

## Outline Business Case (OBC): Coppetts Road Project (part of GLA 87 programme) public version

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### Contents

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1. Introduction .....	2
2. Project Definition.....	3
3. Rationale.....	6
4. Options .....	12
5. Expected Benefits .....	13
6. Risks .....	17
7. Financial Appraisal.....	19
8. Project Approach .....	20
9. Project Assurance.....	21
10. Dependencies.....	21
11. Approach to Consultation.....	22
11. Equality Impact Analysis (EIA).....	24

## 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 Coppetts Road, N10.

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 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.

Barnet Homes has secured 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". 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.

Barnet Homes, acting as development agent for Barnet Council, has identified a potential residential development at Coppetts Road that will deliver up to 16 new affordable homes for London Affordable Rent. The remaining homes that make up the wider programme of 81 homes will be subject to separate Business Cases.

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 proposes the demolition of 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.

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 of a high quality and meets all contemporary regulatory standards.

It is proposed that the scheme is funded through the Housing Revenue Account. 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.

The total estimated budget for the Coppetts Road project is £7.4m, 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 discussions continue in order to work through feedback that has been given. The planning application will then be prepared, ready for submission. 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.

## **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 grant from the Greater London Authority (GLA) through their Building Council Homes for Londoners programme for £100k per new home. The grant requires a start on site by March 2023 and the new homes must be let at London Affordable Rent.

### **2.1 The site**

Barnet Homes has identified a potential residential development at Coppetts Road, N10 that will deliver up to 16 new affordable homes for London Affordable Rent. The remaining homes that make up the wider programme of 87 homes will be subject to separate Business Cases.

Barnet Homes have appointed RCKa Ltd for architecture and landscape design services to RIBA stage 3. Potter Raper Ltd have been appointed as construction consultants. Both parties have significant experience in designing and delivering residential housing developments, particularly affordable housing and working in the Borough of Barnet.

This site is located in an established suburban area in north of the Borough in the Coppetts Ward and on the boundary with the London Borough of Haringey. It is situated on the eastern side of Coppetts Road and is approximately 100 metres south of the intersection with Trott Road and approximately 500m south of the North Circular Road (A406).

The site currently consists of an underutilised, hand-standing surface of previously developed land, partially occupied by garages and an open bin store. Low quality boundary treatments and poor visual amenity characterise the site. Vehicular access is from Martins Walk to the South; however, informal parking does occur on the site, with a secondary vehicular access via Coppetts Wood Primary School.

The proposed development consists of 16 new homes that facilitates the creation of a community within the new scheme. It is landscape-led and consists of a simple two 'block' strategy, set within a shared community green space.

## 2.2 Unit mix

Block A consists of two maisonettes for families, each with their own front doors at ground level, and eight additional flats, which are entered into through a shared central core.

Block B is a row of six terraced houses for families. These are arranged to be primarily front-facing, towards the central green space. A small private courtyard garden is available to the rear. Each terrace will also have a piece of defensible space to provide a threshold between the public and private space. Two of these family homes will be built to M4(3) standards meaning they fully accommodate wheelchair users. Such homes are much needed in the Borough. See accommodation schedule below:

Block	Dwelling No.	Dwelling Type	Notes
Block A	4	1b2p flats	
	4	2b3p flats	
	2	3b5p flats	Accessed independently
Block B	4	4b6p houses	
	2	4b6p houses	M4(3) wheelchair compliant
<b>Total</b>	<b>16</b>		

## 2.3 Landscape and public realm

A communal green space forms the heart of the development, providing a central hub of pedestrian activity to the new community. This central garden also acts as a continuation of the greenery between Martins Walk and the Halliwick Allotments.

The central green space provides two areas dedicated to different outdoor activities. The quiet garden, as a space to rest and relax, and the playful garden dedicated to younger children. A seating step runs along the green, offering informal ways of sitting; this is mirrored in the boundary of the defensible space to the residential units.

Space to the southern end of the site has been allocated to parking, vehicle access and a unified bin store to allow for the most efficient access to the site and further encourage activation of the central green space. The larger wheelchair accessible homes will be adjacent to their car parking spaces which will be marked up as disabled spaces.

A new pedestrian route will allow access to the heart of the site from Coppetts Road, away from the school entrance. This allows each maisonette to have their own front door and acts to visually separate the block from the existing row of houses.

The wall to the western edge of the site, across the green space from the terraced houses, is to be populated with bike storage and raised planters to encourage all dwellings to engage with the central space, encouraging an extension of ownership to include the communal areas.

## **2.4 Environmental impact and sustainability**

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.

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.

Sustainable development for new housing in Barnet is guided by the National Planning Policy Framework (NPPF) and the new London Plan 2021, alongside the Councils existing Local Plan and emerging draft Local Plan.

These principles and policies are further supported by building regulations that collectively set the ground rules for energy efficiency.

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.

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.

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.

## **2.5 Ensuring quality**

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 grant requirements and meets all contemporary standards 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 changes implemented following the Grenfell Tower tragedy. This includes the use of non-combustible materials and a sprinkler system in the flatted block.

### 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:

- **Autumn Budget and Spending Review 2021:** The government reaffirmed its commitment to support the £11.5 billion Affordable Homes Programme, 35% of which is to be delivered in London. In addition, £1.8 billion of new funding was pledged to assist housing supply via land regeneration.
- **The London Plan 2021:** The new London Plan came into force on 2 March 2021 and identifies places with capacity to grow, including Opportunity Area and town centres. The target is for over 52,000 new homes per year in London, 50% of which are to be genuinely affordable. The ten-year target for net housing completions in Barnet, between 2019/20 and 2029/29 is 23,640, of which 4,340 are to be earmarked for smaller sites. The Plan specifies a target for older person housing between 2017 and 2029 of 275 per annum.

The wider population context for London is a projected growth of 70,000 per year, reaching £10.8 million in 2041. Currently London is home to 1.2 million disabled people. The proposal for Coppetts Road would provide 16 new homes of which 2 are fully accommodate for wheelchair users.

- 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.

- **Draft Local Plan 2021-2036:** 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 Draft Local Plan estimates that over 32,200 new homes will be developed by 2030.
- **Barnet Growth Strategy 2020-30:** The Growth Strategy for Barnet sets out a proposed programme of activity between 2020 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.

By 2030 around 30,000 more homes are required in Barnet to house a growing number of households in the most populous borough. Average house prices are 15 times the median income, underlining affordability is challenge to many.

- **Joint Health and Wellbeing Strategy 2021-25:** The Barnet Joint Health and Wellbeing Strategy (JHWS) outlines the commitment to improving the health and wellbeing of all who live, work and study in Barnet. It's based around 3 key areas: creating a healthier place and resilient communities; starting, living and ageing well; and, ensuring delivery of coordinated and holistic care, when needed. 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 is delivering high quality affordable homes elsewhere in the Borough.
- Barnet Homes will procure the works in accordance with its contract procedure rules and in compliance with UK public procurement legislation requirements as necessary.

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

Scheme	Number of units	Wheelchair home provision cost avoidance p/a	Temporary Accommodation cost avoidance p/a	Assumed Council Tax income p/a	Total LBB revenue benefit p/a

Coppetts Road	16	£32,988	£41,418	£24,000	<b>£98,406</b>
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The temporary accommodation cost avoidance per annum is calculated at £2,572, £2,944, £3,064 and £3,308 per unit for non-accessible units with 1, 2, 3 and 4 bedrooms respectively.

Council tax per unit has been estimated at £1,500. This equates with Barnet Council's revenue earned from a mid-range valuation band, between D to E bands at 2021/22 rates.

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

The estimated total revenue benefit inclusive of savings to Barnet Council is **£98,406** per annum.

### **3.2.2 Value for money**

As set out in section 3.4, the construction sector is currently experiencing high cost inflation due to materials and labour shortages. This is pushing up the price of tender returns to prices not previously seen.

However, it is still felt that this project delivers value for money. Typically, we have developed a majority of 2-bed accommodation yet this project is delivering 3 and 4-bed family homes, for affordable rent, which are in acute need across the borough.

The Barnet Homes contractor tender process requires that contracts are awarded on the basis of 40% Cost : 60% Quality. This ensures a high quality service and product, offering good value for money.

The public realm works are being delivered for the benefit of existing and new residents, which would otherwise not be delivered. This has a positive impact on the environment and health of local residents.

The project also offers operational value for money, whereby the construction of energy efficient and high quality housing will reduce maintenance costs for Barnet Council and energy bills for residents.

## **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 procure the building contractor via a framework, such as Network Homes or Catalyst Housing's, to which they are a third-party

member. A mini-competition would be held with up to six suitable contractors invited to tender.

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, especially the specific requirements of working adjacent to a primary school. 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.

The project is funded through a combination of grant from the GLA and HRA borrowing. The HRA borrowing is serviced through rental income from the new homes delivered in the project.

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.

Barnet Homes 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. See section 8.3 for the project plan.

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 or further grant applications if possible.

### **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 at Barnet Council to approve the Full Business Case.

#### 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>• Primary school continues to make use of 'temporary' car park</li> <li>• Local community are not impacted by</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</li> </ul>

construction period	<p>constructed.</p> <ul style="list-style-type: none"> <li>• The expected project benefits will not be delivered.</li> <li>• Site continues to be underutilised and an eye sore</li> </ul>
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### Option 2 – Develop these homes, funded by the HRA

This option is likely to cost in the region of £7.4m. 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> <li>• Loss of ‘temporary’ staff car park to neighbouring primary school.</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> <li>• A higher level of rent could be charged, i.e. Barnet affordable rent, at 65% of market rent.</li> </ul>	<ul style="list-style-type: none"> <li>• Level of GLA grant would reduce.</li> <li>• Higher rents may not be affordable to all Homelessness customers.</li> <li>• ODH could not viably deliver the project without some form of subsidy, such as gifted Right to Buy receipts.</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

### 5.1 Benefits table

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
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Benefit 1: Financial cashable  Cost avoidance	A financial saving will be made through avoided costs, where Temporary Accommodation is not required for 16 households.	Council	£41,418 per annum	2024/25 onwards	HRA	Measured by comparing the cost per year to provide Temporary Accommodation	Cost of Temporary Accommodation 2019/20
Benefit 2: Financial cashable  Council tax revenue	Council tax revenue from the 16 new dwellings	Council	£24,000 per annum	2024/25 onwards	Council	Calculated on an annual basis using Council tax rates	Using Council tax rates 2021/22 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 2 families.	Council	£32,998	2024/25 onwards	HRA	Measured by comparing the cost per year to provide Temporary Accommodation	Cost of Temporary Accommodation 2020/21
Benefit 4: Non-financial  Strategic objective	Maintain the supply of social housing provision within	Council / those in housing need	Provides occupation for 16 households	2024/25 onwards	HRA	Measure occupancy rates	N/A

	the borough through leveraging in public subsidy in the form of GLA grant of £100,000 per home						
Benefit 5: Non-financial  Strategic objective	Improvements to the existing estate's public realm	Residents / local community	Expected increase in customer satisfaction	2024/25 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	2024/25 onwards	Barnet Homes	Measure resident satisfaction	N/A
Benefit 7: Non-financial  Strategic objective	Social value required through the build contract	Residents / local community	Expected increase in customer satisfaction, employability, health and wellbeing	2023 onwards	Barnet Homes	Measure resident satisfaction	N/A
Benefit 8: Financial cashable	Rental income for 16 new	Council	£120,848 per annum	2025/26 onwards	HRA	Gross rent calculated on an annual basis using	London Affordable Rent

Strategic objective	homes at London Affordable Rent					London Affordable Rent	
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## 5.2 Social value and local labour

Barnet Homes actively encourages its development partners to contribute in leaving a legacy within the communities we serve through social value. Whilst a key objective is to ensure our customers have homes that they feel safe in, we encourage developers to provide support and investment into communities in other ways.

Barnet Homes has a minimum social value requirement for this contract, including but not limited to:

- The provision of apprenticeship opportunities for local young people per year set out within Section 106 requirements (trade or office based)
- Providing 3 x 2 -week work experience placements per annum for a minimum of 3 candidates
- Hosting or sponsoring an annual community events that promotes the contractual partners work, presence and investment in the community
- Attending employment and recruitment events to promote career options and if applicable promote live vacancies within their business
- Hosting 3 x 1-day training programs per year that supports people into employment
- Sponsorship of an annual £2k education bursary scheme that will support 6 individuals per year
- Support to SME’s through mentoring, coaching and business planning
- Support in the refurbishment of a community assets that provides benefit to local people, through the supply of materials, tools and staff resources through an employee volunteering scheme
- Provide a minimum of £1k financial investment into an annual community based project or initiative that will contribute to improving the lives of our most vulnerable customers. (food poverty, digital inclusion, gangs and youth violence)
- Provide a minimum of £1k financial sponsorship toward an annual awards event that recognises and celebrates the contributions our residents and contractors make in our communities
- Contribution of human resource (manpower), equipment and materials to support community based initiatives that will improve the local environment

As the build contract is expected to exceed £250,000, Barnet Homes will ensure that the contractor includes within their price employment and training of local labour which represents 20% of the total number of person-weeks required on site. It also requires as part of the 20% target that:

- 25% shall be from black and ethnic minorities
- 25% will be employed trainees or placements from a local training provider
- 10% shall be female

Such employees shall be engaged on an hourly wage, no less than the London Living Wage.

The Contractor will also include for the selection and employment of apprentices from suitable London based training establishments and manage the process from securing apprenticeship training to enrolments. These targets are all reported and monitored at monthly progress meetings.

In addition, the Contractor provides additional social value to the project via contributions to either community events, local charities or schools. This forms part of their Considerate Contractor status that is required for each project.

## 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> <li>Identification of alternative sites</li> <li>Local stakeholder consultation held</li> <li>Ward members notified of proposed project</li> </ul>	3	3	9
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
Impact of macro-economic factors, including inflationary pressures, on construction pricing, requiring contractors to pass on these higher prices and additional risks.	<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 and 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</li> </ul>	4	2	8

	conclude there are no concerns with the legal title that would deem the site undevelopable.			
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## 7. Financial Appraisal

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### 7.1 Capital costs

[Redacted]

### 7.2 HRA modelling

The draft expected total costs and the increased level of borrowing has been tested against the current HRA Business plan to stress test the scenario. The result will mean that the level of debt after 30 years will only be £0.5m higher than if the scheme were not to proceed.

This project, as part of a wider programme, has been included in the HRA Business Plan. It is expected that changes at a project level, unless significant, will not impact on the viability of the HRA model. Even if the volume of homes delivered in the project reduces, or the build cost increases, then the business plan is supported by the need to reduce Temporary Accommodation costs, provide accommodation for homeless people and increase the supply of affordable wheelchair accommodation.

### 7.3 Funding route

It is proposed that the scheme is funded through the Housing Revenue Account. 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.

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.

The next stage of the project will include completing the planning submission, tendering the project and procuring a main contractor. The budget for this phase is estimated at £0.9m which is included in the £7.4m above.

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 of development.

## 7.4 Affordable housing grant

Barnet Homes 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. See section 8.3 for the project plan.

## 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

Financial performance is monitored monthly through Capital Monitoring reports from Barnet Homes to Barnet Council. This is further analysed by the Finance Business Partner at the Affordable Housing Project Board.

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
<b>Key dates</b>	<b>March 2022</b>	<b>July 2022</b>	<b>May-Nov 2022</b>	<b>Dec 2022</b>	<b>Jan-March 2023</b>	<b>June-August 2024</b>
<b>Milestones</b>	<ul style="list-style-type: none"> <li>OBC approved in February</li> <li>Planning application submitted</li> </ul>	Planning application 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	Acceptor
Construction of 16 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, and new play area	Barnet Homes	Barnet Homes Development Team	Barnet Homes Development Team
Integrated communities	New dwellings accessed by thoroughfares, improvements to public realm	Barnet Homes	Barnet Homes Development Team	Barnet Homes Development Team

## 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.

<b>Dependent on</b>	<b>Nature of dependency</b>
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.
Garage strategy	Reliance on gaining vacant possession of 19 garages, let on weekly tenancies.
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. Coppetts Wood Primary School is identified as a key stakeholder with whom engagement is ongoing.
Member engagement	Members engagement required throughout the process.

## **11. Approach to Consultation**

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Barnet Homes has consulted with internal stakeholders throughout the design development process.

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.

Representatives from Major Works, Repairs & Maintenance and H&S Compliancy teams will also be consulted ahead of the Planning submission. This will add value to the proposals specifically in relation to emerging building regulations.

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 school governors 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. Their main concern is to do with teacher parking.

Comments received from School Governors included the importance of mitigating overlooking toward the school, the need to ensure the school has a presence on Coppetts Road, and the impact of the loss of the temporary car park for staff.

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.

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.

Comments from attendees were themed as below:

Key theme	How it is being addressed in the proposal
Concern regarding the existing <b>parking</b> arrangement and future demand for spaces	<ul style="list-style-type: none"> <li>• Additional parking bays will be provided to ensure policy compliance with the construction of 16 additional units in this area.</li> <li>• Parking surveys have been undertaken to understand the likely displacement of parking onto neighbouring streets.</li> <li>• Specific consideration will be given to operating a construction site adjacent to a primary school, avoiding delivery of materials to site during peak periods of drop off and pick up.</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, for example a one-way system around Martins Walk.</li> </ul>
Concern regarding impact to residents during the <b>construction period</b>	<ul style="list-style-type: none"> <li>• We will ensure that a construction management and health and safety plan is in place. This will detail how the contractor manages the site to minimise the impact on residents as well as how they manage noise, mess and security.</li> <li>• 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.</li> <li>• Specific consideration will be given to operating a construction site adjacent to a primary school that contains a provision for children with autism. This includes notifying the school of works that involve loud noise or vibration.</li> </ul>
Concern regarding <b>Overlooking</b> towards the school	The Architects have designed the homes that back onto the school boundary so that they do not have habitable rooms facing the school at ground floor level. Non habitable rooms will have opaque glazing to windows.
General support for improvements to the <b>public realm</b> and the provision of high quality green space	The proposal for a high quality, shared, green space to act as the heart of the community, for new and existing residents was welcomed, especially those with young families. The unifying of bin stores for the estate and the provision of bike storage was also considered favourably.

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## 11. Equality Impact Analysis (EIA)

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An Equality Impact Analysis (EIA) has been prepared to accompany the Outline Business Case. The purpose of this tool is to analyse, from the perspective of existing Resident and Service users, the likely effect of the proposal to build new homes at Coppetts Road, in terms of equality duties the Council is required to promote.

These include documenting the effect on the equality strands: age, disability, gender, race / ethnicity, religion or belief, sexual orientation, or gender reassignment. In this way a systematic approach is taken to ensuring there is no potential for discrimination or adverse impact. Furthermore, all opportunities to promote equality have been taken.

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.

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.

## Document Control

Record the information relevant to this document in this section

<b>File path</b>	
<b>Reference</b>	
<b>Version</b>	
<b>Date created</b>	
<b>Status</b>	

## 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	January 2022
Meera Bedi	Head of Development, Barnet Homes	January 2022
Susanna Morales	Development Manager, Barnet Homes	January 2022

## Approvals:

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

Name	Role	Signature	Date	Version
Susan Curran	Head of Housing & Regeneration, LBB		January 2022	1.0
Sangita Mistry	Finance Manager for Housing, LBB		January 2022	1.0
Ian Goldsmith	Senior Property Lawyer, HBPL		January 2022	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.