



Lambeth

Somerleyton Road Phase 2

**Information
Memorandum**

BRIXTON

DEEP ROOTED COMMUNITY
CREATIVE CATALYST



LAMBETH. NOW'S THE TIME.

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Foreword



Building much-needed affordable homes and delivering clear benefits for local residents are the driving motivations at the heart of this development opportunity. This is a project being delivered with and for the community, rather than something being done to Brixton.

We're searching for a partner to deliver new housing and council-rent homes, specialist state-of-the-art extra care homes for our vulnerable residents, a brand-new community space to support our young residents, and all as part of a net-zero carbon estate built with the climate emergency fully in mind.

Lambeth has over 40,000 people on our housing waiting list and the level of homelessness makes the urgency to get on with building new homes even more pressing, as 5,000 children sleep in temporary accommodation every night.

The successful completion of the first phase at Somerleyton Road delivered a new arts and culture hub and new theatre space at Brixton House, refurbished the locally-listed Carlton Mansions and provided new affordable workspace for local businesses. Phase 1 set ambitious markers for the search for our Phase 2 partner to support us as a council in using our land to create a new, exciting location for over 320 brand-new homes.

We're doing what we can to get more homes built, despite the challenges of rising building costs, the post-Brexit shortages of workers and rising interest rates creating uncertainty in the economy. The impact of the cost of living crisis is deeply felt in the communities we live in and represent. Many local residents face leaving Brixton due to rising costs and are often locked out of the opportunities new developments can bring.

We're looking to the development community to work with us to change that story, while meeting the scale of our ambitions for this scheme to create high-quality homes and maximise the delivery of genuinely affordable homes in a sustainable way. As Lambeth was the first London borough to declare a climate emergency, this scheme will lead the way in meeting our

Net Zero ambitions by 2030, by reducing carbon emissions by 50% in a net zero carbon estate, as well as creating safer and healthier public spaces for the benefit of those who live here.

Brixton is world-famous and so is the talent found in the local community. We want this scheme to create more jobs, training opportunities and local apprenticeships to unlock this talent and give our residents the chance to fulfil their potential. That starts with making the space and creating the opportunities here in Brixton for that to happen. This is a hugely exciting opportunity for Brixton and for Lambeth as a whole, as well as a chance for us to demonstrate the effectiveness of partnership working. Our goal is to meet the needs of the local community through genuine, local engagement and ensure that the diversity of Brixton and Lambeth is truly captured throughout the process.

I look forward to working with you.

Councillor Danny Adilypour
Deputy Leader of the Council
(Sustainable Growth and New Homes)

Introduction

The London Borough of Lambeth (the 'Council') is seeking to secure a delivery partner or consortium that can deliver on its ambitions for Somerleyton Road Phase 2 located in the heart of Brixton, delivering much needed affordable housing for the borough as well as the Council's wider vision of net zero and new extra care facility. It is expected that the Sites can deliver more than 320 residential homes.

As well as contributing toward the Council's affordable housing delivery and net zero ambition, the future development of the Site is a key strand of a wider, long-running programme of investment and activity being delivered and facilitated by the Council and partners to build strength and resilience for Brixton.

This Information Memorandum comprises a guide for interested parties, setting out the background to the project, the Council's priorities for the Sites, the commercial opportunity underpinning the development and a summary of the procurement process.



Brixton Town Hall



Thrayle House

Blue Star House

Max Roach Park

Brixton Tube Station

Brixton Rec Quarter

Brixton Train Station

Brixton Village Market

Somerleyton Road Phase 1



Brixton Bridge – designed by Farouk Agoro & RESOLVE Collective – credit Vishnu Jayarajan

Background

Brixton is known around the world for its unique character, rich diversity and cultural heritage. It is inextricably linked with the Windrush generation and home to a vibrant community, creative and

cultural scene focused around its small businesses, local organisations and iconic venues including the Black Cultural Archives, the Brixton O2 Academy, the Ritzy, Electric Brixton and its vibrant and

multi-cultural street and indoor markets. It also has a rich architectural heritage with a number of Listed and notable buildings and streets in a significant conservation area.



Top row from left: Brixton Village, Ritzy | Bottom row: Brixton Village/Electric Avenue Traders

From its passionate community to its famous attractions, it is considered the beating heart of Lambeth.

Brixton was designated by the Mayor of London as a Creative Enterprise Zone in 2019 in recognition of its diverse creative and cultural community. A number of recent developments, planning permissions and site acquisitions demonstrate its growing reputation and potential to serve as a major hub for the creative and digital industries, professional services and social impact businesses, including:

- London Square are the Council’s development partner for Brixton Rec Quarter, a residential-led mixed-use development that comprises the immediate area around Brixton Recreation Centre, and includes 49 Brixton Station Road and 6 Canterbury Crescent, known as International House. The Project will make improvements to Brixton Station Road market and public realm, the Rec’s concourse and shopfronts, as well as up to 240 new homes. International House will be retained and extensively refurbished to provide 7,800sqm workspace for local businesses and a commitment to making at least 20% of the building affordable workspace.
- The Park / Thrayle House is a development by Network Homes, which launched in March 2019. The site involved the redevelopment of Thrayle House for residential-led mixed-use development up to 20 storeys. Of the 177 units, 96 were for private sale and 81 for social rent. The scheme comprised a mix of 1, 2, 3 and 4 bedroom apartments and 4 bedrooms houses.

- In December 2019, Jellyfish Pictures expanded to a brand new, state of the art studio seating over 150 artists in the heart of Brixton.
- Derwent London acquired existing office space, Blue Star House, with scope to redevelop the site with a significantly larger scheme. Derwent have appointed Carmody Grooke Architects to work up new designs for the Site.
- Squire & Partners showcase HQ “the Department Store” is a mixed-use renovation offering office, retail, restaurant, and community facilities as well as a publicly accessible rooftop bar. It houses 200 of Squire & Partners staff relocated from Kings Cross.



As well as boasting excellent links with central London, Brixton is also within close proximity of a number of other important London wide destinations and major transport interchanges, whether by rail, underground or bicycle.

UNDERGROUND 🚇	
Vauxhall	4 mins
Victoria	7 mins
Green Park	9 mins
Oxford Circus	11 mins
London Bridge	13 mins
Euston	14 mins
Bank (DLR)	15 mins
Kings Cross	16 mins
Bond Street (Crossrail)	17 mins
Canary Wharf	24 mins
Heathrow Airport	46 mins
NATIONAL RAIL 🚆	
Herne Hill	2 mins
Victoria	7 mins
Beckenham Junction	14 mins
Clapham Junction	18 mins
Wimbledon	26 mins
Gatwick Airport	41 mins
TWO WHEELS 🚲	
Victoria	20 mins
Battersea	20 mins
London Bridge	22 mins
Borough Market	23 mins
City of London	24 mins
Hyde Park	24 mins
Covent Garden	25 mins



Against this backdrop, Brixton has been the focus of significant council activity and investment in recent years in recognition of its civic and cultural importance as well as its potential to drive inclusive growth and opportunity in the borough.



The Council and its development partners, Muse, have completed the Your New Town Hall project – the award-winning refurbishment of Lambeth Town Hall, the delivery of a new Civic Centre, the affordable workspace – Tripod, and 194 new homes, 40 per cent of which are affordable.

Herne Hill Underground Station

Brockwell Park

Somerleyton Road

Brixton House Theatre

Loughborough Junction station

Brixton Train Station



The Site

Somerleyton Road is located in central Brixton, which is renowned for its heritage, independent retail, street markets, night-time economy and culture. Brixton is also the civic and administrative heart of Lambeth.

The Council owned sites (Block C, D and F - referred to as Phase 2 or the 'Site' hereafter) is approximately 2.12 acres. The Site is bordered by the Moorland Estate and Southwyck House Estate to the east, Brixton House Theatre to the north and a railway line to the west. The Site has a PTAL rating of 6a towards the north of the Site and a PTAL rating of 5 toward the south of the Site.

Planning permission for Somerleyton Road (Block A to F) was previously obtained in 2017 (ref: 15/05282/RG3). Phase 1 of the development (Block A & B) was successfully completed in 2022. In the original planning permission, Phase 2 consisted of Blocks C, D, E and F, of which Blocks C, D and F are on council owned land and Block E is owned by a third-party. In July 2023, the Council's cabinet made the decision to launch a procurement exercise to secure a delivery partner for the delivery of these council owned sites (Block

C, D and F) at Somerleyton Road Phase 2. The Council has made efforts to engage with the owner of Block E, which has secured independent planning permission.

The Council will expect the appointed development partner to continue to make efforts to engage with the landowner moving forward.

In the Site boundary map, the area hatched blue is owned by TfL and is currently used as a substation and parking area. The Council is currently seeking to acquire the land in front of the substation, so this can be included in this development and help to provide continuous public realm that connects with Block D. The area hatched orange is Somerleyton Passage, which is the Council's highway land and is included in the Phase 2 development.

The Site is fully owned by the Council and is predominantly vacant, with some tenants accommodated on temporary leases and licence agreements. The Council will be able to achieve vacant possession of all parts of the Site with 3 months' notice.



Somerleyton Road Phase 2 | Site Boundary

Planning and Development Context

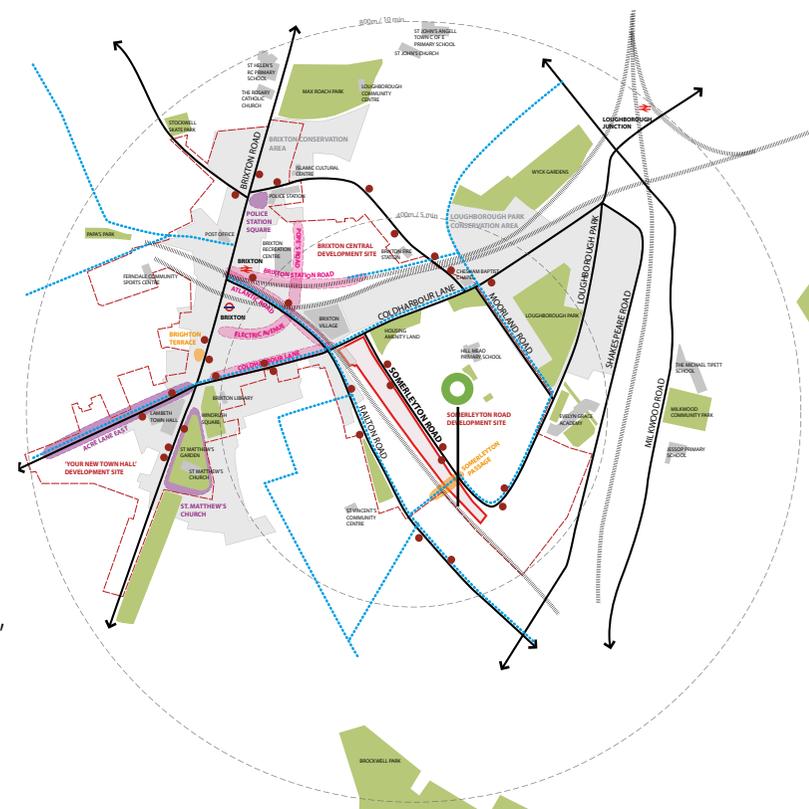
The Lambeth Local Plan (2021) sets out a clear site allocation (Policy PN3 and Site Allocation 14) on Somerleyton Road to promote development delivery.

The planning policy sets out the Site as a major residential-led, mixed use regeneration scheme. Planning permission was previously obtained in 2017 (ref 15/05282/RG3), to deliver 304 new dwellings (50% affordable) and approximately 8,000 sq.m (GIA) of non-residential uses, including a theatre (Sui Generis) and employment, retail and community uses (Use class B1/D1/A1/A2) with associated parking, landscaping and ancillary works.

Phase 1 of the development was successfully completed in 2022 and includes the refurbishment of the locally listed Carlton Mansions (Block A) and the construction of the new Brixton House Theatre (Block B). The theatre building includes three floors of performance, rehearsal and office space for Brixton House Theatre, basement workspace, and two further floors of office space. Carlton Mansions provides 26 units for creative organisations. The relocation of Brixton House Theatre (formerly known as Ovalhouse), is a key element of the cultural investment that has been brought to the area.

In early 2023, the Council undertook a high-level design exercise to maximise the Site's capacity. The capacity work carried out demonstrated a scheme that could deliver a residential led, mixed-use scheme of 320 units. The Council submitted the scheme for pre-application advice in February 2023, to help set out the drivers for change, to arrive at a deliverable scheme. The pre-app response provided by the LPA was generally supportive of the proposed revised scheme, although it is expected that the chosen delivery partner will rely on their own discussions with the LPA. The design pack and pre-app correspondence will be fully available as part of the wider tender pack at the ITT stage.

With regard to alternative residential typologies, BTR would be considered suitable at the Site in principle. This would, however, be subject to the design and management of the BTR development meeting the detailed requirements of Local Policy H12 and London Plan Policy H11. The Site has an extant planning consent for conventional housing, therefore a proposal for Co-Living or Student Housing would not be supported in principle and would be considered contrary to the Development Plan.



The Somerleyton Road site in relation to local amenities, conservation areas and development sites

Phase 1

Phase 1 of the Somerleyton Road development included the refurbishment of the locally listed building Carlton Mansions (Block A) and the construction of the new Brixton House Theatre (Block B). Phase 1 of Somerleyton Road is a cluster of creative, media and cultural organisations. It is a key and first part of the wider Somerleyton Road development, demonstrating significant cultural investment into Brixton and promoting the local creative, media and culture sector. Brixton House won the RIBA London Award 2023.

The theatre building includes three floors of performance, rehearsal and office space for Brixton House, basement workspace, and two further floors of office space. Carlton Mansions provides 26 units for creative organisations. The relocation of Brixton House Theatre (formerly known as Ovalhouse Theatre) is a key element of the cultural investment that has been brought to the area. The theatre building includes three floors of performance, rehearsal and office space for Brixton House, basement workspace, and two further floors of office space.

Brixton House Theatre occupy the ground, first and second floor. To date all of the office spaces at Brixton House are either occupied except for the third floor, where heads of terms/lease have been agreed on a long term basis. The third floor tenant will also be letting the basement to provide recording studios. The space will provide services to young and under-represented groups from Lambeth for mentoring, equipping them with the skills sets and tools necessary to navigate and thrive in the creative arts industry. The tenant is also looking to serve people with undiagnosed and unregistered disabilities as well as registered disabilities for Lambeth communities to develop their individual and collaborative creativity through assisted technologies in an open, safe creative space.

Carlton Mansions provides 26 serviced office units for creative organisations and provides a mixture of affordable and market units. Currently 17 of the 25 offices are occupied, with 3 being negotiated and 5 vacant.



The Opportunity

The following development objectives and minimum requirements are sought from the future development of the Site:

1 A mixed-use, residential led development that should maximise the Site’s potential and capacity and therefore number of (affordable) housing on site, whilst complying with planning policy.

2 A scheme that delivers new homes and maximises affordable housing. The Council requires the Site to achieve a minimum 30% of affordable housing with a strong desire to achieve 35% and above where possible. 70% of the affordable should be at social rent, whilst the remaining 30% will be intermediate products, in line with Lambeth Local Plan Policy H2.

3 A net zero-carbon development as defined by the London Plan, and target to achieve a minimum 50% of carbon reduction (using the GLA’s Whole Life Carbon Energy Assessments Guidance), as well as additional sustainability measures, where possible.

4 A fixed payment of £5,000,000 to the Council, plus residual land value and appropriate overage provisions.

5 Minimum 50 high quality Extra Care homes to be delivered as part of the scheme. The 50 Extra care need to be social rent.

6 Provision of community space, including an indoor community gym of a minimum of 200sqm.

7 Wide range of Employment & Skills benefits, including a bespoke employment and skills plan that will benefit Lambeth residents and Social Value innovation to bring bespoke programmes and benefits to the local community.

8 A community engagement plan which details approaches on capacity building and co-design opportunities with the local community, such as on Somerleyton Passage.

Block	Unit type	All Tenures
Block C	1B2P	70
	2B3P	30
	2B4P	45
	3B5P	17
	Total	162
Block D	1B2P	63
	2B3P	12
	2B4P	
	3B5P	
	Total	75
Block E	1B2P	
	2B3P	
	2B4P	
	3B5P	
	Total	
Block F	1B2P	20
	2B3P	30
	2B4P	31
	3B5P	2
	Total	83
All Blocks	Grand Total	320

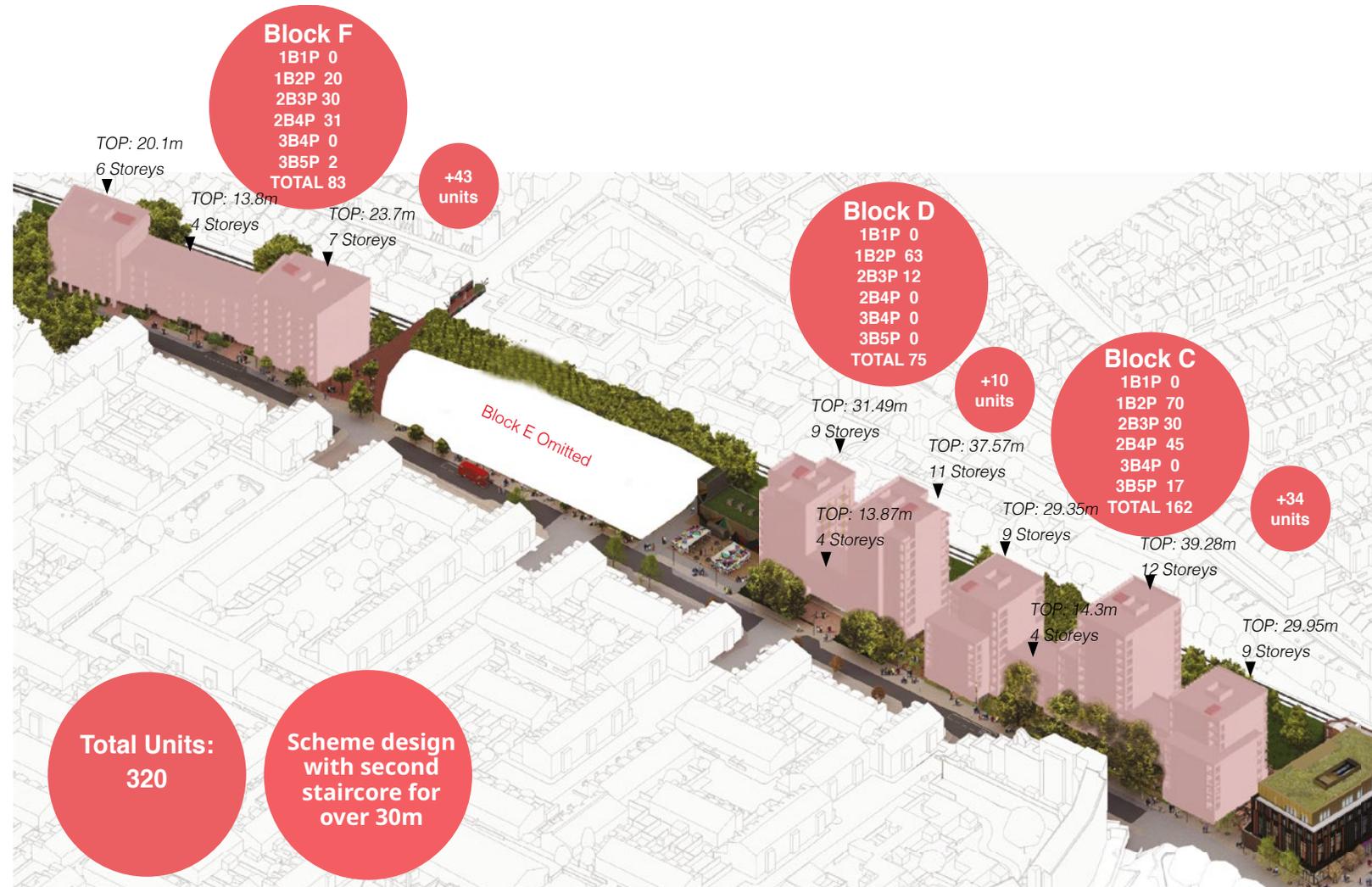
Indicative Accommodation Schedule

Indicative Scheme of 320 units

Through 2023 the Council has undertaken its own feasibility analysis and carried out pre-app meetings with the LPA who are broadly in agreement with the proposed massing and density.

Please see latest indicative scheme, showing potential to deliver 320 units on the Council's land.

Bidders will be expected to explore opportunities to maximise the site's potential and capacity, whilst maintaining a reasonable and robust planning strategy.



Partner Expectations

Following procurement exercise, it is expected that the selected delivery partner will undertake the following activities:

Obtain **all planning permissions** and all other necessary consents in accordance with the Lambeth Local Plan and the Council's development objectives and minimum requirements.

Undertake marketing and sales services to **generate interest** in the private residential units developed within the scheme.

Maximise affordable housing delivery, including securing maximum level of grant funding through its Registered Provider partner(s), with nomination rights for the Council.

Work collaboratively with the Council and **local community** to develop proposals post-contract award through a Joint Project Board and other similar **collective initiatives** proposed to promote partnership working, engagement and co-design.

Develop out the scheme that the **development partner** secures consent(s) for.

Work with the Council to deliver a **Social Value plan**, including employment and skills activities and with **equality, diversity and inclusion** embedded throughout.

Implementation of the Development by 31 March 2026

Practical Completion of the Affordable Housing by 31 March 2028

Commercial Structure

Development Agreement

The Council expects to enter into a development agreement with the winning bidder which will secure the benefits sought by the Council as set out in the winning bid. The development agreement will be on the basis of a 999-year lease that will be granted following satisfaction of conditions precedent.

The development agreement will contain a number of conditions, milestones and step-in rights to ensure that the scheme is successfully delivered in line with the agreed approach and the Council's objectives and minimum requirements. The Council expects to work closely with the partner, taking an open book approach, via a Joint Project Board.

Planning Commencement Agreement

The Council may wish to award the Planning Commencement Agreement at the point of appointment. The aim is to facilitate the design and planning process while the Development Agreement is being finalised.

Fixed Council Payment

The Council requires offers from Bidders to include a fixed capital payment of £5,000,000 to be made to the Council at an agreed milestone(s), including a minimum of £500,000 following lease transfer. These payments will be fixed in the development agreement, and will be subject to a long stop of 3 years following lease transfer.

Land Payment(s)

The Council further requires Bidders to commit to a Minimum Land Value (MLV) as part of their offer. This will be set via the procurement process. The final land payment will be determined post planning via an open book process, wherein the Council will share 20% of any uplift (over MLV) with their partner. The profile of these payments will be fixed in the development agreement.

Overage

The development agreement will contain overage provisions to allow the Council to share the benefit of any value uplift created through market price increases (subject to deductions to allow for cost inflation).

Affordable Housing

The Council is seeking to maximise the delivery of affordable housing on Somerleyton Road. A key factor in increasing the level of affordable housing will be grant funding. The development partner and their chosen Registered Provider partner will be responsible for negotiating and securing the maximum level of affordable housing grant, albeit the Council does have grant and monies available to support affordable housing delivery if needed.

Procurement Process

How to access the opportunity

The Council will be following the Competitive Procedure with Negotiation in accordance with the Public Contracts Regulations (2015).

The procurement documents are available for unrestricted and full direct access, free of charge, at:

https://uk.eu-supply.com/app/rfq/rwlenrance_s.asp?PID=70748&B=LBLAMBETH

Tenders or requests to participate must be submitted electronically via:

https://uk.eu-supply.com/app/rfq/rwlenrance_s.asp?PID=70748&B=LBLAMBETH

To access the opportunity and documentation, a supplier registration is required. Details on registering are in the above link – new supplier registration. Once registered a search can be completed in tender opportunities using ‘Delivery Partner for Somerleyton Road Phase 2’.

A comprehensive list of background documents and further guidance as to the Council's requirements will be set out in the Statement of Requirements.

Timescales

Key Event	Indicative Timing
Notice dispatched on Find a Tender Service and formal commencement of procurement	29 August 2023
Deadline for return of SSQ	03 October 2023
Notification of Shortlisted applicants (four bidders) Invitation to Tender issued	26 October 2023
Deadline for Tenders	Late November 2023
Down-selection to 3 bidders and issue Invitation to Participate in Negotiation	January 2024
Negotiation period	February – April 2024
Meet the Bidders days with local stakeholders	February – April 2024
Invitation to Submit Final Tender	May 2024
Evaluation of Final Tender	May 2024
Preferred Bidder appointment	August 2024

Evaluation approach

The questions within the Invitation to Tender are split into three sections focusing on Quality, Financial and Legal considerations.

These questions are purposefully weighted to ensure that quality, price and risk transfer are all taken into consideration when advancing bidders to the next stage.

The evaluation weighting is set out in the table to the right.

Section A - Quality (60%)	Weighting
A1 – Design and delivery	20%
A2 – Affordable housing	23%
A3 – Extra care	7%
A4 – Social Value delivery	10%
Section B - Finance (30%)	
B1 – Minimum Land Value	10%
B2 – Robustness & Credibility of Assumptions	10%
B3 - Funding Strategy	5%
B4 – Sales Overage	5%
Section C - Legal (10%)	
C1 - Legal	10%

Contacts

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