

INSIGHT 8



Interview with
Gurpal Virdee
& Mash Halai

INSIGHT8

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Quote of the month / **Hew Edgar** RICS head of policy

(on the news that LA's could use the revenue from their existing social housing to invest in new stock)

"Forty years ago, local councils built 40% of all new homes; but for too long, councils have been limited in their capacity to make this significant contribution. We will monitor the outcomes of this policy closely in the hope this will genuinely bring in a new era of well-built, affordable council homes, delivered at scale, across the UK."

John Rowan and Partners

John Rowan and Partners is an award-winning property and construction consultancy specialising in the delivery of cost management, project management, building surveying, health and safety, planning, sustainability advice and strategic asset management services to all areas of the construction and property industry.

jrp.co.uk

Stat of the month

Non-residential project starts 13% higher for the three months to September than in 2017



Welcome to the latest edition of *Insight*.



Welcome to the latest edition of Insight magazine. This year has certainly been very busy for John Rowan and Partners and this edition will take you through some of the projects we've been working on.

In addition to delivering some fantastic projects we have added 11 new members of staff since May to our John Rowan and Partners family and our team has won some really impressive schemes including the refurbishment of two of the UK's largest hotels.

At the time of writing, we have also just been awarded the Silver accreditation against the Investors In People (IIP) Standard. We're incredibly proud of this achievement and it really is testament to the value we place on realising the potential of our people.

In this edition we talk about the importance of joint ventures, Mash and I are interviewed about our vision for the future of the business and we bring you all the latest news from John Rowan and Partners.

I hope you enjoy the read.

Gurpal Virdee

Managing Partner

Fit for the Future “

Insight talks to Managing Partner Gural Virdee and Chairman Mash Halai about their vision for John Rowan and Partners...

Property and construction consultancy John Rowan and Partners has an impressive track record, supporting major regeneration projects such as the Olympic Legacy Project, East Village, the redevelopment of St Pancras station and the refurbishment of the Savoy Hotel. Not to mention the tens of thousands of homes it has delivered or refurbished for London's biggest housing associations, local authorities and ALMOs over the past thirty years.

Today the business is leaner, fitter and more focused with a new Managing Partner and Chairman at the helm. With over 40 years' experience combined they have a clear vision to keep it simple and focus on what they do best: deliver the very best buildings for their clients – defect free, on time and within budget.

In this article, **Managing Partner Gural Virdee** and **Chairman Mash Halai** talk about what's been happening at John Rowan and Partners and what's in store for the future.

A business plan built on people

Now in its 36th year, the construction consultancy has had a busy twelve months with a number of major long-term framework wins with local authorities and housing associations – a reflection of its expertise in the residential sector and ability to successfully deliver time and again against client needs. Add to this a marked increase in its hospitality work with prestigious clients such as Rocco Forte and growing teams to meet rising demand for specialist services such as bank monitoring, dilapidation, safety compliance, latent defects and planning, and it looks like this will be a strong year for John Rowan and Partners.

The company has recently set out its latest five-year business strategy, which will see it continue to focus on its core objective to be the consultant of choice for its key clients and deliver on its promises. It will maintain a strong presence in the public sector whilst developing its hospitality work.

Gural outlines the long-term vision: *“Looking at client demand over the next five years, we plan to increase turnover to around £11m and remain a niche but key player. It's about growing sustainably and profitably. In the short term we want to focus on the key service qualities and sectors where we are successful. However, it's important that we are still adventurous in what we do. As a market leader we >*



have a role to play in shaping the sectors we work in. To do this we need to remain agile and flexible enough to adapt to changes, while continuing to identify developments in the market and sector opportunities. For example, we have been developing our hidden homes and asbestos management specialisms."

Mash, who also heads up the company's Residential Development & Regeneration team, added, "Absolutely, we want to look at new opportunities and new work streams, but in a focused manner, and invest in the right areas. We are already seeing a greater focus being placed on our role in the construction process, driven in the main by factors such as compliance, managing risk, the management of information and security of funding.

"A great example of this is in the rise in joint ventures (JV) we are seeing in the housing sector, due to clients wishing to better manage their risk, finances and how the phased development of housing lends itself to the JV model. Our experience and expertise put us in the ideal place to watch over and manage a JV's interest

– helping to facilitate open conversations, undertaking the project management as well as helping to shape the agreed roles and responsibilities. Ultimately, keeping things on track for all parties. But it doesn't stop there. We are currently working on a multi-million-euro 5-star hotel refurbishment in Paris, where JVs are commonplace."

The consultancy has always had a reputation for being a good employer and attracting great people in the industry. It has consistently appeared in Building's Good Employer Guide and the Sunday Times Best Small Companies to Work For and has received several Building awards including Training Initiative of the Year and has just been awarded the Silver accreditation against the Investors In People (IIP) Standard. **Mash explained:**

"We want to be a place where people want to work and develop their careers – that's very important to us. We continue to promote our values and culture, which remain at the heart of our business, we are 'people thinking about people' and that's been with us from day one."

"Our leadership style sets out to create a flexible family environment. So far, this has stood us in good stead, with people pulling together and no one afraid of having the tough

conversations with each other. At John Rowan and Partners, we all look out for each other," **says Gurpal.**

Driven by rising rent costs in Ealing, West London – an unfortunate side effect of the forthcoming Crossrail station – the firm has recently been through a process to restructure and improve its approach to flexible working. "We've improved our approach and introduced agile working by refreshing all of our IT kit. We've brought in new technology, hot desking and made better use of our office space. We want to work smarter so that we can deliver our work – regardless of where our people are based.

Our clients also really want real-time information now and we need the tech in place so that we can respond quickly to meet these client expectations," **commented Gurpal.**

An industry still going through change

With the UK still going through an unprecedented time of economic uncertainty following the General Election, a new US President, ongoing Brexit discussions and Carillion going bust, John Rowan and Partners is looking forward to calmer times. **Mash said,** "I'm very proud of how we have weathered the uncertainty and change. >



"However out of adversity come opportunities and following the collapse of Carillion and the questions surrounding its failure, we are definitely seeing a rise in uptake of our bank monitoring services where we help bridge the gap between funding institutions and construction projects."

Gurpal is upbeat about the future: *"I'm excited about the future and getting to the point post Brexit when we've got some certainty. There's still challenges that we have to navigate within the market place but following the last decade of mostly economic uncertainty we feel we are ready to deal with anything."*

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"Attracting and retaining the best talent in the industry is a very important factor for us."

Employment, employment, employment

For many, the biggest business challenge is recruitment and the need to attract the best talent in the construction industry. John Rowan and Partners has long campaigned to attract young people into the industry. Back in 2009 they developed the Pledge initiative to encourage companies to take on paid internships. At the time it was estimated that the construction industry lost around 200,000 people during the recession – an issue John Rowan and Partners was committed to helping address.

Eight years later, the business undertook a piece of research with Reading University to better understand the attitudes of undergraduates towards the construction industry. The result was a joint initiative with Building magazine and the Construction Youth Trust to launch the **#ExperienceConstruction** campaign. The initiative sought to get school children into construction placements and raise awareness with school career advisors on the benefits of working in the industry.

Mash explains: *"One problem that has yet to be solved in the last decade is the issue surrounding skills shortages. The industry seems set in a cycle of graduate unemployment followed by a lack of resource. Our hope is that the work we've undertaken with the likes of the RICS and the Construction Youth Trust is taken by schools and their career advisors. This is*

a fantastic industry to be a part of, but we are only as good as the people we employ."

Today, graduate recruitment is still a sector-wide issue and a challenge for John Rowan and Partners. **Mash explains** why undergraduates should choose to work for the business: *"Attracting and retaining the best talent in the industry is a very important factor for us. We're a medium size firm with a family ethos and we certainly punch above our weight. When people start working with us they have more exposure and responsibility and the opportunity to be involved in key projects from the get go, we empower people. And because of our background and training regimes, every employee has the support they need to help them grow. That's a really important thing, they really do get involved from the start."*

"We're at the size where people get noticed, and are able to work very closely with us, benefitting from our experience," **Mash added.**

That's why 5 new graduates have joined the business in September and the company is looking to secure similar numbers in 2019.

So, what does the future hold?

Mash and Gurpal both agree that there are a number of opportunities developing, including an influx of foreign investment in the residential and commercial sectors due to the weakened pound and an increased client focus on

compliance. "I think we will start to see funds from major housing bodies being diverted to ensure the compliance of their housing stock, which sits perfectly with us in terms of our services and capabilities," **says Gupral.**

"Compliance also goes hand in hand with our specialist building forensics division, where there has been a need for some of our clients to review completed construction projects against the contract where there have been potential latent defects. This is an area where we have really added value for our clients. Through our building forensics team, we have

retrieved millions on behalf of our clients by identifying where contracts haven't been fulfilled properly and saved the client large potential maintenance costs," **Gupral added.**

"I would also like to think that in the future we will be brought in earlier on projects, helping to drive value for money within the design process and setting the ground rules for a project's return on investment at the outset. This is an area where I feel we are underused at present, but one where I believe our role has the greatest potential to add value," **added Mash.**

What drives you forward?

For those close to John Rowan and Partners it will be no surprise to hear that sport plays a big role in the social side of the company, with teams active in football and cricket (not forgetting the table-tennis and darts board in the office!). They even have a summer family party where families and partners are invited to have a bit of fun!

Mash and Gupral are no different, with Mash's love of cricket and football (Spurs fan) and Gupral (also a Spurs fan) currently involved in setting up a cricket academy in Southall. But at work, what is it that gets them up in the morning?

Mash comments, "For me it's the people, not only within the company, but we have worked very hard to have built very long-standing relationships with many of our clients who we love working with. We know from experience that people buy from people they like, as long as they deliver."

For Gupral, who still also heads up the Building Surveying team, it's no surprise that problem solving is his real love. "Because I'm a building surveyor, it's all about problem solving. That's what I love about my new role, developing strategies and finding solutions on a daily basis. At the heart of our business that's who we are – problem solvers. And that's what I enjoy the most." **x**





Greater than the sum of its parts - are joint ventures the future of the UK's housing delivery?

The business world is full of well-known joint ventures – some such as Sony Ericsson, due to their success, and others like the now infamous Sony Betamax, for their failure. Since the recession, the construction industry has seen a significant increase in joint ventures between a range of different companies, combining to deliver large scale projects.

Mash Halai, Chairman at John Rowan and Partners and joint venture expert, comments on what makes a successful partnership...



Put simply, joint ventures allow organisations to achieve more and deliver projects beyond their own capacity. Large scale developments,

previously out of reach for some, can become achievable with the right joint venture partner, allowing each partner to scale up their delivery while managing their own risk.

Post-recession, large regeneration projects can be a daunting task for some organisations, whatever their size. Combine this nervousness with increasing construction costs, Brexit, and fluctuations in the property market, and the ability to manage exposure differently is understandably very attractive.

The future of housing delivery

Clearly housing is likely to be a key benefactor of joint ventures. There are large scale commercial projects being undertaken through joint ventures, but the phased development of housing lends itself to the joint venture model. I have no doubt that the future of the UK's housing delivery will be predominantly delivered through joint ventures.

There are already some great examples of where a joint venture has delivered success for all partners. The Green Man Lane estate in Ealing is a strategic partnership between housing association (HA) A2Dominion Group and developer/contractor Rydon Group. Together they are half-way through the regeneration of a run-down estate, having already delivered a new primary school and 363 new private and affordable homes, with over 450 homes currently in development.

Housing associations make for attractive partners

Risk aside, joint ventures can bring many benefits for the individual partners, such as the ability to tap into specialist expertise in different organisations or boost output. In particular, partnering with an HA can bring many benefits from the affordable housing sector. An HA will not only benefit from different low-cost funding streams, but may also have greater flexibility

in relation to the designation of prime housing units that haven't been sold, potentially turning these units into private rent on a long-term basis.

Aligning objectives

With the bringing together of two organisations often comes the challenge of aligning business objectives and cultures. It's important that these are carefully managed if the joint venture is to be a success. Differences between long-term objectives is often a reason why joint ventures can create some tension.

A common joint venture model is between an HA and a developer, but generally these types of organisations can have quite different goals. While a developer will be keen to deliver a housing development and see it sold in the open market, it is likely to have a very different exit strategy to that of its HA partner. By contrast the HA will have a much longer-term outlook, with a focus on future resident satisfaction and the whole life cost of the project including ongoing maintenance and repairs.

So, what's the perfect partnership?

In this respect, we are likely to see a continuation of the current model as the benefits potentially outweigh the risks. But we will also see an increase in joint ventures between institutional investors such as pension funds with HAs or local authorities, who are setting up their own investment vehicles. We have already seen Aviva

enter the private rented sector with the benefit being similar long-term objectives.

Successful joint ventures can also benefit from an equal spread of roles and responsibilities across the organisations involved. This in itself involves a lot of trust, as organisations need to agree who owns different aspects of the project such as managing the financial model, sales & marketing, development or stakeholder management. Each organisation needs to trust the other to do its agreed share, and to the standards expected – again this is an area where strain can sometimes appear.

How do you ensure a positive relationship?

My advice is simple – for every joint venture you need an independent, third-party consultant like John Rowan and Partners to watch over and manage the joint venture's interest (as well as that of the separate organisations). We can facilitate open conversations around individual objectives at the start and bear these differences in mind when undertaking the initial project management as well as helping to shape the agreed roles and responsibilities.

When issues occur, which they do, then there is always an option to rephrase, refinance or reprogramme to keep things on track. I have often found myself part construction consultant, part marriage counsellor and like any successful partnership – trust, honesty and good communication is vital. **x**

Rocco Forte

refit

This summer John Rowan and Partners completed the refit of two of the UK's most prestigious hotels for their client Rocco Forte.



Sir Rocco Forte and Michel Roux celebrate the opening of the new Brasserie Prince restaurant at the iconic Balmoral Hotel

The Balmoral



IMAGES

The new Brasserie Prince restaurant at the Balmoral Hotel in Edinburgh was officially opened in June and is under the management of Michelin starred chef Alain Roux.

The multi-million-pound refurbishment was managed by John Rowan and Partners.

The restaurant, which was redesigned by Martin Brudnizki in collaboration with Olga Polizzi, Rocco Forte Hotels' Director of Design, as part of the ongoing five-year refurbishment of the five-star hotel.

Over the past two years, John Rowan and Partners has project managed the renovation of 75 rooms, including the signature J.K. Rowling and Scone & Crombie suites, as well as the renovation of the hotel conference suites and now the new restaurant.



The J.K. Rowling suite where the famous author finished her final Harry Potter book

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Director of Project Services at Rocco Forte Hotels,
Andy Woollen commented:

“John Rowan and Partners has contributed well to the success of the Balmoral renovation. They have worked closely with the RFH team, the hotel, the project team and the contractor to successfully limit the impact on the hotel operation, the guests and hotel revenues. The overall project, including a new £3m bar and restaurant together with major guestroom renovation works, is set to maintain the Balmoral’s reputation for quality and service in Edinburgh.”

Brown's



IMAGES

In May 2018 we oversaw the complete refurbishment of the world-famous Brown's Hotel in Mayfair, London.

Rocco Forte Hotels' projects have a very personal feel to them with a lot of attention paid to the detail. Our role is very much about making their vision a reality – something we excel at!

As a landmark building in Mayfair it was a fantastic project for us to work on and we were lucky to be working with such a progressive client.

Famous for mixing its sophisticated Victorian origins with a contemporary feel, the renovation project builds on Brown's 180 years of luxury, refined elegance and sophistication.



Known around the world as 'The Maestro' due to his skills as a mixologist, the world-famous barman Salvatore Calabrese has taken over the newly refurbished Donovan bar.



The complete refurbishment to the bar, named after the British photographer Terence Donovan, involved a new entrance into Mayfair and structural work to create a new open plan space.

The luxurious refurbishment was meticulous in its detail and we had to source a huge bespoke glass bar for the project.



News

in brief



Image courtesy of
Conran and Partners

New primary school for Ealing

Ealing's newest primary school has opened on the Green Man Lane estate. The school, which sits at the heart of the £155m regeneration project, was delivered through a joint venture between A2Dominion and Rydon with John Rowan and Partners undertaking the roles of Employer's Agent, Cost Consultant and CDM Principal Designers.

Health and Safety win

Earlier in the year we secured a place on leading residential property group A2Dominion's four-year Health and Safety Consultancy framework. We will supply Health and Safety consultancy services including Principal Designer Services, CDM Client Support Services, Asbestos Management and Health and Safety Management.





Hotel refurbishment starts

Back in July we started undertaking the Project Management and Cost Consultancy role for the refurbishment of the Hilton Birmingham Metropole and the Hilton London Metropole. Bought by property investor Henderson Park last year in a deal thought to be worth around £500m, they are two of the largest hotels in the UK. The 790-room Birmingham hotel is the UK's largest outside of London, while the 1,059-room London Metropole is the city's second largest by room count.



Framework win

We have been appointed to Southern Housing Group's very first Consultants Framework. One of Southern England's largest housing associations, the framework has been created to manage the Group's future construction projects – worth over £630m over the next five years.



Consultant to Notting Hill Genesis

Earlier in the year we successfully secured a place on Notting Hill Genesis' Consultant Framework to support their development programme. The framework is believed to be worth up to £1.25 bn over the next four years.



Image courtesy
of Peter Barber
architects

The homes hidden in plain sight

We all know that when it comes to the subject of affordable housing, 'more is more'. Like the rest of the UK, London has a housing crisis and with a population set to hit 10 million in the next decade, it is only going to get worse. **Tim Young, Partner at John Rowan and Partners** talks about the hidden homes lying in plain sight...



The fact that the UK has a housing crisis is sadly not new; neither is the debate which rages around it. While the basic issue is that we simply haven't built enough homes to meet demand, people are still arguing whether it is down to poor planning, land banking, rising land prices or the

reliance on a small number of large developers? And I think we all know the answer is, all of the above.

While I don't have the solution to fix the housing crisis (yet) there is certainly a missed opportunity in London to deliver more housing by identifying the hidden plots scattered across the boroughs.

The subject of unused space has been discussed before, but it is still not being taken seriously. Opportunities to get people into homes are being missed. I truly believe that hidden within the large housing portfolios of London's 33 local authorities and multiple registered providers is the ability to increase the housing stock by 5 - 10%.

So what's stopping them?

In our experience one of the biggest challenges to the development of these spaces comes down to the departmental structure of many local authorities and registered providers. The responsibility for developing these sites falls between the development and asset management teams – leading to them being missed.

For the asset management team, the focus is on the efficient management of their housing stock and achieving high levels of resident satisfaction. And any change, be it regeneration, rooftop development or infill schemes can cause residents' satisfaction to drop. In contrast to this, the development team have pressure to deliver homes and understandably their focus is on larger scale projects. Due to the nature of 'hidden homes' these projects tend to be smaller, management intensive and can stretch the limited resource of the development team.

Identify, adapt and overcome

It is fair to say that there are certain challenges with delivering small schemes, but with the appropriate planning and project management, the building of new homes on 'free'

land should be a no brainer and worth the effort. And with an appropriate tenure mix, the delivery of the additional homes can be self-funding.

The first step is to undertake a review of your housing stock and identify how many homes you could create on your existing sites. These sites are often overlooked as suitable for housing and can range from rooftop extensions on a housing block, infill spaces such as drying areas on estates or the redevelopment of garage areas. Once undertaken, you can calculate what the return on them would be.

Armed with this data you will be in a position to develop a strategy to deliver the different types of hidden homes in your portfolio. How this is delivered will depend on the nature of the space. For example, the development team could develop a group of infill or back land projects, a specialist consultant could be brought in to project manage a rooftop extension, and the existing regeneration team used for any larger brownfield sites.

The management and input required from the organisation can be minimised by use of an experienced construction consultant. Using a third party – who has the skill and experience of working with existing residents as well as new build developments – can

provide the necessary resource to get a hidden homes project off the ground.

Every little helps

These secret sites can deliver new homes at zero cost while improving asset performance and resident satisfaction. Linking the work to the Planned Preventative Maintenance (PPM) programme can also significantly reduce the PPM expenditure. By coordinating a rooftop development with the window replacement of a housing block, significant savings can be achieved in areas such as scaffolding.

By making the most of your existing land and buildings, local authorities and registered providers can deliver more housing and a positive return for their accounts. I firmly believe that if all the boroughs and registered providers in London undertook this process they would identify thousands of housing opportunities. These numbers aren't going to solve the housing crisis on their own, but it's a step in the right direction and will provide much needed housing at the heart of the demand. **x**

Society news:

Awards / Socials

/ Appointments / Promotions



Huge congratulations / **James Roche** MRICS

Huge congratulations to James Roche MRICS who successfully completed his APC interview and passed to become a Chartered Building Surveyor at John Rowan and Partners!



Fore! / JRP social

John Rowan and Partners heads to swingers for a night of competitive socialising involving crazy golf and street food!



Batter up / we take on Mulalley

John Rowan and Partners take on Mulalley in a softball game which saw us make a miraculous comeback from 27-3 to win the game 29-30!

Summer / Family event

Panos Karoullas and Avraam Kontos battling it out at our Summer Family Event. And yes, there was a clear victor!



Triathlon / Paul Sherwood

Paul Sherwood completes the JLL Property Triathlon. The largest one day event in the UK, it has raised over £1.8m to date for charity.





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