HUGUENOT HOUSE
LONDON, SW1

Best Value Consultation

Introduction

City of Westminster

The redevelopment of Huguenot House will deliver significant physical improvements benefiting residents and the wider community. Providing a better environment for people to live, work and visit the area.

We consider a range of options when deciding how the development will be delivered. This includes how we take the next step, where residents can move to, markets, and how our activity will affect the nature of the neighbourhood and the council.

As well as professional advice, we will take in to account any feedback you share with us about the information provided.

The vision

Westminster City Council's overarching aim in the redevelopment of Huguenot House is to provide long term physical, economic and social sustainability; and create a high quality, mixed-use urban neighbourhood that integrates with the surrounding areas and is attractive to residents and visitors alike.

Successful redevelopment is about improving the overall quality of people's lives now and for future generations.

The scheme will deliver a significantly improved public realm through activation of public areas at street level, improved sustainable housing and commercial facilities within a leisure based envelope which addresses the under supply of tourist accommodation and generates significant social value through a wealth of direct and indirect employment opportunities .

There will be full reprovision of all the existing affordable housing on site and additional new affordable and private homes.

Delivering the vision

City of Westminster

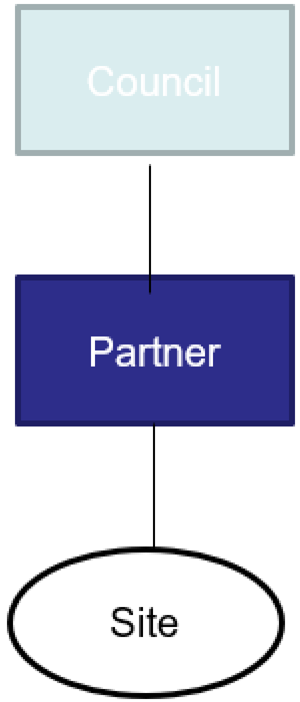
Since deciding on the preferred way forward in March 2021, we have been exploring the different ways in which we can carry out the redevelopment of Huguenot House.

Possible options are:

- A developer led strategy
- A partnership strategy
- A direct delivery strategy

Developer led strategy

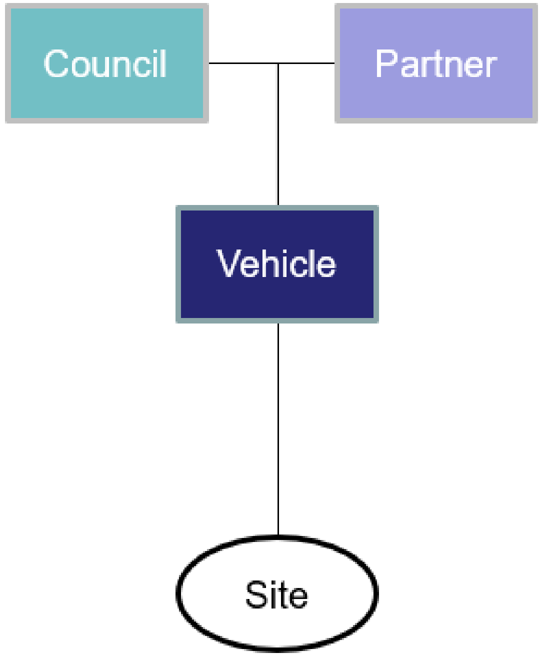
- The council contracts with a developer to deliver the vision for the site subject to the terms of an overarching agreement.
- The developer designs, builds and operates the development based on a financial return to the council.
- Conditional on planning permission, viability, funding etc
- Council can impose obligations regarding specification, delivery, programme and outputs
- This strategy requires less funding from the council and minimises exposure to risk



Partnership strategy

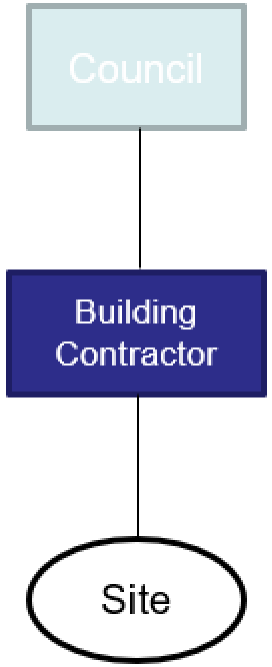
City of Westminster

- The council (and/or council owned entity) forms a partnership with a developer to build and fund the redevelopment of Huguenot House.
- Conditional on planning permission, viability, funding etc
- Council can impose obligations regarding specification, delivery, programme and outputs
- The partnership would share the responsibilities and funding of the development, with the challenges, risks and results shared accordingly.



Direct delivery strategy

- The council (and/or a council owned entity) builds and funds the estate itself.
- We would not work with a developer, but would fund, design, plan, contract to build and sell the new homes ourselves.
- The council (and/or a council owned entity) would be responsible for all of the challenges, funding obligations and result.
- This means the council shoulders all the risks and costs.



DA versus corporate JV: pros and cons

City of Westminster

Joint Venture Pros	Joint Venture Cons
Flexible structure; can adapt to changing requirements and circumstances.	Exclusivity over the whole project and thus the choice of a private sector partner is critical.
Full scrutiny over financial matters.	If the supply chain is part of the JV, it can be challenging to demonstrate value for money over time.
Equal returns for equal contributions.	Complex and costly to establish. The establishment of a company will need external resource including legal advice.
Can exercise influence over company decisions as well as landowner controls.	Higher running costs once established compared to a Development Agreement approach because the additional corporate governance requires officer resource.
Does not necessarily require a cash investment.	Disagreements may lead to deadlock which could halt progress.
Can facilitate improvements to the wider area	

Development Agreement Pros	Development Agreement Cons
Can incorporate a Steering Group to ensure good governance and decision making	Difficult to cater for project changes.
Simpler, quicker and cheaper to put in place and administer.	In practice it may be difficult to get transparency on profit share and any overage.
Well understood by the market.	Inherently inflexible if the parties wished to extend the remit of the Agreement.
Can secure a capital receipt and a share of generated profit.	
Can secure a ‘clean’ exit.	
Developer takes greater financial risk	
Can support improvements to the wider area through developer obligations	