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|------------------------------------|--------------------------------|--|--|
| <b>Item No.</b>                    | <b>Classification:</b><br>Open | <b>Date:</b><br>11 March 2019  | <b>Meeting Name:</b><br>Strategic Director of<br>Housing and Modernisation |
| <b>Report title:</b>               |                                | <b>Gateway 1 Procurement Strategy Approval</b><br>Southwark Regeneration in Partnership Programme<br>Lot B - Copeland Road Car Park Re-Procurement |  |
| <b>Ward(s) or groups affected:</b> |                                | Rye Lane   |  |
| <b>From:</b>                       |                                | Director of Regeneration   |  |

## **RECOMMENDATION (S)**

That the Strategic Director of Housing and Modernisation

1. Approve the re-procurement strategy outlined in this report for direct award from the Hyde Main Contract and MMC Framework for a two stage design and build contract to deliver 67 new homes (of which 24 will be council homes and 18 will be intermediate homes) on the Copeland Road Car Park site at an estimated works value of £16,145,000 and a 5% contingency of £807,250 for an estimated period of 86 weeks with an estimated start date in April 2019.
2. Notes that there will be estimated external fees of £153,000 for Employer's Agent services through a separate Gateway process, making a total estimated scheme cost of £17,105,250.

## **BACKGROUND INFORMATION**

3. On 27 January 2015 the Cabinet agreed the Southwark Regeneration in Partnership Programme (SRPP). The programme identified a number of council owned sites which had development potential. On 20 October 2015, Cabinet agreed that the sites be packaged into 2 Lots that allowed for a more manageable delivery for their development. Each site varied and presented an individual opportunity, which included mixed uses e.g. housing, commercial and education. It was envisioned that values would be realised for these assets by leveraging the investment and expertise of established developers through a joint partnership.
4. This report deals with the procurement approach for the Copeland Road Car Park site which was included in Lot B of the Southwark Regeneration Partnership in Programme (SRPP).
5. In March 2016 the council carried out a tender for SRPP Lot B using the GLA LDP Framework. On 20 September 2016, a Gateway 2 report detailing a proposed award of a development agreement (DA) for Lot B of the SRPP to Affinity Sutton Homes was approved by Cabinet.
6. On 8 November 2016 the Planning Committee resolved to grant planning consent for the erection of 67 one, two and three bedroom flats within a 4 - 8 storey development with associated parking, cycle and refuse/recycling stores and landscaping including re-provision of (enlarged) ball court. Full planning permission was achieved in December 2017 following the completion of the

Section 106 agreement, which is now in the process of being changed to a unilateral undertaking.

7. On 21 March 2017 a Cabinet report gave confirmation that the Copeland Road Car Park SE15, was no longer required for the purposes for which it was being held and approved the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972, subject to compliance by officers with the advertisement requirements of section 122(2A) of the Local Government Act 1972.
8. In April 2017 agreement was given for Affinity Sutton Homes Limited (Affinity Sutton) parent company, Clarion Housing Group Limited (Clarion) to sign the Development Agreement in order to take on the obligations of surety.
9. In May 2017 Clarion Housing Group undertook a competitive tender for the development of the Copeland Road Car Park site and Purelake New Homes Ltd (Purelake) was the successful bidder.
10. Although the council and Clarion diligently tried for over 18 months to overcome a number of challenges, they both concluded that the best way to achieve the optimal outcome would be for the programme to be rethought and on 12 November 2018, the Development Agreement for the Southwark's Regeneration in Partnership Programme Lot B was terminated by mutual agreement.
11. Following consideration of alternative approaches to delivery, the council has determined that direct delivery is the most effective approach for the Copeland Road Car Park site.
12. On 28 November 2018, a Strong Leader decision delegated authority to the Strategic Director of Housing and Modernisation for the approval of the Gateway 1 report for Copeland Road Car Park Re-Procurement.

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

13. The council has an ambitious target to deliver 11,000 new council homes by 2043, with the first 1,500 by 2019. These will be delivered through a combination of in-fill development on our existing estates, purchasing some directly from developers, and developing land that the council owns.
14. The Copeland Car Park site was identified as an under utilised facility with the potential to provide much needed residential housing. Its development will maximise and add value to the area by providing:
  - 67 high quality residential homes: 24 social rent, 18 affordable intermediate and 25 private use at good value
  - Improved multi-use games area
  - Improved public realm
  - Employment and training opportunities

15. The social rent units will be retained by the council and let to local residents with priority need via the choice-based letting system.
16. The private sale units will be sold through local agents with priority given to local residents. The intermediate housing units will be marketed to Southwark residents and key workers during the first 6 – 9 months of an agreed marketing period. Thereafter, they will be available to all who qualify.

### **Market considerations**

17. The construction industry appears to be quite buoyant at the moment, tender prices appear to be rising, and there is a high demand for construction services. Projects still attract a good amount of market interest, for example, on a recent procurement for construction services, 9 firms expressed an interest in the project at SQ stage, 5 were invited to tender and 3 subsequently provided a bid.
18. In October 2015, Cabinet was advised that successful delivery was dependent upon the continued good health of the property market in Southwark. The borough's good communications and improvements in transport infrastructure are good selling points for property sales. Relative to other parts especially in the north and west of London, Southwark still represents good value and will benefit from further enhanced transport links such as the Bakerloo line extension. The wider demographics and strong demand generally for living space in London point to continued success. As long as economic factors remain positive, demand is anticipated to remain high.
19. The latest market indices (Right Move - July 2018) indicate that prices in Greater London has fallen by circa 0.5% in the last month and by 1.7% in the year to July.
20. The average London property asking price in July was £628,458, with the average Southwark asking price being £638,829.

### **KEY ISSUES FOR CONSIDERATION**

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

21. As the value of these works are above the EU threshold for works it means that the full tendering requirements of the Public Contract Regulations 2015 and Public Sector Directive 2014/24/EU would apply. In choosing the preferred method of procurement, the following options have been considered:
  - a) OJEU Procurement
  - b) Existing Framework

#### OJEU Procurement

22. Due to time constraints to commence works on site, before the expiry of planning consent in November 2019, using this procurement route would not be advisable. It is estimated that an average OJEU process would take a minimum of nine months from contract notice to contract award. This time could otherwise be spent on developing the project and undertaking a quicker method of procurement that would not present unnecessary risk to the project.

## Use of an Existing Framework

### Mini Competition through Existing Frameworks

23. Available frameworks include Hyde Main Contractor & MMC Framework (which is the one Clarion used) and The London Construction Framework (which is hosted by Haringey Council). Both frameworks have already carried out a tender process which is compliant with UK and European Procurement Law - contractors listed on the Framework agreements have already been assessed for their operational and technical and professional conformance and capabilities, and pre-agreed terms and conditions are embedded into the framework agreement. There is no need to advertise the requirements, and there are no minimum time periods within the process to which users must adhere. This can save clients valuable time and resources with greatly reduced procurement timescales. However, a mini competition procedure can take a minimum of 3 months and would further delay this programme.

### Direct Appointment via Hyde Main Contractor and MMC Framework

24. The council could appoint Purelake, the contractor procured by Clarion, via a direct selection from the Hyde Main Contractor and MMC Framework – a framework which has been set up following an EU compliant procurement process. There is an ability to directly select a provider under the framework (without a process of competition) where the purchasing authority is able to determine which contractor will provide best commercial value for the proposed call off, by reference to that contractor's pricing and quality submissions for the framework agreement. This would enable the council to benefit from the works already undertaken by Purelake.
25. The framework is split into 8 lots which have headings relating to regions (London, Kent and South Coast) and values. Although purchasing authorities are encouraged to use the lots that relate to the region in which their project is located the documentation is quite open and is not specific as to when the use of those lots might be appropriate/or be prohibited and therefore does not prevent users from using contractors in a different region if they are able to provide sufficient justification for doing so.
26. Although Purelake is only in Lot 2 (Kent region over £5m) and no London region lots, the council believes that it is justified in using this lot due to Copeland Road Car Park being located within a reasonable distance from the Kent border (approx. 8 miles) and Purelake's previous involvement on the site.

### **Proposed procurement route**

27. In order to retain the benefits of the work undertaken by Clarion to progress the development of the Copeland Road Car Park site, the council will seek to directly appoint Purelake via the Hyde Main Contractor and MMC Framework.
28. In addition to Purelake's pricing and quality submissions for the framework agreement, the council will rely on information from Clarion's competitive tender to establish best commercial value as the basis of the appointment is substantively unchanged.

29. Where necessary, the council will update elements of the tender documentation – e.g. Employer's Requirements and Amended Contract Terms.
30. The council will request that Purelake submit revised Contractor's proposals and confirm their tender sum based on the council's documentation.
31. Following award, the council will send a contract award notice to OJEU to confirm this direct appointment through the framework.

#### **Identified risks for the procurement**

32. The following risks have been identified for direct appointment of Purelake from the Hyde Main Contractor and MMC Framework.

| <b>No.</b> | <b>Identified Risk</b>   | <b>Likelihood</b> | <b>Risk Control</b>   |
|------------|--|-------------------|---|
| 2.         | Challenge to the use of the direct award through the Hyde Framework                                      | Low               | Framework allows for direct award and will engage framework manager to ensure call-off is in keeping with framework agreement terms.  |
| 3.         | Delay in achieving signing of design and build contract.   | Low               | Currently undertaking exercise with Contractor and Employers Agent to ensure relevant terms and conditions are in agreement and compliance.   |
| 4.         | Increase of contract costs   | Low               | Robust financial evaluations, rigorous interrogation of Contractor's proposals and stringent review of Employer Requirement comparisons will be undertaken to prevent an opportunity to make claim to increase costs. |
| 5.         | Purelake New Homes deciding not to continue with the contract.   | Low               | Ongoing discussions and meetings are taking place with Contractor and to date Purelake have retained interest.  |
| 6.         | Delays to the programme delivery   | Low               | Regular project meetings will support and control delays occurring  |
| 7.         | Failure to achieve Southwark's design standard   | Low               | Necessary contractual obligations have been put in place to ensure the Contractor must deliver all Employer Requirements.<br>A Clerk of Works and an Independent Employers Agent will be appointed.                   |
| 8.         | Contractor failing to meet Community engagement as required by the council during the development period | Low               | Officers will monitor and where necessary facilitate community engagement in order to support the Contractor.   |
| 9.         | Mobilisation/construction  | Low               | Site has been de-risked through   |

| No. | Identified Risk   | Likelihood | Risk Control  |
|-----|---|------------|---|
|     | delayed due to unforeseen site issues   |            | extensive site investigations and entering in to Pre Contract Services Agreement (PCSA) to eliminate pre construction design and technical issues prior to start on site. |
| 10. | Contractor becomes insolvent or no longer has the capacity to deliver scheme  | Low        | Robust financial assessments will be undertaken including independent financial and credit checks of businesses prior to award.   |
| 11. | Contractor fails to meet contract conditions around employment and training and marketing new homes to local people | Low        | To be included as part of the contract and monitored on a monthly basis.  |

### Key /Non Key decisions

33. This report deals with a key decision.

### Policy implications

34. The SRPP has been shaped by the promises and commitments made in the Council Plan, such as building more quality affordable homes of every kind and revitalising our neighbourhoods making them places in which we can all be proud to live and work.
35. The development plan for the borough consists of the Mayor's London Plan, the Core Strategy 2011, the Saved Southwark Plan policies, the Aylesbury Area Action Plan, the Canada Water Area Action Plan, the Peckham and Nunhead Area Action Plan and a revised Canada Water Area Action Plan.
36. The council is now reviewing the Southwark Plan and Core Strategy to prepare a Local plan, the new Southwark Plan. This new plan will set out the council's regeneration strategy from 2017 to 2033 and will also be used to make decisions on planning applications. The new Southwark Plan will go to Cabinet in January 2019 and will:
- a) Set policies to support the provision of new homes including 11,000 new council homes.
  - b) Protect our existing Schools and community facilities in the borough and provide more where this needed.
  - c) Protect local businesses and attract more businesses into the borough to increase job opportunities.
  - d) Support our high streets and increase the range of shops to increase their vitality. Introduce policies to improve places by enhancing local distinctiveness and protecting our heritage assets. Set policies to provide greener infrastructure and to promote opportunities for healthy activities.

e) Provide visions and policies for the many different areas within Southwark.

#### Procurement project plan (Key decisions)

| Activity  | Complete by: |
|---|--------------|
| Variation of delegation   | 28/11/2018   |
| Enter Gateway 1 decision on the Forward Plan (GEN)                                      | 06/12/2018   |
| DCRB Review Gateway 1   | 10/12/2018   |
| CCRB Review Gateway 1   | 20/12/2018   |
| Brief relevant cabinet member (over £100k)  | 10/12/2018   |
| Notification of forthcoming decision  | 11/02/2019   |
| Approval of Gateway 1: Procurement strategy report                                      | 19/02/2019   |
| Scrutiny Call-in period and notification of implementation of Gateway 1 decision        | 27/02/2019   |
| Completion of draft contract terms & conditions   | 11/02/2019   |
| Issue draft contract terms and conditions   | 28/02/2019   |
| Closing date for return of proposal   | 0/03/2019    |
| Completion of any clarification meetings  | n/a          |
| Completion of evaluation of contractor's proposal                                       | 08/03/2019   |
| Forward Plan (if Strategic Procurement) Gateway 2                                       | 26/11/2018   |
| DCRB Review Gateway 2:  | 18/03/2019   |
| CCRB Review Gateway 2   | 21/03/2019   |
| Notification of forthcoming decision  | 25/03/2019   |
| Approval of Gateway 2: Contract Award Report  | 02/04/2019   |
| End of scrutiny Call-in period and notification of implementation of Gateway 2 decision | 10/04/2019   |
| Contract award  | 12/04/2019   |
| Add to Contract Register  | 12/04/2019   |
| TUPE Consultation period (if applicable)  | N/A          |
| Place award notice in Official Journal of European (OJEU)                               | 15/04/2019   |
| Place award notice on Contracts Finder  | 15/04/2019   |
| Contract start  | 15/04/2019   |
| Initial contract completion date  | 30/11/2020   |

### **TUPE/Pensions implications**

37. TUPE should not apply to the appointment of a contractor to build new homes on the Copeland Car Park site. This is a new contract for discrete works and there is currently no existing contractor nor is there any council staff delivering the work which is then being tendered. TUPE should not apply on the expiry of the contract as the works will have been completed.

### **Development of the tender documentation**

38. Officers will amend Clarion's existing contract documentation with Purelake to reflect the council's terms and requirements

### **Advertising the contract**

39. Not applicable

### **Evaluation**

40. To establish that the procurement undertaken by Clarion was sound and award to Purelake meets the council's requirement and represents best consideration, the council will review the tender documents from Clarion that formed the basis of Purelake's award and request a value for money statement from Martin Arnold, the council's employer's agent.
41. The amended contract and Purelake's amendments to the council's employer's requirements will also be reviewed by the council's solicitors, Trowers & Hamlin, and Martin Arnold.
42. The evaluation will be based on price only as the council is satisfied that the quality element has previously been met.
43. Following evaluation, an internal panel comprised of Legal, Financial, Procurement and Regeneration officers will review all documents to confirm that the basis of award is sound..

### **Community impact statement**

44. Under the Equality Act 2010's Public Sector Equality Duty (PSED), as a public body we must have due regard to the need to:
- a. Eliminate unlawful discrimination, harassment and victimisation
  - b. Advance equality of opportunity between different groups
  - c. Foster good relations between different groups
45. Development of the Copeland Road Car Park site will allow for an upgraded Multi Use Games Area which will benefit the Atwell Estate residents. A new and improved basketball court can be used by people of all ages and encourages social interaction between the residents. It is envisaged that this facility will provide a secure area for younger children and create the opportunity for local residents to utilise the space for favoured activities.



46. The next stage of engagement following contractor award will be to engage with the community through a meet the contractor event. Officers will carry out a full equalities impact assessment that will involve an in-depth equality data collection and analysis. As such, the council will work with the appointed contractor through the lifespan of the development proposal, planning process and development of consented scheme to mitigate any negative impact to known protected groups. It is anticipated robust data collection processes will incorporate households and businesses in the vicinity of the site being asked to complete a questionnaire, integrating equality monitoring data at key stages. Repeated periodically this will enable a comprehensive analysis of the impact from the initial to post completion and will inform future equality impact assessments and mitigation considerations.

### **Social Value considerations**

47. 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.

### **Economic considerations**

48. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. It is expected that payment of the LLW by Purelake for this contract will result in quality improvements for the council. These should include a higher calibre of multi-skilled operatives that will contribute to the delivery of works on and provision of services on the Copeland Road Car Park site within Southwark and will provide best value for the council. It is therefore considered appropriate for the payment of LLW to be required. Purelake will be expected to meet LLW requirements and contract conditions requiring the payment of LLW will be included in the tender documents. Purelake will also be required to confirm how productivity will be improved by payment of LLW. Following award, these quality improvements and any cost implications will be monitored as part of the contract review process.
49. The contract will commit Purelake to the appointment of an Apprenticeship for every £1 million value of the contract.
50. The council can exclude companies who break the law by blacklisting or have not put into place genuine actions concerning past black listing activities. The council can require “self cleaning” which enables a potential contractor to show that it has or will take measures to put right its earlier wrongdoing and to prevent them from re-occurring and to provide evidence that the measures taken by the economic operator are sufficient to demonstrate it has:
- “owned up”: clarified the facts and circumstances in a comprehensive manner by actively collaborating with the investigating authorities.
  - “cleaned up”: taken concrete technical, organisational and personal measures that are appropriate to prevent further criminal offences or misconduct, and

- “paid up”: paid or undertaken to pay compensation in respect of any damage caused.
51. The council will request the necessary information from Purelake (using the council’s standard documentation in relation to blacklisting.) The contract conditions will also include an express condition compliance with the blacklist regulations, and include a provision to allow the contract to be terminated for breach of these requirements.

### **Social considerations**

52. Development of the site will provide 67 high quality new homes of which 10% will be wheelchair units. Of the 7 wheelchair units, 6 will be social rented and 1 will be intermediate. The 24 new social rent homes will be retained by the council and let on the same basis as existing council homes and a further 18 homes will be affordable intermediate homes.
53. The contract will enable the council to maximise the utility, value and quality of buildings being delivered, which will impact greatly on improved social environments for current and future generations, while minimising long term revenue costs to the council.

### **Environmental/Sustainability considerations**

54. The completed new homes will allow occupants to benefit from efficient heating with added sustainability gained from utilising energy from the installation of photo voltaic panels.
55. The scheme will be built using the most current methods of insulation providing an extremely well insulated structure in accordance with Building Regulation requirements. All windows will be fully double glazed. This will assist the occupants of the building in reduction of their carbon/energy usage and fuel.
56. The proposal includes green roofs in addition to communal amenity space on the ground floor providing visual and sustainability benefits. The various methods of landscaping throughout the site will encourage biodiversity.
57. Parking is limited to 2 parking spaces for the disabled dwellings. The rest of the development is car free. Secure and covered cycle storage is provided as there is a good local bus and rail service, encouraging the occupants to use alternative means of transport.
58. Proposals include that materials developed for the external parts of the building should incorporate a large amount of material from renewable sources and be designed to be air tight and well insulated.
59. It is envisaged that the use of water conserving devices, such as water butts and permeable surfaces. Dual flush toilets and low pressure taps will be used to conserve water use within the dwelling.

### **Staffing/procurement implications**

60. The letting of this contract will have no staffing implications; the existing delivery team in the council’s housing regeneration and delivery team will monitor the contract.

## Financial implications

61. The cost of the works including fees and contingency is estimated to be £17,105,250 and the anticipated expenditure profile, including fees, is shown on the table below:

| Years       | Works (inclusive of 5% risk pot) | Fees for Employers Agent, Clerk of Works & QS services) | Total       |
|-------------|----------------------------------|---|-------------|
| 2018/19     | £150,000                         | £53,450   | £203,450    |
| 2019/20     | £10,021,314                      | £38,179   | £10,059,493 |
| 2020/21     | £6,780,936                       | £61,371   | £6,842,307  |
| 2021/22     |                                  |   |             |
| Grand Total | £16,952,250                      | £153,000  | £17,105,250 |

62. The total estimated cost of these works including fees and contingency is £17,105,250. The cost of these works will form part of the council Housing Investment Programme and will be met from HRA capital resources, including GLA grant, S106 monies and borrowing where appropriate.
63. Project spend to date is £322,997 and the total projected spend, which includes legal services fees, resident engagement cost, contingency for right to light claims and decant cost for No. 53 Copeland Road is £10,500.

## Investment implications

64. Please see concurrent from Strategic Director Finance and Governance

## Legal implications

65. Please see concurrent from the Director of Law and Democracy

## Consultation

66. A robust consultation strategy involving internal and external stakeholders was undertaken. There were six consultation events carried out between 30 June 2015 and 23 June 2016. There were two online exhibitions in January 2016 and March 2016, two public consultations on 10 June 2015 and 22 February 2016, and a resident event on 28 April 2016. The final consultation was in the format of an exhibition held on 24 June 2016. There has been no further consultation as the scheme is unchanged and its deliverables, which includes the re-provision of a sport pitch and public realm works, have been agreed and established in the planning consent.
67. Once the contractor is appointed, they will set up a meet and greet event inviting all local residents to attend.
68. Ward Councillors have been updated on progress so far and they will continue to receive updates throughout the programme delivery.

## **Other implications or issues**

69. The recommended procurement approach (assuming the benefits of Clarion's competitive tender) is a departure from the council's usual procurement routes. However, this approach delivers efficiencies in terms of time and cost.
70. Assuming the benefit of Clarion's competitive tender the council is still following CSO procedures as the procurement was a competitive process. The review of Clarion's tender documentation and return will give assurance that best value was achieved and further negotiation with their preferred bidder will ensure that the council's requirements are met through this process.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Head of Procurement**

71. This report seeks the Strategic Director of Housing and Modernisation's approval for the re-procurement strategy outlined in this report for direct award to Purelake from the Hyde Main Contract and MMC Framework for a two stage design and build contract to deliver 67 new homes on the Copeland Road Car Park site at an estimated works value of £16,145,000 and a 5% contingency of £807,250 for an estimated period of 86 weeks with an estimated start date in April 2019.
72. The value of the contract for the main works means that it is subject to the tendering requirements of the Public Contract Regulations 2015 (PCR15) and the council's Contract Standing Orders. The council's proposed strategy of undertaking a direct award to Purelake from the Hyde Main Contract and MMC Framework, for the reasons detailed in the open report, meets these requirements.
73. Purelake's proposal will be evaluated 100% on price and will include a review of Purelake's pricing and quality submissions for the framework agreement, and information from Clarion's competitive tender to establish that the council is achieving value for money.
74. Southwark Council's procurement officers will be advising throughout the procurement process.

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

75. This report seeks the approval of the Strategic Director of Housing and Modernisation to the procurement strategy noted in paragraph 1, by way of a proposed direct award from the Hyde Main contract and MMC Framework. The value of these works exceeds the EU threshold of £4.5m, and therefore this procurement is subject to the full tendering requirements of the Public Contract Regulations 2015. However, as noted in paragraph 27, it is the intention of the council to undertake a direct award under the Hyde Main contract and MMC framework, which has been procured and established following an EU compliant tendering process and therefore satisfies those EU tendering

requirements. There is an ability to directly select a provider under the framework (without a process of competition) in certain circumstances, including where the council is able to determine which contractor will provide best commercial value for the proposed call-off. The council will analyse the proposal to be submitted by Purelake, details of which will be noted in the Gateway 2 report to justify award.

76. At this estimated value, the approval of the procurement strategy is reserved to cabinet. However the decision has been delegated to the strategic director of housing and modernisation by the Leader.
77. The Strategic Director'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) to 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, religion or belief, sex and sexual orientation. The duty also applies to marriage and civil partnership but only in relation to (a). The strategic director is specifically referred to the community impact statement at paragraphs 42-44, setting out the consideration that has been given to equalities issues and to the consultation which has taken place (noted in paragraphs 63-65) which should be considered when approving this procurement strategy.

#### **Strategic Director of Finance and Governance (H&M 18/089)**

78. This report seeks approval from the Strategic Director of Housing and Modernisation for the re-procurement strategy to deliver new homes on the former Copeland Road car park site. This follows the termination by mutual agreement the development agreement with Clarion Housing Group Limited to deliver new homes on the site. The project will deliver 24 much needed new council homes at social rent as well as 25 homes for private sale and 18 affordable shared ownership homes.
79. The estimated works value of this procurement including contingency is £16.9m, which together with external fees being procured separately makes the overall estimated cost of the scheme £17.1m. The project will form part of the council's Housing Investment Programme and the costs will be met from HRA capital resources, including GLA grant, S106 receipts, and borrowing as required. Over time, the costs of delivering this project are expected to be recouped through the sale of the private units and the capitalised income from the shared ownership properties. This income will be used to support the delivery of the Housing Investment Programme in future years, including the delivery of new homes.

## PART A – TO BE COMPLETED FOR ALL DELEGATED DECISIONS

Under the powers delegated to me in accordance with the council's Contract Standing Orders, I authorise action in accordance with the recommendation(s) contained in the above report.



Signature .....

20 March 2019

Date.....

**Michael Scorer, Strategic Director of Housing and Modernisation**

## PART B – TO BE COMPLETED BY THE DECISION TAKER FOR:

- 1) All key decisions taken by officers
- 2) Any non-key decisions which are sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available.

### 1. DECISION(S)

As set out in the recommendations of the report.

### 2. REASONS FOR DECISION

As set out in the report.

### 3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION

As set out in the report.

### 4. ANY CONFLICT OF INTEREST DECLARED BY ANY CABINET MEMBER WHO IS CONSULTED BY THE OFFICER WHICH RELATES TO THIS DECISION

### 5. NOTE OF ANY DISPENSATION GRANTED BY THE MONITORING OFFICER, IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST

*If a decision taker or cabinet member is unsure as to whether there is a conflict of interest they should contact the legal governance team for advice.*

**6. DECLARATION ON CONFLICTS OF INTERESTS**

**I declare that I was informed of no conflicts of interests.\***

**or**

**~~I declare that I was informed of the conflicts of interests set out in Part B4.\*~~**

(\* - Please delete as appropriate)

## BACKGROUND DOCUMENTS

| Background Documents   | Held At   | Contact                 |
|--|---|-------------------------|
| Southwark Regeneration in Partnership Programme  | Regeneration, Place and Wellbeing Department, 160 Tooley Street | Diana Hall<br>ext 57724 |
| Link:<br><a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4866&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4866&amp;Ver=4</a> |   |                         |
| Gateway 1: Southwark Regeneration in Partnership Procurement Approval  | Regeneration, Place and Wellbeing Department, 160 Tooley Street | Diana Hall<br>ext 57724 |
| Link:<br><a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5140&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5140&amp;Ver=4</a> |   |                         |
| Gateway 2: Contract Award Approval - Southwark Regeneration in Partnership Programme Development Partners  | Regeneration, Place and Wellbeing Department, 160 Tooley Street | Diana Hall<br>ext 57724 |
| Link: <a href="http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?Id=5921">http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?Id=5921</a>  |   |                         |
| Southwark Regeneration in Partnership Programme Lot B Sites Appropriation  | Regeneration, Place and Wellbeing Department, 160 Tooley Street | Diana Hall<br>ext 57724 |
| Link:<br><a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5379&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5379&amp;Ver=4</a> |   |                         |

## APPENDICES

| No  | Title |
|-----|-------|
| n/a |       |

## AUDIT TRAIL

|  |  |                 |                   |
|--|--|-----------------|-------------------|
| Lead Officer   | Stephen Platts, Director of Regeneration |                 |                   |
| Report Author  | Diana Hall, Housing Regeneration Manager |                 |                   |
| Version  | Final                                    |                 |                   |
| Dated  | 11 March 2019                            |                 |                   |
| Key Decision?  | Yes                                      |                 |                   |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER |  |                 |                   |
| Officer Title  |  | Comments Sought | Comments included |
| Strategic Director of Finance and Governance                     |  | Yes             | Yes               |



|  |     |               |
|--|-----|---------------|
| Head of Procurement                                  | Yes | Yes           |
| Director of Law and Democracy                        | Yes | Yes           |
| <b>Cabinet Member</b>                                | Yes | Yes           |
| <b>Date final report sent to Constitutional Team</b> |     | 26 March 2019 |

**BACKGROUND DOCUMENT -CONTRACTS REGISTER ENTRY FORM – GATEWAY 1**

|  |  |
|--|--|
| Contract Name  |  |
| Contract Description   |  |
| Contract Type  |  |
| Lead Contract Officer (name)   |  |
| Lead Contract Officer (phone number)   |  |
| Department   |  |
| Division   |  |
| Procurement Route  |  |
| EU CPV Code (if applicable)  |  |
| Departmental/Corporate   |  |
| Fixed Price or Call Off  |  |
| Contract Total Value   |  |
| Contract Annual Value  |  |
| Contract Start Date  |  |
| Initial Term End Date  |  |
| Number of Remaining Contract Extensions  |  |
| Contract Review Date   |  |
| Revised End Date   |  |
| SME/ VCSE (If either or both include Company Registration number and/or registered charity number) |  |
| Comments   |  |
| London Living Wage   |  |

On approval by the decision maker this document should be passed to the member of staff in your department who is responsible for keeping your departmental contracts register up to date.