

	<h2>Housing & Growth Committee</h2> <p>17 February 2022</p>
<p style="text-align: center;">Title</p>	<p>Coppetts Road Project Outline Business Case</p>
<p style="text-align: center;">Report of</p>	<p>Chairman of the Housing & Growth Committee</p>
<p style="text-align: center;">Wards</p>	<p>Coppetts</p>
<p style="text-align: center;">Status</p>	<p>Public with accompanying exempt report :</p> <p>(i) Exempt from publication in accordance with paragraph 3 of Schedule 12A of the Local Government Act 1972 on account that it contains information relating to the financial or business affairs of any particular person including the authority holding the information</p> <p>(ii) Exempt from publication in accordance with paragraph 5 of Schedule 12A of the Local Government Act 1972 - information in respect of which professional legal privilege could be maintained in legal proceedings.</p>
<p style="text-align: center;">Urgent</p>	<p>No</p>
<p style="text-align: center;">Key</p>	<p>Yes</p>
<p style="text-align: center;">Enclosures</p>	<p>Appendix 1: Outline Business Case Coppetts Road (part of GLA 87 Programme) public version</p> <p>Appendix 2: Red line plan – Coppetts Road, N10</p> <p>Appendix 3: Equalities Impact Assessment</p>
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Summary

Barnet Homes, acting as development agent for Barnet Council, has identified a potential residential development that will deliver up to 16 new affordable homes for London Affordable Rent. This project forms part of the “GLA 87” affordable housing programme.

The site was previously included on the Council’s Tranche 1 mixed tenure programme when it was proposed that 12 new homes would be constructed. The direction of travel for that programme has changed with each site being delivered independently as part of disposals or other programmes. Instead, it was proposed that a refreshed approach be taken to bringing forward this site for development with increased density if possible.

The site is adjacent to Coppetts Wood Primary School to the east, allotment land to the north, and low-density residential houses, flats and garages to the south, that make up the Martins Walk Estate.

The site is formed by concrete hard standing, a parking court and garaged land. The concrete hard standing was previously the site of a community centre used by the Somali Bravenese Welfare Association. This use ceased in June 2014 when the centre was razed as a result of an arson attack. A community centre has now been provided elsewhere in the borough.

The proposed development consists of demolishing 19 garages to provide 16 new homes to deliver much needed larger family homes in the borough. Eight of the homes will be 3 and 4-bed properties, providing accommodation for larger families. Two of the family homes will be built to M4(3) standards meaning they fully accommodate wheelchair users.

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.

Barnet Council has secured grant funding from the Greater London Authority (GLA) for the GLA 87 programme. This is based on £100k per new home, through the Building Council Homes for Londoners programme. The grant requires a start on site by March 2023 and the new homes must be let at London affordable rents.

A sum of £27.625m was originally allocated to the GLA 87 programme in September 2019. From the start of this financial year 2021/22, the remaining budget is £26.889m, of which £8.1m is expected to be funded from grant awarded by the Greater London Authority (GLA) and the remaining costs through HRA borrowing. The estimated budget for Coppetts Road is £7.4m, which includes historic spend and future 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 Local Planning Authority have been held and discussions continue in order to work through feedback that has been given. The planning application will then be prepared, ready for submission subject to approval of this Outline Business Case. The housing management teams have been consulted, with their comments considered within the proposals. Barnet

Homes have carried out local consultation, including with residents, ward members, and school governors at the adjacent primary school.

This report seeks approval of the recommendations set out below, including the Outline Business Case to progress through planning submission and contractor tendering to Full Business Case stage (FBC) for an affordable housing development of 16 new homes, on land owned by the Council at Coppetts Road, N10. The scheme is funded through the budget allocated in the HRA and grant funding from the GLA.

Officers Recommendations

- 1. That the Committee notes and approves the Outline Business Case for development of the Coppetts Road site as shown on the area outlined in red on the appended plan enabling the planning application to be submitted.**
- 2. That the Committee delegates authority to the Deputy Chief Executive in consultation with the Chairman of the Housing and Growth Committee to approve the Full Business Case following planning consent and tender, including appointment of the preferred contractor once they are identified. This is dependent on the final contract value sitting within the approved budget and satisfactory financial due diligence checks being undertaken.**
- 3. Note that the updated programme budget was presented to the Policy & Resources Committee in February 2022 for information.**

1. WHY THIS REPORT IS NEEDED

- 1.1 Barnet Homes has been commissioned to act as development agent on behalf of Barnet Council to develop a pipeline of affordable housing as part of the GLA funded programme known as the "GLA 87".
- 1.2 Within this programme, the proposed project at Coppetts Road, N10 will provide high quality affordable housing. The proposed site is outlined in red on the appended site plan. The project will deliver 16 new homes for London affordable rent with parking provision, as well as make improvements to the public realm.
- 1.3 The approval of the Outline Business Cases is required in order to submit planning applications and work towards entering into build contracts to deliver the scheme.
- 1.4 Barnet Homes has secured grant funding from the Greater London Authority (GLA) for the GLA 87. This is based on £100k per new home, through the Building Council Homes for Londoners programme. The grant requires a start on site by March 2023 and the new homes must be let at London affordable rents.
- 1.5 Delegated authority for the Full Business Case is required so that a contractor can be tendered and appointed, once planning has been determined, in time to start on site before the grant funding deadline of March 2023.

2. REASONS FOR RECOMMENDATIONS

- 2.1 In September 2018 the Assets, Regeneration and Growth Committee (now Housing and Growth Committee) approved the inclusion of the Coppetts Road site on the Tranche 1 mixed tenure programme. At the time, it was proposed that 12 new homes could be constructed. The planning application was not completed; however, it did have officer support. The direction of travel for that programme has changed with each site being delivered independently as part of disposals or other programmes. Instead, it was proposed that a refreshed approach be taken to bringing forward the site for development with increased density if possible.
 - 2.2 The proposed site is outlined in red on the appended site plan. The area outlined in blue indicates the adjacent Coppetts Wood School Site for information only and is not included in this development proposal.
 - 2.3 The new proposed development consists of demolishing 19 garages to provide 16 new homes. Eight of the homes will be 3 and 4-bed properties, providing accommodation for larger families. Two of the family homes will be built to M4(3) standards meaning they fully accommodate wheelchair users. Larger family accommodation as well as adapted wheelchair homes are in acute demand in the borough.
 - 2.4 Barnet has the largest population of any London Borough with 394,400 residents. The figure is expected to grow to 452,000 by 2036. With a third of the borough designated green belt, Barnet Council has to be innovative in how new homes can be built in the borough. To deliver an increase in housing completions the Council and wider public sector needs to increase its own pipeline of housing delivery. To that end the Council is reviewing its assets to consider all suitable sites for redevelopment potential.
 - 2.5 The Council's Housing Strategy 2019-2024 identifies that delivering more homes that people can afford is a key priority.
 - 2.6 The delivery of new affordable rented homes, funded in a variety of ways, will ensure the Council's estate is used to help meet the Housing Strategy objective - this is to prevent and tackle homelessness by reducing the use of temporary accommodation, to help meet Housing Committee savings.
 - 2.7 The Draft Local Plan (2021-2036) sets out the vision for growth and development in the borough and the delivery of 32,200 new homes and 20,000 new jobs by 2030. The Regeneration Strategy builds on this, articulating the Council's approach to delivering growth and focusing on the places that need intervention.
 - 2.8 The Council have been awarded by way of a grant allocation of £100,000 per property to support the provision of the new homes under the Greater London Authority (GLA) 87 programme. The grant conditions require the development to have commenced on site by end of March 2023.
- 3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

3.1 **Option 1 – Do not proceed with these developments**

An alternative option is to **do nothing**, but it would limit the Council's ability to deliver much-needed affordable housing. There would be limited improvement to current issues identified on the Estate including anti-social behaviour by the garage blocks. In addition, the former community centre site would remain underutilised and an eye sore.

3.2 **Option 2 – Develop these homes, through on-lending to Opendoor Homes**

The scheme could be completed at nil cost to Barnet Council, with financial benefits including the homelessness dividend. A higher level of rent could be charged, at 65% of market rent. However, available GLA grant per property would either reduce or be unavailable.

4. **POST DECISION IMPLEMENTATION**

4.1 Subject to approval of the Outline Business Cases, Barnet Homes will continue to work on the designs of the schemes and will seek planning permissions for the proposal.

4.2 Subsequently Barnet Homes will tender the projects in compliance with UK public procurement legislation, namely the Public Contract Regulations 2015, and the Barnet Group's procurement process including an available framework, if compliant, in order to achieve best value.

4.3 The remaining homes that form the GLA programme of 87 new homes will be subject to separate approval of their respective Business Cases.

5. **IMPLICATIONS OF DECISION**

5.1 **Corporate Priorities and Performance**

5.1.1 The Barnet Plan 2021-2024 sets out the Council's four priorities for the borough. This has been developed against the backdrop of the Covid19 pandemic. The plan focuses on the key outcomes we are seeking to achieve and how we will work to achieve those outcomes.

The council and its partners will focus on four priorities over the next four years to realise our vision:

Clean, safe and well run

A place where our streets are clean and antisocial behaviour is dealt with so residents feel safe. Providing good quality, customer friendly services in all that we do.

Family friendly

Creating a Family Friendly Barnet, enabling opportunities for our children and young people to achieve their best.

Healthy

A place with fantastic facilities for all ages, enabling people to live happy and healthy lives.

Thriving

A place fit for the future, where all residents, businesses and visitors benefit from improved sustainable infrastructure & opportunity.

The plan will focus on prevention, by delivering some services and activities in different, or more joined up ways. We are committed to enabling and supporting individuals and communities to be more resilient; to identifying problems early; and to enabling 'selfserve' and other effective solutions.

It will focus on equalities by supporting all our communities to thrive in an environment that is free of harassment and discrimination is a core strand running through all our priorities and fundamental to how we work as a council.

- 5.1.2 The London Plan 2021 and Draft Local Plan 2021-2036 recognise the need to deliver more housing in the Borough. The council's Housing Strategy 2019-2024 continues to emphasise that delivering more homes that people can afford is a key priority and sets out how the council will deal with a number of challenges including high prices, a shortage of affordable housing and the potential threats to the qualities that make the Borough attractive.
- 5.1.3 Delivering additional housing and an improved public realm at Coppetts Road contributes towards the council's Growth Strategy.
- 5.2 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**
 - 5.2.1 A sum of £27.625m was originally allocated to the GLA 87 programme in September 2019. From the start of this financial year 2021/22, the remaining budget is £26.889m, of which £8.1m is expected to be funded from the GLA grant and the remaining costs through HRA borrowing. The total GLA 87 programme budget of £27.625m also includes the Little Strand project, which is also subject to Housing & Growth Committee approval in February 2022. This will approve the budget for the Full Business Case stage to project completion.
 - 5.2.2 The total estimated budget for the Coppetts Road project is £7.4m. This includes historic spend as well as future construction and project on costs; this is currently 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.
 - 5.2.3 Barnet Council has successfully secured grant up to £8.1m from the Greater London Authority (GLA), based on £100k per new home, through the Building Council Homes for Londoners programme. The grant requires a start on site by March 2023 and the new homes must be let at London affordable rents. It is expected that the Coppetts Road project will be on site by then and will secure £1.6m of this grant allocation.
 - 5.2.4 It should be noted that the estimated construction costs are based on current market intelligence and subject to change.
 - 5.2.5 The estimated total revenue benefit inclusive of savings to Barnet Council is £98,406 per

annum.

5.2.6 The projects will be tendered in compliance with UK public procurement legislation and the Barnet Group's contract procedure rules to a list of contractors. If the tender price exceeds the approved budget, then a value engineering exercise may be considered.

5.2.7 Barnet Homes has an established Development Team with the required experience to deliver this project. Barnet Homes manages the existing estate on behalf of London Borough of Barnet. They have successfully delivered works projects within occupied social housing settings and engaged with residents and leaseholders before, during and after the works are completed.

5.3 **Social Value**

5.3.1 Expected social value from this project will be:

- The provision of sustainable developments on existing sites.
- The opportunity to improve the public realm of the estates, to benefit residents existing and new.
- Contributing to the housing needs of residents within London Borough of Barnet.
- Making savings in temporary accommodation costs through the ability to allocate to new homes for affordable homes.
- Helping to address the shortfall of available accommodation within the Borough.
- New affordable homes which will provide a higher quality of accommodation and greater level of security for households currently living in temporary accommodation and/or in poor private rented sector accommodation.
- Net increase in Council tax revenues.
- A much-improved street scene with a high-quality design.

5.3.2 Additionally, the main contractor will be required to provide opportunities for employment, training and apprenticeships for local people and use local suppliers where appropriate.

5.4 **Legal and Constitutional References**

5.4.1 Council Constitution Article 7.5 states that the remit of the Housing and Growth Committee includes responsibility for regeneration strategy and oversight of major regeneration schemes, asset management, employment strategy business support and engagement.

5.4.2 The Council has a range of powers including the general power of competence under Section 1 of Chapter 1 of the Localism Act 2011 to do anything that individuals can do subject to any specific restrictions contained in legislation and Section 111 of the Local Government Act 1972 which provides that a local authority has power to do anything which is calculated to facilitate, or is conducive or is incidental to, the discharge of its functions.

5.4.3 Procurement of public works and services contracts over the relevant value thresholds must observe the requirements of the Public Contracts Regulations 2015, to include the placing of notices where such contracts are not drawn down from a compliant framework.

5.5 **Risk Management**

5.5.1 The main business and service risks associated with the potential scope for this project are noted below.

Design

5.5.2 There is a risk that the design is not fit for purpose. To mitigate this risk, the appointment of an experienced Architect follows a competitive process to design the scheme to RIBA stage 3, including a detailed planning application. In addition, extensive site surveys and investigations have been carried out, and the Employer's Agent will prepare a robust and detailed set of Employer's Requirements. Internally, Housing Management have been consulted on the proposed design.

Planning consent

5.5.3 There is a risk that planning consent is not granted. To mitigate this risk the Architect as Lead Designer, is joined by an experienced and competent professional team including a planning consultant. Furthermore, pre-application consultation with the Planners has taken place and discussions continue in order to work through feedback that has been given. Local stakeholder engagement has been held including with residents, ward councillors, school governors and others.

Financial

5.5.4 There is a risk that the grant deadlines are not met. To mitigate this risk ongoing dialogue will take place with the GLA to keep them informed. Furthermore, the engagement of an experienced project team, delivering to timescales, will minimise the risk of programme slippage. An additional risk is that posed by macroeconomic factors, including inflationary pressure on construction labour and materials, requiring contractors tendering to pass on these higher prices. Finally, the impact of Covid could result in disruption to the programme, that will result in additional costs to absorb.

5.6 Equalities and Diversity

5.6.1 Under the Equality Act 2010, the Council must have due regard to the need to:

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- b) advance equality of opportunity between those with a protected characteristic and those without;
- c) promote good relations between those with a protected characteristic and those without.

The 'protected characteristics' referred to are; age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation. It also covers marriage and civil partnership with regards to eliminating discrimination.

5.6.2 The Council is committed to improving the quality of life for all, and wider participation in the economic, educational, cultural, social, and community life in the Borough.

5.6.3 The development at Coppetts Road will make a contribution to the provision of additional high quality affordable rented housing in the Borough, as well as the promotion of construction jobs in the borough.

- 5.6.4 Barnet Homes have completed an Equalities Impact Assessment (EIA), reviewing the impact of the project delivery on the existing residents.
- 5.6.5 The EIA assessment identified that a few groups are impacted negatively by the delivery of the project, primarily due to disruption during the construction period. However, it is assessed that these are short term impacts only and that they are outweighed by the longer-term benefits of the project.
- 5.6.6 There are clear mitigations for the short-term negative impacts, including a communications plan and appointment of a Resident Liaison Officer, which in the longer term will help to establish good relationships and build trust with the community.
- 5.6.7 At this stage, the proposal does not raise any issues under the Council's Equalities Policy and does not have a bearing on the Council's ability to demonstrate that it has paid due regard to equalities as required by the legislation.

5.7 **Corporate Parenting**

- 5.7.1 Barnet Council have a small number of care leavers in temporary accommodation. Increasing the supply of affordable housing is therefore a corporate parenting issue.

5.8 **Consultation and Engagement**

- 5.8.1 Barnet Homes has consulted with internal stakeholders throughout the design development process.
- 5.8.2 The housing management teams have been consulted, with their comments considered within the proposals. This has added value to the proposals specifically in relation to refuse arrangements and grounds maintenance proposals.
- 5.8.3 Coppetts Wood Primary School, being located adjacent to the site, was identified as a key stakeholder and early engagement was considered crucial to the success of the project. A number of meetings have been held with the Head Teacher and discussions are ongoing. In October 2021 the New Build team, along with the Architects, presented to the School Governors, seeking feedback to the initial conceptual drawings.
- 5.8.4 Barnet Homes also contacted the Coppetts ward members in September 2021 to notify them of the proposed project. A subsequent meeting was held on site in early November 2021 to walk the local Councillors through the emerging design intent.
- 5.8.5 In mid-November 2021 an exhibition was held to consult the local community on the development proposals and residents from 59 surrounding dwellings were invited, as well as key local stakeholders including the staff of Coppetts Wood Primary School, and representatives of Halliwick Park Allotment Holders' Association.
- 5.8.6 Comments from attendees included: concern regarding parking; impact during the construction period; and overlooking towards the school. The project team responded to how these concerns were being addressed at the exhibition. There was general support for the improvements to the public realm and the provision of high quality green space.

5.9 Insight

- 5.9.1 The Council's Housing Strategy and Local Plan respond to evidence such as the Strategic Housing Market Assessment and other needs assessments that have identified a need for increased housing delivery. Barnet has 393,000 residents and this figure is expected to grow by 76,000 over the next 25 years; an increase of 19%.
- 5.9.2 The delivery of new affordable rented homes will help to meet the objective in the Council's Housing Strategy to prevent and tackle homelessness, by reducing the use of temporary accommodation. There are currently more than 2,700 households living in temporary accommodation which presents significant budgetary pressures for the Council.
- 5.9.3 Barnet's Health and Wellbeing Strategy recognises the importance of access to good quality housing in maintaining Well-Being in the Community.
- 5.9.4 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.

5.10 Environmental Impact

- 5.10.1 Barnet Homes' new build developments embrace sustainable design and contribute to the Barnet Council's new Sustainability Strategy. The aspiration of Barnet's new Sustainability Strategy is to build new social housing to a minimum EPC of 'B' adopting sustainable methods. All new build commissions are planned for net zero carbon emissions by 2025, with this achieved by 2030.
- 5.10.2 The new Sustainability Strategy identifies that 58% of emission within Barnet come from stationary energy sources, namely buildings, two-thirds of which relate to residential buildings. With an average EPC rating of 'D', the retrofitting of the existing housing stock will be the key challenge in the borough.
- 5.10.3 Sustainable development for new housing in Barnet is guided by the National Planning Policy Framework (NPPF) and the new London Plan 2021, alongside the Council's existing Local Plan and emerging draft Local Plan.
- 5.10.4 These principles and policies are further supported by building regulations that collectively set the ground rules for energy efficiency.
- 5.10.5 Barnet Homes closely monitors the evolving building regulations, in particular, the emerging Future Homes Standard and will update its Employer's Requirements accordingly to address, Part L (conservation of fuel and power) and F (ventilation), Part O (overheating) and Part S (electric car charging points). These changes are set to reduce carbon emissions of 75-80% compared to the current regulations.
- 5.10.6 A key objective for the Coppetts Road development is to provide energy efficient homes with low carbon emissions, whilst being affordable and practical to operate and maintain. The strategy adopted is based upon the application of an energy hierarchy. This method deals first with passively reducing the requirement for energy, then actively using efficient energy systems, and finally, the integration of low or zero carbon technologies. This

approach inherently offers best value for money against carbon savings.

5.10.7 The project energy consultants have currently proposed space heating is provided by electric panel heaters with air source heat pumps (ASHP) for hot water. They have also recommended a thermal bridge free construction is targeted and triple glazing installed, subject to further cost analysis. Photovoltaics could also be added to further reduce emissions, and target net zero carbon.

6 BACKGROUND PAPERS

Delegated Powers Report, 22 June 2020, Approval of the Little Strand, NW9 and Broadfields Estate, HA8 Infill Development Outline Business Cases:

<https://barnet.moderngov.co.uk/ieDecisionDetails.aspx?ID=7499>

Urgency Committee, 27 April 2020, Approval of Emergency Decisions and Delegations to Chief Officers, Appendix E: Housing and Growth Committee:

<https://barnet.moderngov.co.uk/documents/s58621/Appendix%20E%20-%20Housing%20Growth%20Committee.pdf>

Policy and Resources Committee, 17 June 2019, Business Planning 2020-24 and Budget Management 2019/20:

<https://barnet.moderngov.co.uk/documents/s52996/Business%20Planning%202020-24%20and%20Budget%20Management%20201920.pdf>

Assets, Regeneration and Growth Committee, 17 September 2018, Mixed Tenure Housing Programme

<https://barnet.moderngov.co.uk/documents/s48466/Mixed%20tenure%20housing%20programme.pdf>