

Buckingham Avenue, Perivale – Project Briefing Paper – September 2023



Project Background / Introduction

- The Buckingham Avenue estate is located in Perivale, a suburb within the London Borough of Ealing, England. Perivale is approximately 10miles (16km) from Central London and well served by transport links including Perivale underground station, which lies between Greenford and Hanger Lane on the Central Line.
- In 2014 the housing development team explored the potential to increase the amount of housing on Buckingham Avenue estate by making use of land that is either currently undeveloped or used as garages or parking. A feasibility study was undertaken to assess the opportunity for the redevelopment of this land.
- The existing Buckingham Avenue Estate contains 29 similar 3-storey building, each accommodating 6 flats. The redevelopment transforms 2no underused garage sites that no longer provide adequate parking facilities and present a security issue / opportunity for antisocial behaviour.

Summary of Approvals

- July 2015 – Cabinet Approval to develop new build housing scheme on Buckingham Avenue Estate.
- May 2020 – Planning Consent was secured to build out 40 units across four low rise residential blocks within the existing estate.
- November 2021 – Cabinet Approval to Award Pre-Construction Services Agreement (PCSA) to Bugler Developments Limited.
- November 2021 - The special board meeting gave its approval for BLRP to enter a JCT 2016 Design and Build Contract with Bugler Developments Ltd in the sum of £10,985,000.
- May 2022 – A further planning consent for an additional unit (one bedroom flat) was secured due to the relocation of the existing substation away from Block C. This increased the total number of units to 41.

Unit Mix & Tenure Types

- The development will deliver 41 new homes in total, broken down as follows:

Block	Tenure	Number of Units	Unit Breakdown
A	Shared Ownership	4	4 x 2 bedroom flats
B	Shared Ownership	12	6 x 1 bedroom flats 6 x 2 bedroom flats
C	London Affordable Rent	14	6 x 1 bedroom flats 5 x 2 bedroom flats 3 x 3 bedroom flats
D	London Affordable Rent	11	9 x 2 bedroom flats 2 x 3 bedroom flats 1 x Community Room*

*The community room will be handed over and managed by LBE for community use.

Scheme Costs & Funding

- Under approvals in November 2021, the main works contract was signed with Bugler Ltd for a value of £10,985,000 (inclusive of the PCSA sum).
- Taken into account the agreed variations, the build cost for the additional unit and the agreed loss and expense claim, which was a result of significant delays obtaining a Wayleave agreement in place for the new substation, the contract value has increased to £11,211,289 with a total scheme cost of £13,224,806. The additional cost is being covered within the approved contingency sum.
- GLA funding secured for the 40-unit scheme is £2,748,000.
- For the additional unit funding, it is proposed that a sum of £148,000 will be utilised from the expired Section 106 funds available for spend by December 2023. This has been approved by Ealing council s106 team.

Programme & Overview of Progress

- Bugler took site possession in December 2021 with scheme completion scheduled for March 2024.
- As refer to above, the project has suffered some significant delays due to the complexity of obtaining a Wayleave agreement in place for the new substation. This delayed the construction of Block C because the existing substation was located within the build footprint for Block C. The Wayleave agreement is now in place and construction to Block C is now making swift progress.
- Blocks A and D will be handover in January 2024. Block B is to be handed over in February 2024 and Block C is scheduled for hand over in July 2024.

Contract Analysis

- A 10% Performance Bond (£1,098,500) was executed following award of the main works contract.
- The gross valuation of works undertaken to date is £6,367,257.
- The contract retention is 3%. Based upon works undertaken to date cumulative retention held is £191,017 with a total of £6,176,239 having been released.
- All collateral warranties are currently with LBE legal for execution.

Bugler's Financial Status

- Dunn & Bradstreet Reports have been run on Bugler Developments Ltd. They are currently showing overall as low to moderate risk with a high likelihood of continued operations.
- It is worthy to note that Bugler is currently delivering a 26-unit residential block of flats for LBE in Sussex Crescent, Northolt.

Notable Risks to Programme & Delivery

- Shared Ownership units – There are 16 shared ownership units to be sold before the end of the financial year. The specialist marketing and sales agent, Red Loft have been appointed and currently working with development staff to progress with effective marketing. A show flat is ready and in place to help market the units.
- Sales Leases – To ensure appropriate legal paperwork are in place, the intention is to appoint Trowers & Hamlins to assist with head lease between LBE and BLRP while will be appointed on conveyancing aspect.