB.

#### **Staffing/procurement implications**

93. The staff resources deployed to this procurement are sufficient to meet the proposed timetable.

94. The project will be resourced by existing staff, within existing budgets.

95. Officer time relating to the management of this project is funded from the capital budgets for the individual projects.

#### **Financial implications**

96. The estimated value of professional fees arising from the procurement as described in this report will not exceed £4m. This forecast is based on a preliminary assessment of the number of units to be constructed in previous phases.

97. New Homes Delivery Programme is currently funded from a combination of Right to Buy receipts, Affordable Housing Fund resources, the Council's own resources and grant from the Greater London Authority.

#### **Legal implications**

98. Please see the supplementary advice from the Director of Law and Democracy.

#### **Consultation**

99. As noted in paragraph 79, local residents will be consulted at each stage of the development proposals as outlined in the Charter of Principles agreed by cabinet in September 2017

#### **Other implications or issues**

100. There are none.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Head of Procurement**

101. This reports seeks the approval of the Cabinet Member for Regeneration and New Homes for the procurement strategy for the next phases of the New Homes Delivery Programme. The procurement strategy for the next stages of the programme will cover a total value of no more than £4m, with each project with in it, limited to £2m. The projects or lots are to be approved by the Strategic Director

of Housing and Modernisation, and will utilise equally, inviting tenders from two framework agreements, the Major Projects Panel Peabody (Services) Limited Consultants' framework agreements and the Hyde Group consultants' framework for provision of Architectural Services. The procurement strategy covers the time period aligned to the life of the two frameworks set about above (including any extensions) as well as the limits set on the maximum value of projects in this phase of the programme.

102. The report is clear that each of the contract opportunities will be advertised to all suppliers on the whichever of the two framework is selected to use, in order that they may express an interest in the contract. Tender submission from shortlisted tenderers on the framework agreement will be made against a 50% Price / 50% Quality split for both framework agreements.
103. Apprenticeship requirements will be placed on successful tenderers at least as part of planning requirements around these contracts, as details in paragraph 83.
104. The details for the regular contract management and monitoring of these schemes and contracts are set out in detail in the report in paragraphs 90-92.

#### **Director of Law and Democracy**

105. This report seeks the approval of and noting by the cabinet member for regeneration and new homes to a number of recommendations in relation to the procurement strategy for appointment of architects for the New Homes delivery programme as further detailed in paragraphs 1-4. At a total estimated value up to £4m the approval of the procurement strategy is reserved to the relevant individual decision maker after consideration of the report by the corporate contracts review board.
106. The nature and value of these services are such that they are subject to the full tendering requirements of the Public Contract Regulations 2015 (PCR15). However, as noted in paragraph 34, it remains the council's intention to use 2 existing framework agreements both of which were established following an EU compliant tendering process and established to allow local authorities to use for their own requirements. The tendering requirements of the PCR15 are therefore satisfied. Paragraphs 68-74 of this report sets out a summary of the process to be followed when undertaking further competition through these frameworks. Approval of the identified supplier for each work package following that competition will be by the strategic director of housing and modernisation in accordance with contract standing orders.
107. The cabinet member's attention is drawn to the public sector equality duty (PSED General Duty) under the Equality Act 2010, and when making decisions to have regard to the need to (a) eliminate discrimination, harassment, victimisation or other prohibited conduct; (b) advance equality of opportunity and (c) foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The duty also applies to marriage and civil partnership but only in relation to (a). The cabinet member is referred to paragraphs 75-79 which set out the consideration that has been given to the PSED General Duty in the community impact statement.

## Strategic Director of Finance and Governance (Concurrent Reference CE16/037)

108. The strategic director of finance and governance notes the recommendations in this report to use two frameworks for the procurement of architects services in support of the council's objective to secure 11,000 new homes.
109. The costs of these services will generally be funded from capital resources.
110. There is a substantial funding requirement of £293.61m which needs to be identified for the general fund capital programme in order for this to be fully delivered, and significant funding requirement of £181.80m which needs to be identified for the housing investment programme to be fully delivered.
111. Accurate forecasting and monitoring of expenditure is therefore paramount over the life of these contracts.

## BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
GW1 Professional Services (Architect) for the New Homes Delivery Programme.	160 Tooley Street, SE1 2HQ	Tim Bostridge
Link: <a href="http://moderngov.southwark.gov.uk/mgDecisionDetails.aspx?Id=50005970&amp;Opt=1">http://moderngov.southwark.gov.uk/mgDecisionDetails.aspx?Id=50005970&amp;Opt=1</a>		

## APPENDICES

No	Title
	None

## AUDIT TRAIL

<b>Lead Officer</b>	Dave Markham, Director of Asset Management	
<b>Report Author</b>	Phil Purkiss, Development Consultant	
<b>Version</b>	1	
<b>Dated</b>	15 December 2017	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Director of Exchequer (for housing contracts only)	No	No
<b>Contract Review Boards</b>		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
<b>Cabinet Member</b>	No	No
<b>Date final report sent to Constitutional Team</b>		5 January 2018