**Invitation to Tender for the Brixton Works feasibility study** *(DRAFT VERSION 4)*

1. **Introduction**
   1. The Council has secured funding to undertake a feasibility study to explore options to establish Brixton Works, a vehicle to manage commercial floorspace in the town centre, to deliver affordable and flexible space and support social and economic value drivers. The aspiration is that some of the space being delivered through the major regeneration programmes in the town centre could be invested into this vehicle. Subject to sign off of the feasibility study, the Council has also secured £200k (capital) to invest in an asset to kick start the project. The investment needs to be in place by March 2017.
   2. This ITT is for the feasibility study stage of the Brixton Works project.
2. **Overview of what we are seeking**
   1. The key deliverables sought from this work are:

* A demand analysis showing the types of workspace needed to be provided in Brixton.
* An identified list of viable affordable workspaces across the town centre. This will take into account the sites identified within the councils regeneration plans as well as those that are outside of our direct control.
* Recommendations for where and how to spend £200k (capital) to kick start the project.
* Guidance on the design requirements for different spaces/typologies.
* A stakeholder engagement strategy
* 2 local stakeholder workshops
* A set of management options for the possible Brixton Works vehicle.
* A detailed business and delivery plan demonstrating operation of a viable, sustainable Brixton Works management/delivery vehicle
  1. We would expect the Consultant team delivering this work to have access to the following skills:
* Workspace management
* Research
* Property analysis
* Urban design/architecture/workspace design
* Community and partner engagement
* Economic growth and development
* Business planning

Given the range of skills required, it is expected that the consultant team may be drawn from a number of different organisations. However, the quality of the work remains the responsibility of the Lead Consultant

1. **Background**
   1. Brixton is a unique place with an exciting, vibrant and diverse town centre and a growing entertainment and visitor economy. It is now established as one of London's highest profile cultural destinations and is of particular significance to the British African-Caribbean community.
   2. In addition to the well-known public realm improvements in Windrush Square and major improvements along Electric Avenue, due to complete in summer 2016,, the Council has three major regeneration programmes currently underway in the town centre, based around its own significant land asset. This could see around 40,000 sq m (400,000 sq ft) of commercial development. These are:
   3. Your New Town Hall – the refurbishment of the town hall for civic and community enterprise use, alongside the development of 16,500 sqm of commercial space, including a new council office (14,000 sqm and affordable space 500sqm), as well around 190 new homes
   4. Somerleyton Road – the development of around 5,500 sqm of commercial space, as well as around 280 new homes as part of a housing co-op
   5. Brixton Central – a major expansion of the town centre offer, with up to 18,000 sq m of commercial space, including opportunities for new retail, employment and a hotel, as well as the potential for around 300 homes.

Further details can be found at futurebrixton.org

* 1. The Council is further guided by its objectives for economic growth across the borough. We have recently adopted our new Investment and Opportunity Strategy and are currently developing a Brixton Economic Action Plan, which will take a view on the demand for different types of workspace in Brixton. A major theme arising out of these works includes support for start-up and moving-on enterprises, facilitated where appropriate by affordable workspace.
  2. Sitting within the context of town regeneration and economic growth area there are a number of supportive initiatives that are already helping businesses in Brixton. These are:

1. The Brixton BID – Representing the interests of over 650 businesses in the area, the Brixton BID focusses on the core themes of improving partnerships, town centre marketing, and enhancement of the local environment. The BID secured a majority vote amongst Brixton Businesses in November 2013 and are expected to return to the ballot in late 2017. They are funded by a 1.5% levy on all businesses with a rateable value of £5000 and over.
2. Impact Hub Brixton – Offers co-working space and support for around 120 of its members, with representation across art, design, tech, education, environmental and finance sectors. They have been operational since May 2014 and currently have offices in the Brixton Town Hall (due to move into POP Brixton over the period of the Your New Town Hall regeneration). Details can be found at <https://brixton.impacthub.net/>
3. POP Brixton - Designed with the local community in mind, the space has been setup to showcase the best independent start-ups and businesses from Brixton and Lambeth. The project was commissioned by the Council and delivered by Carl Turner architects and The Collective. , The scheme is home to around 20 businesses and growing, and includes events, community, sharing and learning spaces. Details can be found at [www.popbrixton.org](http://www.popbrixton.org)
4. Pivot Brixton – With investment from the Council and Brixton BID, and run by a local business owner, this scheme provides incubation support for culturally and socially diverse retail businesses. It celebrates small businesses amongst Brixton’s vibrant community and booming retail ecosystem.
5. The Brixton Street Market strategy – As part of the High Street fund development of Electric Avenue, this document sets out a long-term development strategy for Brixton’s Street Markets including an 8understanding of how the market offer should develop in response to demographic change. Draft findings are due by the end of 2015.
6. The Lambeth business survey – Over 100 surveys were completed with businesses across the Brixton area between January and February 2015. The report presents key high level data and trends across a number of economic indicators and identifies key challenges for businesses.
7. Lambeth’s approach to Affordable Workspace – This forthcoming work will provide definitions along with target sectors (and rationale) to guide the council in its approach to affordable workspace across the borough.
8. **Objectives**
   1. *Local people should benefit from growth in the town centre, either through support for local enterprise or local employment*

Inherent to our approach to growth and development in Lambeth is the intention that, with the right support, local people, businesses and places can participate in the opportunities that growth brings and subsequently prosper. This includes support to increase jobs and the economic value of goods and services in the borough. It also includes a focus on quality of life, income redistribution and economic participation. Brixton Works will have a role to play across these headline objectives.

* 1. *Regeneration in Brixton will deliver a step change in employment space, including both affordable and flexible space, across a range of uses and typologies*

Brixton Works will identify and provide a series of affordable commercial units across the town centre to help shape the growth of enterprise in Brixton. These will form part of a broader mix of commercial uses brought forward through the regeneration schemes that the council is leading on. It comes at a time when there are major social and physical changes in the area and Brixton Works will both make the most of this opportunity and ensure that the changes implemented remain relevant to the existing local community and their economy. It is expected that Brixton Works would focus on new or expanding businesses, with the spaces made available over a time-limited period and with the opportunity to move on within the same town centre economic ecosystem.

* 1. *The Council wants to establish a vehicle to manage commercial space in the town centre, which will help it maximise social and economic value*

The Council wants to look at a range of options to establish a vehicle that could provide long-term management of a suitable proportion of the commercial space developed on its land through its regeneration schemes. The vehicle would seek to ensure the provision of affordable and flexible space and also develop and nurture a pipeline of entrepreneurs who require space to start and/or grow their business.

1. **Scope**
   1. The scope of this work can be seen to cover three strands of work:

* The opportunity - Balancing demand and supply
* Options for making it work – identifying the right partners for the project
* A detailed business case – Looking in more detail at viability

* 1. It is likely that the responses to each of these strands will inform each other and therefore should not be considered distinct.

**The opportunity - Balancing demand and supply**

* 1. The study will need to consider and inform the types of spaces required. This will be informed by demand from a range of target sectors and also by the supply of space coming forward, both through refurbishment and redevelopment.
  2. The demand side analysis will need to take into account the emerging findings from the Brixton Economic Action Plan regarding existing and future commerce in the town centre, the selected consultants would need to undertake additional consultation with the community and key stakeholders (e.g. council officers, Brixton BID, Impact Hub, Pop Brixton) to identify the demand for space.
  3. In considering the supply of potential space, there are three primary areas for likely Brixton Works space, linked to the Council’s development plans for Your New Town Hall, Somerleyton Road and Brixton Central. Should the feasibility study demonstrate a sound business case, 500 sq m has been designated within Your New Town Hall and this is likely to form the central hub within the Brixton Works project from early 2018.
  4. There is clearly other potential space, not currently in the Councils’ ownership. This includes a large number of railway arches, but also other commercial space. Prior to this space becoming available, the Council has secured £200k (capital) for investment in another suitable location to kick start the project. The study should consider this opportunity and provide guidance on this future investment.
  5. Where additional 3rd party land is considered viable, landlord incentives (e.g. PR, social value, public/private partnership working etc.) for securing that asset (if at less than market rate) should be considered if required.
  6. The feasibility study will need to provide guidance on the key design requirements for different spaces/typologies which will be used to inform future discussions with our development partners and private developers around potential planning obligations for workspace provision. This will require architectural input.

**Option for making it work – identifying the right partners for the project**

* 1. The Council is a major landowner and, subject to a sound business case being made, intends to investment some existing, or future property assets into Brixton Works. In addition to this there are other key landowners within the town (notably Network Rail, but also the owner (LAP) and operator (Groupe Geraud) of the indoor markets) and we will need a clear approach on our on-going relationship with them in this context.
  2. Additionally, there are a number of other key partners that we will need to bring with us (e.g. Brixton BID) and we will want a full understanding of each parties reason for involvement and how best to engage with them where this is not already understood.
  3. Lambeth Council is looking to establish a vehicle to manage this workspace. Feasibility for such a mechanism and how best to deliver this will need to be considered. Options for management include (but are not limited to):
* Establishing a new entity
* A Council run project
* Partnering with the Brixton BID
* Partnering with community/third sector provider/organsiations
* Partnering with an existing workspace provider
* Contracting with an existing workspace provider
* A combination of some of the above
  1. Implications for Lambeth council, our partners and the Brixton Works project will need to be made explicit. It is likely that these implications will fall under the headings of financial, legal, reputational, deliverability, growth, social and environmental. Particular note should be given to the implications of foregoing the full value of the space and how best to make use any surpluses generated.
  2. At this stage it is expected that a number of workshops should run with local stakeholders. This would include local ward councillors, entrepreneurs and businesses. Please allow for 2 workshops. It is also expected that the consultant team would need to engage with key land owners on a one to one basis. ,
  3. The feasibility study will work with partners to establish a preferred option for Brixton Works prior to establishing a detailed business case. This will require sign off by the project steering group and at senior officer and Cabinet Member level before proceeding.

**A detailed business case – Looking in more detail at viability**

* 1. A business plan setting out the sustainable operation of the preferred option is required. This will form the basis for internal approval for the release of the initial £200k (capital) expenditure and also, potentially the principle of the lease of the 500sqm enterprise space in the town hall. Both the aspects should be considered as part of the business case.
  2. The business case should also look beyond these two initial opportunities. The preferred option will need to be appraised against all reasonable measures of deliverability and is likely to include:
* Key types of affordability options including viable mixes of affordable and market rate units, including opportunities for cross subsidy
* Appropriate levels and tiering of affordable rent
* Allocation of affordable space in terms of assessment criteria and length of tenure (including State Aid implications)
* Headline profit and loss and cash flow forecasts for the first three years for Brixton Work’s operation
* A risk register
* Financial and social implications for any existing impacted businesses
* Legal implications, working with the Council’s legal team
* A note on any acquisitions required to ensure Brixton Works success but not currently viable within the specified budget.

**Contextual knowns and variabilities**

* 1. The ‘knowns and variabilities’ that provide further context to the brief can be summarised as follows:

|  |  |
| --- | --- |
| Known variables | * 500 sqm of agreed workspace within Lambeth’s new Town Hall (complete end 2017) * £200k capital available to kick start the project, subject to business case * Political and community support for provision of affordable workspace in Brixton * Relationships with primary landowners in the town |
| Developed but unconfirmed variables | * Partnership aspiration to install workspace within Brixton Central development * Opportunity for affordable workspace in forthcoming Somerleyton Road development |
| Unknown variables | * Opportunity for workspace on other 3rd party land |
|  |  |

* 1. Given the range of skills required, it is expected that the consultant team may be drawn from a number of different companies. However, the quality of the work remains the responsibility of the Lead Consultant.

1. **Programme**
   1. The contract award date is programmed as the 25th November 2015. The indicative timescales for the wider project are:

* October ’15 – steering group meets, agree brief internally and with stakeholders
* October – November ’15 - procure consultants to deliver feasibility study
* November ‘15 – early March ’16 – develop and conclude feasibility study
* March ’16 – agree next steps with informal cabinet
* March – August ’16 – establish Brixton Works , including identification of initial asset(s)
* August – Dec ’16 – fit out asset and identify initial tenants
* Jan ’17 – launch Brixton Works
  1. Consultant should allow 2 weeks for the client group to review and comment on any output. It should be noted that the fixed fee will relate to the agreed outputs for the work and not the programme.

1. **Site information (if appropriate)**
   1. Upon appointment, Lambeth Council will provide high level plans showing the major sites. We will also provide the range of objectives arising out of the strategies mentioned in section 1 of this document. A list of any additional information required from either the Council should be included in the proposal.
2. **Project management & governance**
   1. The contracting organisation is the London Borough of Lambeth, and the lead officer for the commission is Ross Mitchell, Neighbourhood Delivery Lead. The contact details are:

Tel: 0207 926 2824

Email: [rmitchell@lambeth.gov.uk](mailto:rmitchell@lambeth.gov.uk)

Governance is provided across two-tiers:

1. Internal/delivery – comprising of council employees across regeneration, economic growth, legal, finance and communications.
2. External/strategy – comprising of the Council’s Cabinet Member for Jobs and Growth, Brixton BID, the Greater London Authority, local community representatives, industry experts and regeneration officers

The successful team will be expected to meet monthly with the internal steering group (alongside phone conferences as required). They will also be expected to attend at least two (maximum 3) external steering group meetings to present key findings to members.

1. **Budget**
   1. The total budget for the work will be no greater than £30k.
   2. Consultants should set out a fixed price for each strand of the work and the whole project, based on a fee schedule setting out estimated days against each identified team member and proposed work stream.
   3. This will be set out in the template below:

Strand X:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name |  |  |  | Totals |
| Position |  |  |  |  |
| Day rate |  |  |  |  |
| Task 1 |  |  |  |  |
| Task 2 |  |  |  |  |
| Task 3 |  |  |  |  |
| Task 4 |  |  |  |  |
| Total |  |  |  |  |

* 1. The fixed fee should include all consultation costs, production and printing.
  2. The programme set out above is indicative and the agreed fixed fee will be based on delivery of the agreed outcomes.
  3. All outputs should be made available in electronic PDF format.

1. **Evaluation Criteria**
   1. Proposals should be limited to 8 sides of A4 (excluding CVs and project case studies) at a minimum of font 10 Submissions should include:

* Appreciation of the brief
* Method and outputs
* Previous experience of the proposed team members (CVs and project case studies)
* The approach to co-production
* Management arrangements
* Programme/timescales
  1. The balance of scoring will be price 30%: quality 70%. Interviews will be used to help moderate the quality score from the written proposals.
  2. For price, each tender submission will be assessed as a whole project, i.e. a single price figure. The submission with the lowest figure will receive the maximum score, with all other submissions scored in proportion to this figure. The following formula will be used

Lowest inclusive rate / own inclusive rate \* 30%

* 1. For quality, the evaluation will use a standard scoring range of 0 to 5; 0 is poor and 5 is excellent, using the following matrix:

|  |  |
| --- | --- |
| 0 | Failed to address the question/issue. |
| 1 | An unfavourable response/answer/solution. There is limited or poor evidence of skill/experience sought; a high risk that relevant skills will not be available. |
| 2 | Less than acceptable. The response/answer/solution/information lacks convincing evidence of skill/experience sought; lack of real understanding of requirement or evidence of ability to deliver; medium risk that relevant skills or requirement will not be available. |
| 3 | Acceptable response/answer/solution/information to the particular aspect of the requirement; evidence has been given of skill/experience sought. |
| 4 | Above acceptable – response/answer/solution/information demonstrates real understanding of the requirement and evidence of ability to meet it (based on good experience of the specific provision required or relevant experience of comparable service or supply. |
| 5 | Excellent – response/answer/solution provides real confidence based on experience of the service or supply provision required. Response indicates that the supplier will add real value to the organisation with excellent skills and a deep understanding of the service or supply requested. |

* 1. The weighting of each criterion is based on a scale of 1 – 5; 1 being low importance and 5 being highest in importance:

|  |  |
| --- | --- |
| 1 | Low Importance |
| 2 | Not Very Important |
| 3 | Important |
| 4 | Very Important |
| 5 | Extremely Important |

* 1. The following tender evaluation score sheet, including weightings, is proposed:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **#** | **CRITERIA** | **Weight** | **score** | **total** |
| 1 | Appreciation of the brief   * Demonstrates a clear understanding of the Council’s wider economic and regeneration objectives * Demonstrates an appreciation of the Brixton and Lambeth context * Demonstrates up-to-date knowledge of the current workspace market * Demonstrates understanding and opportunity for innovative working | 5 | 5 | 25 |
| 2 | Quality of method/outputs   * Good understanding of the services required * Clearly sets out a methodical approach to the scope of works in ITT * Clearly defines deliverables | 5 | 5 | 25 |
| 3 | Staff and other resources   * Size of the team is appropriate to the requirements of the service * Skills selection of the team is clearly aligned with the services required for the project * Clear evidence of the team members skills are provided, not merely described. This may be in the form of a summary CV or skills accreditation / formal qualifications * Number of days allocated to each project team member is appropriate to the requirements of the service * Team structure together with management details | 3 | 5 | 15 |
| 4 | Management and Communication  General   * Demonstrates how team will effectively work together and the role and responsibilities of the lead consultant to manage this.     Approach to co-production   * Demonstrates understanding and responds to the challenges and opportunities for co-production of the project in Brixton * Provides opportunities to involve local social enterprises, charities or voluntary sector organisations to part deliver or support the co-production process and to capacity build or up skill local residents. | 4 | 5 | 20 |
| 5 | Programme   * Clear programme of work with well defined outputs and deliverables. * Detail on production of all deliverables with timescales. * Clearly demonstrates that the organisation can meet the timescales set by the Council. * Demonstrates actions that would be taken to monitor the programme of work and how slippages would be tackled. | 3 | 5 | 15 |
| **Highest Possible Score for Quality** | | | | **100** |

1. **Submitting tenders and interview date**
   1. Tenders should be submitted by 12pm on 6th November 2015 via email or file transfer to the named officer.
   2. Consultants should seek advice from the named officer if there are any conflicts of interest of which they are aware, prior to submission of their tender.
   3. It is expected that three teams will be shortlisted for interview. Interviews are currently programmed for 16th and 17th November 2015.
2. **Timetable**

|  |  |
| --- | --- |
| Invitation to Tender sent | 19th October 2015 |
| Tender Return Date | 6th November 2015 |
| Tender submission evaluation period | 6th November – 12th November 2015 |
| Interviews for shortlists consultant teams | 16th – 17th November 2015 |
| 5 days notice period on Lambeth Council website | 19th November 2015 |
| Contract award | 25th November 2015 |
| Contract start date | 25th November 2015 |