



£350 Million Regeneration in the Heart of Ealing

Case Study



OVERVIEW

As 260,000 sq ft gross of office space over five stories in the heart of Ealing Broadway, Perceval House was initially designed for a possible road widening that did not take end up taking place. Therefore, the building represented an inefficient use of the plot available (1.36 Ha) in an area of high land value. Like many public sector administrative buildings of its age and type, it was inefficient, expensive to run and heading towards the need for a substantial and expensive overhaul. In addition, councils across London remain under pressure to increase the supply of new and genuinely affordable homes.

The council, supported by the V4 team, has made significant progress toward securing a re-development of the site and executed a Development Partnership Agreement with **Galliford Try Partnerships (now Vistry)**. Through this partnership, the re-development will create:

- Brand new offices (c.100,000 sq ft) delivering modern and flexible accommodation to support the council's 'new ways of working' transformation programme
- 477 new homes, of which 50% will be affordable
- A new library to replace the Ealing Central Library
- Ground floor commercial space (15,000 sq ft)

The council offices cost will be entirely funded through the private sale homes, with the new affordable homes to be owned and managed by the council through its new housing development company (Broadway Living).

V4 supported the council through every stage of the project, including:

- The initial options appraisal and set up of the financial model
- The provision of the 'Intelligent Client' function, managing and supporting decision making
- Developing the employers' requirements for office space and affordable housing
- Supporting the design and delivery of the council flexible working programme (supporting the reduction in core office space from 260,000 sq ft to c.100,000 sq ft)
- Managing the competitive dialogue procurement process to secure the development partner
- Supporting the execution of the development agreement
- Providing the client function throughout the development partnership including the procurement of the associated client-side multi-disciplinary team

THE CHALLENGE

The council had significant experience of working with developers as a planning authority and in redeveloping housing estates, but it had undertaken few commercial developments on its own sites, fewer as joint ventures and none on the scale envisaged. In addition, the project required a move to modern ways of working and a full decant. The council lacked the required experience and capacity in house to manage and coordinate such a project with a potential gross development value of £350m.

THE SOLUTION

The V4 team helped the council deliver the project by taking on the following roles through its 'Intelligent Client' function:

Project coordination

Provided a team of specialist staff to lead aspects of the project and ensure the momentum of the project is maintained.

Options appraisal

Developed scenarios surrounding the initial concept, benefits of a joint venture approach, commercialisation and the impact of different types of affordable housing for the council to make informed decisions.

Key reports for decision making

Preparation of project management reports using a prince project model, corporate management reports and cabinet reports.

Procurement

Advised on procurement options to ensure an EU compliant approach that still allowed the council to consider a range options from bidders.

Financial management

Managed the budget of the project including creation of viable development options, tracking and recording spend on the development, ensuring the project remained within budget and met pre-agreed project saving targets.

Developing and managing the project report structures

Using a prince-based approach, the V4 team set up the necessary structures to provided clear corporate understanding and control of the project, ensuring it closely aligned with other development and transformation projects that impacted upon the council's office working environment.

Commissioning specialist studies

Helped identify the gaps in the council's knowledge that required additional support, produced briefs, managed the selection process and managed the consultants.

Co-ordination with the council's external advisors

Undertook the tender and selection of specialist legal and property advice.

Problems solving and option development

Developed options for the council to create space for commercial rent to improve the income and reduce its space demand to meet higher savings targets.

Liaison with the development partner

Coordinated the negotiation and liaison process with the development partner to get into contract.

Specialist Negotiation

Opened up the dialogue with Scottish and Southern Electricity to explore the potential for relocation or the use of air rights development. Specialist advice was commissioned to show the relocation options and how the space could be better utilised. The V4 team also led on negotiation with potential public sector partners interested in space in the new building and health services already subleasing space in the existing offices.

OUTCOMES

The agreed scheme, which achieve planning approval in March 2021, will reduce the council's core office accommodation to c.100,000 square feet of brand new grade A office, funded through receipts from c.235 new market sale properties, while at the same time providing a further c.235 (50%) affordable homes.

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