

## Outline Business Case (OBC): Little Strand Infill Development Project (part of GLA 87 programme)

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## 1. Introduction

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This Outline Business Case (OBC) seeks approval to progress through planning submission and contractor tendering to Full Business Case stage (FBC) for an affordable housing development on land owned by the Council at Little Strand, NW9.

Barnet Homes have secured £8.7m grant funding from the Greater London Authority (GLA) to deliver a total of 87 new homes through a development programme known to the Council as “GLA 87”.

Barnet Homes, acting as development agent for Barnet Council, has identified a potential residential development that will deliver 35 new affordable homes for London Affordable Rent. The remaining homes that make up the wider programme of 87 homes will be subject to separate Outline Business Cases.

Little Strand is a cul-de-sac off Great Strand on the Grahame Park estate. This part of the estate voted against regeneration in the estate ballot and forms part of the retained stock on the regeneration masterplan. The proposed development consists of demolishing 46 garages and 8 tenanted bungalows at Dowding, to provide 35 new homes. 5 of these homes will be built to M4(3) standards meaning they fully accommodate wheelchair users. 12 of the homes will be 3 and 4-bed properties, providing accommodation for larger families.

The ability to construct new homes will help the Council to mitigate further pressures on the general fund in meeting increasing temporary accommodation costs and to maximise value of existing assets. The ability to construct new homes will also enable those who require housing within the borough to be housed in accommodation which is fit for purpose.

A sum of £27,625,000 has been allocated to the Council's Housing Revenue Account budget for the GLA 87 programme, including £8.7m of GLA grant funding. The estimated budget for Little Strand is £10.43m, which includes construction and project on costs.

Design solutions have been proposed for the development and the relevant surveys have been commissioned to ensure buildability. Pre-application meetings with the Planners have been held and feedback has been incorporated into the proposals. The housing management teams have been consulted, with their comments considered within the proposals. Barnet Homes have carried out local consultation, including with ward members. The planning application is now being prepared, ready for submission.

## 2. Project Definition

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Barnet Homes has been commissioned as development agent to deliver a programme of new affordable housing. Barnet Homes will manage the development process on behalf of Barnet Council, working closely with the Commissioners.

Barnet Homes has successfully secured a £8.7m grant from the Greater London Authority (GLA) through their Building Council Homes for Londoners programme. This equates to £100k per new home. The grant requires a start on site by March 2022 and the new homes must be let at London affordable rents.

Barnet Homes has identified a potential residential development at Little Strand, NW9 that will deliver 35 new affordable homes for London Affordable Rent. The remaining homes that

make up the wider programme of 87 homes will be subject to separate Outline Business Cases.

Barnet Homes have appointed HTA Design for architecture and landscape design services to RIBA stage 3. Rund Partnership Limited have been appointed as construction consultants. Both parties have significant experience in designing and delivering residential housing development, particularly affordable housing in a regeneration context.

Little Strand is a cul-de-sac off Great Strand on the Grahame Park estate. This part of the estate voted against regeneration in the estate ballot and forms part of the retained stock on the regeneration masterplan.

The site is approximately a 12 minute walk away from Colindale underground station, and is well catered for in terms of local schools, shops and amenities. South-west of the site is a Sainsbury's supermarket, pharmacy and gym. Healthcare services, schools and community centres are all within a short walk and Sunny Hill Park is 20mins walk.

Little Strand is located near to Stage A Phase 1B of the Grahame Park masterplan which is now complete. The majority of the new development in this phase is to the west of the site around a new public square extending north up the proposed North/ South 'green spine'. Some new housing has been built to the east and north of the site.

The surrounding context is low rise residential, however there is opportunity for more height along Great Strand as it overlooks green space. Within Little Strand there is opportunity for houses on the garage sites.

The proposed development includes demolishing 46 garages and 8 tenanted bungalows at Dowding, to provide 35 new homes across three plots across the site. These will be a mixture of flats and houses. 5 of these homes will be built to M4(3) standards meaning they fully accommodate wheelchair users. A breakdown of the accommodation schedule is shown as follows:

Plot 1	4	4b7p houses	
Plot 2	2	1b2p flats	Wheelchair compliant
	3	2b3p flats	Wheelchair compliant
	6	1b2p flats	
	12	2b4p flats	
Plot 3	8	3b5p houses	
	<b>35</b>		

This is the first Council led development scheme for many years to provide larger family accommodation.

Pedestrian, vehicular and emergency service routes are to be maintained throughout Little Strand so that existing residents can access their properties. Existing trees are to be retained wherever possible and new green amenity spaces are to be created.

The three plots present an opportunity to transform Little Strand into a welcoming street, with improved passive surveillance, better organised car parking and a clear site entrance. It also creates a generous new amenity space with play space along Great Strand.

A new communal pocket park is proposed at the heart of the development. It will provide a new usable open space for existing and new residents that will provide some opportunities

for both active and passive recreations. The flatted block will have an enclosed communal courtyard providing opportunity for play, seating and communal growing.

Children's play is an integral part of creating an exemplar community where people live and work side by side. Whilst there are some local parks within walking distance, there is very little freely accessible play provision. Given the character and scale of the development it is proposed to provide play for under 10 year olds on site only.

The development has been designed to achieve the zero carbon standard. It meets 10% reductions through fabric measures alone and reduces the carbon dioxide emissions to the greatest extent. The design includes Centralised Air Source Heat Pumps for the flatted block and individual Air Source Heat Pumps for the houses.

It is highly important to Barnet Homes that a high-quality housing scheme is delivered. A number of checks and balances are in place to ensure this happens. A highly experienced and skilled design team have been appointed, who ensure that the 'golden thread' of design integrity starts at the beginning of the project. The design is compliant with and ensures that a robust set of employer's requirements can be prepared, which is what the build contractors will use as a minimum standard. The contractor tender process will ensure an emphasis on quality, with the tenders usually analysed on a cost:quality ratio of 40:60. During the build process, Barnet Homes will appoint a Clerk of Works to carry out weekly site inspections; this acts as another layer of quality control for the latter stages of the project.

The new homes will be constructed in line with current and expected building regulations, including emerging changes following the Grenfell Tower tragedy. This includes the use of non-combustible materials and sprinkler systems where applicable.

### **3. Rationale**

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This OBC has been prepared using the agreed standards and format for business cases, as set out in the HM Treasury Green Book business case methodology.

The agreed format is the Five Case Model, comprising the following:

- the strategic case
- the economic case
- the commercial case
- the financial case
- the management case

#### **3.1 Strategic case**

The Strategic Case sets out the rationale, business needs and constraints for development of new homes on Housing Revenue Account (HRA) land.

The strategic external and internal drivers for this investment and associated strategies, programmes and plans are as follows:

- **Spring Statement 2020:** The government reaffirmed its determination to

support the housing market. The government set out intentions to cut interest rates on lending for social housing by 1% and provide funding of £12bn to support an affordable housing programme.

- **London Plan 2016:** This Plan sets an annual average housing supply monitoring target for LBB for 2015 – 2025 of 23,489, with an annual monitoring target of 2,349 - the proposal for Little Strand would provide 35 new homes.
- **New London Plan, emerging draft, 2019:** The New London Plan is in draft format and includes updated housing targets for LBB, which we need to be mindful of in respect of this business case. The draft Plan describes that London has seen waves of growth over recent years which is set to continue, with population increase projected at 70,000 every year, which means that just to meet demand, at least 66,000 new homes need to be built – along with space for tens of thousands of new jobs – every single year. The 10-year housing target for LBB contained within the draft Plan is 31,340 between 2019-29, with an annualised average of 3,134.
- **Corporate Plan Barnet 2024:** Barnet 2024 sets out the Council’s vision and strategy for the next five years. The challenge is set to continue with the process of finding further savings getting increasingly more difficult. The Corporate Plan has been developed alongside the Council’s Medium-Term Financial Strategy (MTFS) so that investment and resources are focused on the areas that matter most. Barnet 2024 sets out three main Outcomes the Council wishes to achieve. A set of key priorities sit underneath each outcome, including detail of the Council intends to deliver this, a number of which are relevant to this business case, as follows:
  - A pleasant, well maintained Borough that we protect and invest in;
    - Ensuring decent quality housing that buyers and renters can afford, prioritising Barnet residents;
    - Investing in community facilities to support a growing population, such as schools and leisure centres;
    - Responsible delivery of our major regeneration schemes to create better places to live and work, whilst protecting and enhancing the Borough;
  - Our residents live happy, healthy, independent lives with the most vulnerable protected;
    - Supporting our residents who are older, vulnerable or who have disabilities, to remain independent and have a good quality of life
  - Safe and strong communities where people get along well;
    - Keeping Barnet safe;
    - Focusing on the strengths of the community and what they can do to help themselves and each other.
- **Local Plan 2012:** The current LBB Local Plan 2012 outlines the overall strategy to manage growth in Barnet so that it meets needs for homes, jobs and services in a way that conserves and enhances the character of the

Borough. Where there is already planned or approved pipeline growth this is consolidated in areas in need of renewal and investment and where regeneration delivers significant and lasting economic and wider benefits to the residents and communities of Barnet, particularly in the west of the Borough. The current Local Plan estimates that over 28,000 new homes will be developed by 2026.

- **Barnet Growth Strategy 2019-30 (emerging):** LBB is bringing forward a Growth Strategy for Barnet which sets out a proposed programme of activity between 2019 to 2030, accompanied by a Delivery Plan that sets out key projects, how the council will direct future investment, the approach to securing funding, and strategic partnerships. The Growth Strategy focuses on five cross-cutting objectives:
  - A growing Borough;
  - A connected Borough;
  - An entrepreneurial Borough;
  - A Borough of thriving town centres; and
  - A great Borough to live in and visit.
  
- **Joint Health and Wellbeing Strategy 2015-20:** The Strategy has two overarching aims, Keeping Well and Promoting Independence. Barnet's Health and Wellbeing Strategy recognises the importance of access to good quality housing in maintaining wellbeing in the community. The lack of affordable housing is highlighted in Barnet's Joint Strategic Needs Assessment (JSNA) as one of the top three concerns identified by local residents in the Residents' Perception Survey.
  
- **Housing Strategy 2019-24:** The Council's Housing Strategy 2019-2024 sets out the intent to deliver homes that people can afford by increasing housing supply, regeneration and growth. The strategy sets out how a continuing pipeline of developing on Council Land will secure a range of tenures, including mixed tenure housing with affordable homes funded by private sales, new affordable homes to rent on existing Council housing land, Extra Care and wheelchair accessible homes to reduce demand for care, and private housing for rent. There are three themes that are of relevance to this business case:
  - 1) Delivering more homes that people can afford;
  - 2) Safe and secure homes;
  - 3) Tackling homelessness and rough sleeping in Barnet.
  
- **The Barnet Group Strategic Plan 2019-2024:** this commits to deliver good services whilst supporting its customers and Barnet Council through the challenges they face. They want to continue their ambitious development and acquisition programmes in order to increase the housing supply within the Borough and help to meet growing demand across different tenures. Their mission is to:
  - Develop and empower people;
  - Provide customer-focused services;

- Sustain their business through growth.

### 3.1.1 Investment objectives

The investment objectives for this project are as follows:

1. Increase the supply of social housing provision within the borough through the HRA.
2. Improve the existing estate and street scene appearance through the sensitive addition of new homes whilst bringing improvements to the existing estate and public realm.
3. Integrate the proposed additional homes into the existing community through the use of shared estate facilities.
4. Provide secure homes on flexible tenancies and mitigate costs to the general fund in providing temporary accommodation.

## 3.2 Economic case

### 3.2.1 Critical Success Factors

The Economic case sets out the critical success factors (CSF) for the business case, appraising various options and indicating which is preferred. The CSF for the preferred design solution have been drafted taking into account:

- The constraints of the existing building and estate
- The views of LBB's Planners through pre-application meetings
- The views of Barnet Homes' Housing Options team on the types of homes which are in greatest need and that can be successfully incorporated

The following CSFs have been established:

1. **CSF1: community needs** – current and future community needs are met by the final preferred solution
2. **CSF2: strategic fit** – the final preferred solution contributes to the London Plan, LBB Corporate Plan and LBB Housing Strategy targets
3. **CSF3: benefits optimisation** – the final preferred solution optimises the potential return on expenditure and improves the overall value for money
4. **CSF4: potential achievability** – the final preferred solution enables successful and timely achievement based on strong community engagement

Barnet Homes is the preferred vehicle for delivery as it meets all the CSFs:

- Barnet Homes has experience of managing affordable housing projects and knows its customer base well.
- Barnet Homes will procure the works in accordance with its contract procedure rules and in compliance with OJEU requirements as necessary.

The economic benefits of the business case are set out in the table below.

<b>Scheme</b>	<b>Number of units</b>	<b>Wheelchair home provision cost avoidance p/a</b>	<b>Temporary Accommodation cost avoidance p/a</b>	<b>Assumed Council Tax income p/a</b>	<b>Total LBB revenue benefit p/a</b>
Little Strand	35	£82,470	£50,880	£56,204	<b>£189,554</b>

The temporary accommodation cost avoidance per annum is calculated at £1,696 per unit for non-accessible units.

The Council tax bands are estimated from the Council's website. At Little Strand, they are likely to be band D at £1,605.84 per annum (2020/21 rates).

Wheelchair savings are calculated at £16,494 per annum.

The estimated total revenue benefit inclusive of savings to Barnet Council is **£198,046** per annum.

### **3.3 Commercial case**

#### **3.3.1 Land**

The site is owned by the London Borough of Barnet. Barnet Homes would act as development agent, through the ALMO's management agreement.

#### **3.3.2 Procurement**

Procurement for main building contractors will be carried out in accordance with applicable contract procedure rules with tenders being sought. The tenders shall be evaluated on the basis of cost and quality. Barnet Homes propose to use either the Network Homes or Catalyst Housing's contractors frameworks, to which they are a third-party member. A mini-competition would be held with up to six suitable contractors invited to tender.

Barnet Homes have carried out early soft-market testing and a number of contractors have expressed an interest in tendering for the projects. The contractors will need to demonstrate experience of delivering estate infill development projects as well as have a robust resident liaison service to support the local communities throughout the works. These will be key quality questions in the invitation to tender, as well as their delivery programme, to ensure that the appointed contractor has a demonstrable track-record and is able to deliver a project with such complexities.

The contract will be delivered through a JCT Design & Build contract.

### **3.4 Financial case**

The Financial case considers the budgetary, financial and affordability impacts of this approach.

A total budget of £27.6m was approved at Policy and Resources Committee in June 2019 and is contained in the Council's Housing Revenue Account capital programme. GLA grant

has been awarded, of £100k per unit, amounting to £3.5m for the Little Strand project contained within this OBC.

<b>Cost area</b>	<b>Cost</b>
Estimated construction cost	£9,100,000
Project on costs	£1,274,000
Decant costs	£56,000
<b>Total Scheme Costs</b>	<b>£10,430,000</b>
Build cost per sqm	£2,733
Build cost per unit	£260,000
Total cost per unit (including on costs)	£298,000

The Little Strand construction cost estimate is £9,100,000. It should be noted that this estimate is based on current market intelligence and is subject to change. Including on costs and contingency, the estimated Total Scheme Cost for this project is £10,430,000.

The estimated construction cost is reasonable for developments of this nature. Infill sites are complicated to construct and generally have higher unforeseen and abnormal costs.

An allowance has also been made in the budget for costs associated with decanting the 8 residents from the Dowding bungalows.

If the tender price exceeds the approved budget then a value engineering exercise may be considered. If necessary, a bid request to the Policy & Resources Committee for additional budget approval would be made.

The remaining balance on the project budget will be used to bring forward other developments, subject to other Outline Business Case approvals. They may be brought forward as part of a larger scheme, potentially from 'HRA 250' funded development programme, which would help achieve greater economies of scale.

### **3.5 Management case**

The management case provides the outline plan for programme management, governance, risk management and benefits realisation that will be required to ensure successful delivery. The project will follow the corporate project management guidelines, specifically around governance, reporting and risk management.

A Barnet Homes Project Manager will oversee the project and be responsible for the day to day running of the project. The project manager will report to the Development Manager who will act as the client for the purpose of the build contract.

The Project Manager will be responsible for liaising between relevant parties, managing communications with residents, including arranging and facilitating consultation events. The Project Manager will liaise with other departments within Barnet Homes and LBB as applicable to ensure the correct resource is available at the required timeframes.

Barnet Homes has significant experience of successfully delivering works projects within occupied social housing settings and engaging with tenants and leaseholders before, during

and after the works are completed. Such engagement requires cross-team working within the organization. The processes developed to support such works will be used and refined as required to support the delivery of this project.

Project delivery will be reported at the Affordable Housing Board attended by representatives of LBB and Barnet Homes. Barnet Council as provider of land and project capital will receive regular financial and project monitoring information and more regular exception reporting should this be necessary.

Reporting to the Council will include:

- Overall progress against programme
- Financial progress against programme
  - Quarterly cost update
  - Cash flow
  - Cost variations
- Risk profile updates

Following planning consent being granted and completion of the contractor tender process a Full Business Case will be presented to the Affordable Housing Board before entering into a build contract. This report proposes to delegate authority to the Deputy Chief Executive to approve the final contract sum provided it is within the parameters of the budget agreed in the Housing Revenue Account Business Plan. If the tender price exceeds the approved budget a bid request for additional funding will be submitted to the Policy & Resources Committee for approval.

#### 4. Options

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Due to the project objective, limited options were considered due to the desired outcomes from the Commissioning client.

There are three principle options available which are explored in further detail below.

- **Option 1** – Do not proceed with the development of these new homes.
- **Option 2** – Develop these homes, funded by the HRA.
- **Option 3** – Develop these homes, through on-lending to Opendoor Homes.

##### Option 1 – Do not proceed with the development of these new homes

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Status quo of estate maintained, in terms of number of homes and public realm.</li> </ul>	<ul style="list-style-type: none"> <li>• Social housing stock within the borough continues to decline through RTB sales without replacement homes being constructed.</li> <li>• The expected project benefits will not be delivered.</li> </ul>

##### Option 2 – Develop these homes, funded by the HRA

This option is likely to cost in the region of £10.43m. This option will ensure that the new homes remain in the ownership of Barnet Council and in the event that they are sold through the Right to Buy provisions there is a direct link between the long term tenant (leaseholder) and Barnet Council. The Council will benefit from the rent and service charges from these properties.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Additional social housing units created and owned by Barnet Council.</li> <li>Management of the existing homes and new homes on the estate remains with one party (Barnet Homes).</li> <li>The project benefits will be realised.</li> </ul>	<ul style="list-style-type: none"> <li>Initial up front cost borne by the HRA.</li> </ul>

### Option 3 – Develop these homes, through on-lending to Opendoor Homes

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Scheme could be completed at nil cost to Barnet Council, with financial benefits including the homeless dividend.</li> <li>Barnet Homes would still act as the development agent.</li> </ul>	<ul style="list-style-type: none"> <li>Level of GLA grant would reduce to £70k per unit.</li> </ul>

It is on this basis that Barnet Homes recommend Option 2 is progressed as part of this Outline Business Case.

## 5. Expected Benefits

Benefit Type	Description of the benefit	Who will benefit	Expected benefit value	Financial year that the benefit will be realised	Benefit Owner	How will the benefit be measured	Baseline value (£, % etc) and date
Benefit 1: Financial cashable  Cost avoidance	A financial saving will be made through avoided costs, where Temporary Accommodation is not	Council	£50,880 per annum	2023/24 onwards	HRA	Measured by comparing the cost per year to provide Temporary Accommodation	Cost of Temporary Accommodation 2019/20

	required for 35 families.						
Benefit 2: Financial cashable  Council tax revenue	Council tax revenue from the 35 new dwellings	Council	£56,204 per annum	2023/24 onwards	Council	Calculated on an annual basis using Council tax rates	Using Council tax rates 2020/21 rates
Benefit 3: Financial cashable  Wheelchair cost avoidance savings	A financial saving will be made through avoided costs, where Temporary Accommodation for Wheelchair Users is not required for 5 families.	Council	£82,470	2023/24 onwards	HRA	Measured by comparing the cost per year to provide Temporary Accommodation	Cost of Temporary Accommodation 2019/20
Benefit 4: Non-financial  Strategic objective	Maintain the supply of social housing provision within the borough through the use of right to buy receipts to contribute towards the construction of	Council / those in housing need	Provides occupation for 35 households	2023/24 onwards	HRA	Measure occupancy rates	N/A

	replacement homes.						
Benefit 5: Non-financial Strategic objective	Improvements to the existing estate's public realm	Residents / local community	Expected increase in customer satisfaction	2023/24 onwards	Barnet Homes	Measure resident satisfaction	N/A
Benefit 6: Non-financial Strategic objective	Integrate the proposed additional homes into the existing community through the use of shared estate facilities	Residents / local community	Expected increase in customer satisfaction	2023/24 onwards	Barnet Homes	Measure resident satisfaction	N/A

## 6. Risks

Risk	Controls and mitigations in place	Impact	Likelihood	Risk Score
<b>Design and planning</b>				
That the design is not fit for purpose	<ul style="list-style-type: none"> <li>Appointment of an experienced architect and early instruction of surveys and investigations</li> <li>Robust employer's requirements drafted</li> <li>Housing Management teams have commented on design</li> </ul>	4	2	8
That Planning consent is not granted or sites are aborted	<ul style="list-style-type: none"> <li>Appointment of an experienced and competent architect and professional team</li> <li>Pre-application consultation with the Planners</li> </ul>	3	3	9

	<ul style="list-style-type: none"> <li>• Identification of alternative sites</li> <li>• Local stakeholder consultation held,</li> <li>• Ward members notified of proposed project</li> </ul>			
Utilities and statutory bodies not consenting to diversions	<ul style="list-style-type: none"> <li>• Early application to the statutory bodies will be made.</li> </ul>	4	3	12
Expectations of Highways, on a small and constrained project	<ul style="list-style-type: none"> <li>• Engagement with Highways early in the process</li> </ul>	4	3	12
<b>Financial</b>				
That the grant deadlines are not met and the grant is returned	<ul style="list-style-type: none"> <li>• Ongoing dialogue with the GLA to keep them informed</li> <li>• Instruction of an experienced design team with capacity to deliver to timescales</li> </ul>	4	3	12
That a funding source cannot be identified	<ul style="list-style-type: none"> <li>• Consider delivery by Opendoor Homes, with financial benefit to LBB</li> <li>• Use GLA grant as cross-subsidy</li> <li>• Consider converting some affordable rent to shared ownership, to cross-subsidise cost</li> </ul>	4	3	12
Impact of coronavirus could slow down progress of the planning process and then impact on market conditions	<ul style="list-style-type: none"> <li>• To be closely monitored by BH and construction consultants</li> </ul>	4	3	12
<b>Delivery</b>				
Delay to project delivery	<ul style="list-style-type: none"> <li>• Timely instructions from Barnet Council</li> <li>• Regular project monitoring and reporting</li> <li>• Regular monitoring of the market conditions</li> <li>• Request contractor's programme as part of invitation to tender</li> <li>• Compare programme to BCIS benchmarks of similar projects</li> <li>• Ensure regular programme reporting is requested and monitored</li> </ul>	4	3	12

Lack of interest from tendering contractors	<ul style="list-style-type: none"> <li>• Early engagement with the market and soft-market testing</li> <li>• Use of frameworks</li> </ul>	3	2	6
<b>Legal</b>				
That there are title issues with the site at the Council does not have clean legal title.	<ul style="list-style-type: none"> <li>• Title and site constraints reports have been prepared by HBPL. Barnet Homes/Capita Estates conclude there are no concerns with the legal title that would deem the site undevelopable.</li> </ul>	4	2	8

## 7. Financial Appraisal

### 7.1 Capital costs

A cost plan has been prepared by Rund Partnerships, the project cost consultant, using the design-freeze planning pack. The estimated construction cost is currently £9.1m.

The anticipated project budget is therefore:

Cost area	Cost
Estimated construction cost	£9,100,000
Project on costs	£1,274,000
Decant costs	£56,000
<b>Total Scheme Costs</b>	<b>£10,430,000</b>
Cost per sqm	£2,733
Cost per unit	£260,000

The project on costs include the following services:

- Barnet Homes development agent fee (3.5%)
- Design including architect, structural engineer, services engineer and landscaping
- Planning fees
- Professional team including employer's agent and cost consultant

### 7.2 HRA modelling

Barnet Homes have carried out an appraisal of the project using the Housing Revenue Account development cashflow model, as prepared by Savills. This assumes London affordable rents, nil land costs and construction costs as noted above. This model assumes that 75% of the GLA grant is available at start on site, with the balance at practical completion.

The cashflow model demonstrates that the year of debt coverage is 43 years. This is within the target parameter of 50 years.

### **7.3 Funding route**

It is proposed that the scheme is funded through the Housing Revenue Account. A sum of £27,625,000 has been allocated to the Council's Housing Revenue Account budget for the GLA 87 programme, including £8.7m of GLA grant funding. The estimated budget for Little Strand is £10.43m, which includes construction and project on costs; this is within the budget parameters of the programme.

It should be noted that a revised budget approval may be required if the tender prices are returned above the approved budget.

If the HRA does not have capacity to fund the project then the following funding sources could be considered:

- Delivery by Opendoor Homes with on-lending by LBB through the Public Works Loan Board
- Consider converting some affordable rent properties to shared ownership, to cross-subsidise cost

### **7.4 Affordable housing grant**

Barnet Homes has successfully secured a £8.7m grant from the Greater London Authority (GLA) through their Building Council Homes for Londoners programme. This equates to £100k per new home. The grant requires a start on site by March 2022 and the new homes must be let at London affordable rents.

## **8. Project Approach**

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### **8.1 Project approach**

The project will be managed by Barnet Homes in accordance with the Barnet Council project management toolkit, which has been adopted for the delivery of this scheme. It incorporates monitoring and controls to ensure the project is delivered effectively and that budgets and programme are maintained and reported through the appropriate channels.

### **8.2 Project controls**

The Affordable Housing Board consists of Council Commissioners and the senior members of the Barnet Homes Development Team. The project board has responsibility for:

- Sign-off at gateway reviews
- Monitoring the project programme
- Monitoring the project budget
- Reporting and reviewing progress
- Delivering project outputs and benefits

The project will also be reported to Barnet Homes' Board. The Committee will hear about the scheme's progress on site and handover and will monitor how the project is being managed.

The project team will be responsible for engaging with key stakeholders to ensure that all deliverables are delivered in line with service requirements and that the required quality standards are met.

### 8.3 Project plan and milestones

Stage	Planning submission RIBA stage 3	Planning Committee	Main contractor tendering	Full Business Case	Main contractor starts on site	Practical completion
Key dates	May / June 2020	September / October 2020	November 2020 – January 2021	February 2021	Q1 2021/22	Q1 2023/24
Milestones	<ul style="list-style-type: none"> <li>OBC approved</li> <li>Planning applications submitted</li> </ul>	Planning applications consented	<ul style="list-style-type: none"> <li>Main contractor tenders on single stage basis</li> <li>Contractor pricing finalised and contract sums agreed</li> <li>Stakeholder consultation throughout</li> </ul>	FBC approved	Start on site date in line with programme	<ul style="list-style-type: none"> <li>Scheme handed over on time and on budget</li> <li>New homes let with minimal void period</li> <li>Lessons learnt review undertaken</li> </ul>

### 9. Project Assurance

Deliverable / Product	Quality Criteria	Author	Reviewers	Accepter
Construction of 35 new homes	Meets London space standards and local Planning criteria	Council / Barnet Homes	Barnet Homes Development Team	Barnet Homes Development Team
Improved estate environment for existing residents	Improvements made to parking, refuse areas, internal communal areas and new play areas	Barnet Homes	Barnet Homes Development Team	Barnet Homes Development Team

Integrated communities	New dwellings accessed by main thoroughfares, improvements to public realm	Barnet Homes	Barnet Homes Development Team	Barnet Homes Development Team
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## 10. Dependencies

The project is subject to the following dependencies that will be carefully monitored and managed throughout the lifespan of the scheme.

Scheme dependencies are summarised in the table below.

Dependent on	Nature of dependency
Government funding	Funding is mixture of GLA grant funding which subsidises the new homes and contributions from the authority's Housing Revenue Account (HRA).
Planning consent	Reliance on obtaining planning consent for the scheme.
Decant strategy	Reliance on a robust decant strategy that will ensure a well-coordinated approach to decanting the residents at 1-8 Dowding.
Highways	Reliance on the necessary highways applications being made and accepted as required.
Consultation and community engagement	Usual consultation requirements will need to be adhered to, alongside gaining local community involvement and engagement.
Member engagement	Members engagement required throughout the process.

## 11. Approach to Consultation

Barnet Homes has consulted with internal stakeholders throughout the design development process. Representatives from the Housing Management, Major Works, Repairs & Maintenance and H&S Compliancy teams have reviewed and commented on the proposals. This has added value to the proposals specifically in relation to emerging building regulations, refuse arrangements and grounds maintenance proposals.

Barnet Homes also contacted the ward members in January 2020 to notify them of the proposed project and to invite them to a local consultation event. No responses were received.

On 29 January 2020 an exhibition was held to consult the local community on the development proposals and over 300 local residents were invited.

22 responses to the consultation were received. The comments in the responses were themed as below:

Theme	Number of Comments
Parking	21
Parking during construction	5
Construction	7
Existing Residential Units Neglected	6
Positive Remarks	6
Anti-Social Behaviour	4
Access	3
Proposed Green Space	3
Density	3
Privacy	2
Layout	2
Older Person Amenities	2
Council Tax	2
Neutral Response	2
TV & Internet	2
Community Spirit	1
Services	1
Exiting Trees	1
Existing Property Value	1
Garages	1
Lack of Services	1

Key theme	How it is being addressed in the proposal
Concern regarding the existing parking arrangement and future demand for spaces	<ul style="list-style-type: none"> <li>• Currently the parking provision is poorly laid out, creating a risk to pedestrians</li> <li>• The proposed parking ratio is in line with the wider Grahame Park estate</li> <li>• The new parking bays will be clearly marked out and for the use of existing and new residents</li> <li>• We will be working with the Council's Highways team to understand whether additional measures can be introduced to improve parking stress on this site</li> </ul>
Concern regarding the impact to them of	We will ensure that a construction management and health and safety plan is in place. This will detail how the

<p>construction process</p>	<p>contractor manages the site to minimise the impact on residents as well as how they manage noise, mess and security. We will also require the contractor to register with the Considerate Constructors Scheme. This means they must adhere to several guidelines including the protection of the environment and safety for workers and residents.</p>
<p>Existing retained regeneration stock has been neglected</p>	<p>This has been reported to the Barnet Homes management and maintenance teams.</p> <p>The proposed new build layout aims to increase pedestrian movement and amenity space throughout the site. This should help to increase passive surveillance across the site to help mitigate against anti-social behaviour.</p> <p>In response to comments regarding a lack of community spirit, Barnet Homes have raised this with the Colindale Communities Trust. They will arrange a leaflet drop with information about local facilities and activities.</p> <p>The Barnet Homes Caretaking Team are in discussion with Barnet Council regarding measures that can be introduced to reduce fly tipping, including reviewing bin provision across the estate.</p>
<p>General support for improvements to the public realm</p>	<p>Noted.</p>

Barnet Homes has drafted a factsheet in response to these comments and distributed to every property that had been invited to the consultation.

### Document Control

Record the information relevant to this document in this section

<b>File path</b>	
<b>Reference</b>	
<b>Version</b>	
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### Document History

If the document has been altered or amended please track the versions and changes in this section

Date	Version	Reason for change	Changes made by

### Distribution List:

Name	Role	Date
Derek Rust	Director of Growth & Development, Barnet Homes	27 May 2020
Meera Bedi	Head of Development, Barnet Homes	27 May 2020

### Approvals:

By signing this document, the signatories below are confirming that they have fully reviewed the Outline Business Case for the Little Strand project and confirm their acceptance of the completed document.

Name	Role	Signature	Date	Version
Paul Shipway	Head of Housing Strategy, LBB		27 May 2020	1.0
Damien Pantling	Head of Finance - Growth		27 May 2020	1.0
Sangita Mistry	Finance Manager		27 May 2020	1.0

<sup>1</sup> You should speak to your Head of Finance about any capital project you are proposing to undertake. They will help you to complete certain sections of the business case.