

Full Business Case (FBC): Little Strand Project (part of GLA 87 programme) - PUBLIC

Author:	Tom Metcalf, Development Manager, Barnet Homes
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Service /	Barnet Homes
Dept:	New Build Team

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1. Introduction

In 2019 Barnet Homes, acting as development agent for Barnet Council, secured £8.7m grant funding from the Greater London Authority (GLA) to support the delivery of 87 new homes across in total across three sites through a development programme known to the Council as “GLA 87”. Little Strand, NW9 is part of this GLA and HRA development programme. As the programme developed, constraints within the design and planning process has led to a reduction in units, with 81 units currently predicted across the three sites. Little Strand is the most developed site in terms of having secured planning permission and has gone through a procurement exercise in preparation of appointing a building contractor.

Little Strand is a cul-de-sac off Great Strand on the Grahame Park estate. The proposed development is spread over three plots and 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.

Barnet Homes have assembled an experienced design team and led the scheme through a two-year design process to secure planning, taking on board feedback from public consultations etc. As such planning approval was approved in October 2021. The consented scheme was less than our original estimate of 54 units, but the scheme remains value for money and its current budget has been recently tested against the current HRA business plan as part of a wider review of the impact of the updated GLA 87. This programme review also reflects the reduction in GLA grant from £8.7m to £8.1m.

The project presents an opportunity to improve the street scene of Little Strand with enhanced passive surveillance, better organised car parking etc. The project will also create new amenity space with play space for existing and new residents to enjoy.

The new homes would be owned by the London Borough of Barnet and managed by Barnet Homes.

The total budget for the next phase of Little Strand is £14.235m and was approved at Capital Strategy Board in January 2022, with final approval due at Policy & Resources Committee in February 2022. This budget is based on a recent procurement exercise, with tender returns received in December 2021. The tender clarification process is still ongoing, and therefore a preferred contractor has not yet been determined. As such, we are seeking approval of the FBC on a ‘maximum price’ basis; noting we have a strong working relationship with both contractors and that because their quality returns were both high, we are comfortable appointing either one once the final build cost has been determined. This is subject to the final identified price being within the maximum price set out in this FBC.

Subject to the approval of the Full Business Case, Barnet Homes will be able to progress the awarding of the building contract by the end of this financial year securing the GLA grant and thus enable start on site by summer 2022, with the aim of completion in spring 2024.

2. Project Definition

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 (reduced to £8.1 million as mentioned above). This equates to £100k per new home. The grant requires a start on site by March 2023 (extended by the GLA from the previous deadline to March 2022 to account for the delaying effects of Covid on the planning process etc) and the new homes must be let at London Affordable Rent. For Little Strand, a further £270k of funding was secured via the One Public Estate Programme, which must be expended by March 2022, with a longstop date of 2024.

Barnet Homes successfully secured planning approval and a unilateral undertaking in October 2021. A team of specialist consultants were engaged to develop the scheme up to RIBA stage 3a and this included Rund (Employers Agent) and HTA (Architects).

Little Strand is a cul-de-sac off Great Strand on the Grahame Park estate located in the Colindale Ward.

The site currently consists of underutilised garages as well as informal parking for residents. There is also a group of eight lower quality bungalows at Dowding. Barnet Homes have successfully secured vacant possession of both the garages and bungalows. The tenants of the latter have been successfully rehoused.

The development, across three infill areas, proposes to demolish the 46 garages and 8 tenanted bungalows at Dowding to provide 35 new homes, 5 of which are fully wheelchairs flats and 12 of which are larger 3 and 4 bed townhouses.

The existing sites as indicated by the red line plan, are complex in terms of public realm works including the diversion of a Thames water sewer, extending of UKPN substation, disconnection of all services surrounding the bungalows and S278 works relating to Highways.

Site 1 will consist of a row of terraced four-bedroom houses for families. These are towards the entrance to Little Strand.

Site 2 will consist of a block of 23 flats, which includes 5 wheelchair accessible flats on the ground floor. It is a lifted block with all flats serviced via a central plant room, accommodating air source heat pumps and underfloor heating delivering a higher level of sustainability than many of our previous developments. This block faces the existing houses in Dyott. This block has a small green space separating it from new demarcated parking spaces.

Site 3 will consist of a row of terraced three bed houses for families. These houses front a small pocket park introduced for residential community space.

The table below identifies the scheme mix:

Sites	Dwelling No.	Dwelling Type	Notes
1	4	4b7p houses	
2	6	1b2p flats	
	12	2b4p flats	
	2	1b2p w/c flats	M4(3) wheelchair compliant
	3	2b3p w/c flats	M4(3) wheelchair compliant
3	8	3b5p houses	
Total	35		

The development includes a higher proportion of 3 bedroom, or larger homes and wheelchair accessible homes, which is a particular need for the Housing Options service at the moment.

The current Little Strand site lacks any green or public space. So, an exemplar public realm scheme has been proposed, which will create high-quality green and amenity spaces. This includes a small pocket park fronting the houses on Site 3 which existing residents can use and a green space fronting the block of flats. Also included as part of the sustainable process is a wild meadow fronting Little Strand and Great Strand.

At Little Strand, Barnet Homes is aiming to meet the zero-carbon targets as set out by Council's sustainability strategy, whilst maintaining affordability. A stage 3 energy statement conducted by the Architect, sets out the intention via initial design to:

- Achieve above ECP B rating to A which includes triple glazed windows.
- Introduce Electric vehicle charging points
- Include a car club space as part of the Travel Plan requirements and also encourage more sustainable means of travel for new residents via travel incentives such as bike vouchers and oyster card vouchers.
- Introduce a central heating plant room in the block of flats that proposes includes Air source heat pumps and underfloor heating to the flats.
- Introduce photovoltaics on the roofs of the flats and houses
- Water management through the construction of at least two water attenuation tanks
- Increase the biodiversity of the estate and borough through new green spaces and new trees as well as a wild meadow planting fronting Great Strand.

In terms of oversight and quality assurance, Barnet Homes will employ not only an Employers Agent (who administers the contract) but also a Clerk of Works who will undertake quality checks and also specialist Fire and Mechanical & Electrical consultants who will visit at key stages to witness installation and commissioning etc. Most of the above consultants have already been appointed and have assisted with the design development to date.

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

This FBC 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 Little Strand would provide 35 new homes of which 5 are fully accessible 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 its 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 'self serve' 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.

It should be noted that this scheme provides a high percentage of larger family homes plus two flats with wheelchair access, and in doing so explicitly meets some of the most in demand property types within the borough.

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. 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 has 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
Little Strand	35	£82,470	£88,493	£40,500	£217,463

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.

Savings for providing wheelchair accessible homes are calculated at £16,494 per annum.

The estimated total revenue benefit inclusive of savings to Barnet Council is **£217,463** per annum.

It is estimated that the public realm contribution equates to £1.66m of the works on Little Strand.

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

The total budget is deemed sufficient to deliver the scheme, accounting for known and unknown risks.

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 sum of £27.625m was allocated to the Council's Housing Revenue Account budget for the GLA 87 capital programme, funded partially by £8.7m GLA grant funding (now £8.1 million). This was approved by Policy & Resources Committee in June 2019. As at the start of this financial year 2021/22, there is £26.889m remaining on the capital budget. The estimated budget to complete Little Strand from 21/22 is £14.235m, which includes construction and project on costs. The total scheme cost (historic and future) is £14,796,162. GLA grant has been awarded, of £100k per unit, amounting to £3.5m for Little Strand and contained within this FBC. In addition, a further £270k has been secured from the One Public Estate fund.

Cost area	Cost
Estimated construction cost	£12,000,000
Project on costs and contingency	2,235,258
Total Scheme Costs from 21/22	£14,235,238
Build cost per sqm	£3,420
Build cost per unit	£342,837
Total cost per unit (including on costs)	£406,721

The Employer's Agent, Rund, have noted that the estimated construction cost is reasonable for a development of this nature, when benchmarked against other similar schemes. 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. In addition, we are building on a site with a high level of abnormal site constraints (stopping up, utility diversions, new UKPN substation required etc, which all increase the overall cost.

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 a high level of 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 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.

No further return to Policy and Resources committee is foreseen. 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.

3.5 Management

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 and will act as the client for the purpose of the build contract.

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

4. Options

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

There are three principal 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"> • Local community not impacted by short-term construction period • 'Informal' car parking on the estate retained (verges, pavement on roadsides etc) 	<ul style="list-style-type: none"> • The expected project benefits will not be delivered. • Site continues to be underutilised and an eye sore • Do not deliver much needed homes, including family sized and wheelchair homes

Option 2 – Develop these homes, funded by the HRA

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 plus temporary accommodation cost avoidance noted in previous sections. The scheme also includes a high percentage of the most in demand property types (larger family houses and wheelchair units).

Advantages	Disadvantages
<ul style="list-style-type: none"> • Additional social housing units created and owned by Barnet Council. • Management of the existing homes and new homes on the estate remains with one party (Barnet Homes). • The project benefits will be realised, such as TA cost avoidance, increased revenue etc. 	<ul style="list-style-type: none"> • Initial up-front cost borne by the HRA. • Loss of 'informal' car parking to residents, albeit no net loss of formal spaces.

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

Advantages	Disadvantages
<ul style="list-style-type: none"> • Scheme could be completed at nil cost to Barnet Council, with financial benefits including the homeless dividend. • Barnet Homes would still act as the development agent. • A higher level of rent could be charged, i.e., Barnet affordable rent, at 65% of market rent, albeit without GLA funding. 	<ul style="list-style-type: none"> • Any delay in entering into contract beyond March 2022 could cause tendered prices to elapse / increase, causing the project to be more expensive and potentially less viable. • Higher rents may not be affordable to all Homelessness customers. • ODH could not viably deliver the project without some form of subsidy, probably via sales resulting in a loss of business case benefits

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 Summary

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 required for 35 households.	Council	£88,494 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 35 new dwellings.	Council	£40,500 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 5 families.	Council	£82,470 per annum	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 the borough through levering in public subsidy in the form of GLA grant of £100,000 per home - £3.5m	Council / those in housing need	Provides occupation for 35 households	2024/25 onwards	HRA	Measure occupancy rates	N/A
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	Residents / local community	Expected increase in customer	2024/25 onwards	Barnet Homes	Measure resident satisfaction	N/A

	through the use of shared estate facilities		satisfaction				
Benefit 7: Non-financial Strategic objective	Improved sustainability of homes	Residents / local community	Expected increase in customer satisfaction	2024/25 onwards	Barnet Homes	Measure resident satisfaction	N/A

5.2 Social Value

Where the contract value exceeds £250,000, Barnet Homes ensures that, via their Employer's Requirements, the Contractor includes within their price for 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 and 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
Design and planning				
Utilities and statutory bodies not consenting to diversions	<ul style="list-style-type: none"> Early consultation with statutory bodies has already taken place, with in principle agreement secured on substation 	4	2	8
Expectations of Highways, on a small and constrained project	<ul style="list-style-type: none"> Early consultation with Highways has already taken place. 	4	3	12

Financial				
That the grant deadlines are not met, and the grant is returned	<ul style="list-style-type: none"> Ongoing dialogue with the GLA to keep them informed Longstop SOS date of March 2023 should be sufficient 	4	3	12
Volatile construction sector meaning contractors may seek additional loss & expense claims from Barnet Homes.	<ul style="list-style-type: none"> To be closely monitored by BH and construction consultants, use of contract clauses where possible to minimise opportunities, include sufficient contingency 	4	3	12
Delivery				
Delay to project delivery from <ol style="list-style-type: none"> Stopping up of highways land must be completed prior to SOS Securing a lease for a new substation from UKPN Timely conclusion of the S278 Highways specification and legal agreement Thames Water diversions required 	<ul style="list-style-type: none"> We have employed specialist transport and utility consultants to manage key tasks and have secured in principle agreement from statutory providers re stopping up and UKPN regarding creating a new substation The LBB Highways team have already been involved in the initial scoping of the S278 works Ensure regular programme reporting and monitoring by project team 	4	4	16
Build price rising via unfixed provisional sums and / or exclusions within the build contract.	<ul style="list-style-type: none"> A £900k contingency has been included Close monitoring by project team Elimination of as many unfixed sums as possible prior to entering into contract 	3	2	6
Legal				
That there are title issues with the site at the Council does not have clean legal title.	<ul style="list-style-type: none"> 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. 	4	2	8

7. Financial Appraisal

7.1 Capital costs

The project budget for the remaining works is:

Cost area	Cost
Estimated construction cost	£12,000,000
Project on costs and contingency	2,235,258
Total Scheme Costs	£14,235,238
Build cost per sqm	£3,420
Build cost per unit	£342,837

The total scheme cost (historic and future) is £14,796,162.

The project on costs include the following services:

- Barnet Homes development agent fee (3.5%)
- Design including architect, structural engineer, services engineer and landscaping
- Professional team including employer's agent and cost consultant
- Contingency of 7.5% of works value – i.e., £900k.

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 revised GLA 87 schemes were not to proceed.

7.3 Funding route

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 (now £8.1m) of GLA grant funding. Following the anticipated change in programme unit numbers to 81, the budget was updated at Capital Strategy Board in January 2022 (accounting for only £8.1m of GLA grant across the programme but the addition of £270k of OPE grant) and will be presented to the Policy & Resources Committee in February 2022 as part of the HRA Business Plan update. The estimated budget for Little Strand is £14.235m, which includes construction and project on costs; this is currently within the budget parameters of the programme.

7.4 Affordable housing grant

Barnet Homes has successfully secured a £8.7m (now £8.1) grant from the Greater London Authority (GLA) through their Building Council Homes for Londoners programme. This equates to £100k per new home, which means following the loss of 8 units across the programme, it has been reduced to £8.1m and £3.5m for Little Strand specifically. The grant requires a start on site by March 2023 and the new homes must be let at London affordable rents. More recently, a further £270k was secured via the One Public Estate programme administered by the Ministry of Housing Communities & Local Government. This required £270k to be expended on enabling / upfront works by 2022, with the potential for it to be moved to a long stop date of 2024, pending the agreement of the MHCLG.

8. Project Approach

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 on a monthly basis to the Affordable Housing Board, which is jointly held between Barnet Homes and LB Barnet. The Board 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.

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

8.3 Project plan and milestones

Stage	Planning Committee	Main contractor tendering	Full Business Case	Main contractor appointed	Main contractor starts on site	Practical completion
Key dates	Sept/Oct 2021	Dec 21-Feb 2022	Feb 2022	March 2022	April- Jun 2022	March 2024
Milestones	<ul style="list-style-type: none"> Planning approved at committee Dec 2020 Unilateral undertaking consented with planning approval in October 2021. 	<ul style="list-style-type: none"> Contractor's Tender returns Dec 21 and being reviewed and analysed before end of Feb 2022. Stakeholder consultation throughout 	FBC to be approved by H&G committee on 17 th February 2022.	<ul style="list-style-type: none"> Main contractor begin design work and technical surveys 	<ul style="list-style-type: none"> Awarding of contract with start of detailed design including discharge of planning conditions Complete stopping up of Highways Land Actual start on site for Jul/Aug 22 	<ul style="list-style-type: none"> Scheme handed over on time and on budget New homes let with minimal void period Lessons learnt review undertaken

9. Project Assurance

Deliverable / Product	Quality Criteria	Author	Reviewers	Acceptor
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, 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.

Dependent on	Nature of dependency
Government funding	Funding is mixture of GLA grant funding, which subsidises the new homes, OPE funding which subsidises the public realm and contributions from the authority's Housing Revenue Account (HRA).
UKPN substation	Reliance on reaching agreement for an additional substation, albeit 'in principle' agreement already secured.
Stopping up of highways land	Reliance on securing a successful stopping up in the face of any objections. Positive dialogue underway with utility companies and ultimately a CPO can be employed if necessary.
Highways	Reliance on the necessary highways applications being made and accepted as required.

11. Approach to Consultation

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

The neighbourhood management team and other departments have been consulted, with their comments considered within the proposals at an early stage. This has added value to the proposals specifically in relation to refuse arrangements and grounds maintenance proposals.

Little Strand public resident consultation took place on the 29th January 2020 with 300 residents invited. The main concerns were around lack of parking and this like other matters were addressed through the Planning process, which was secured in October 2021.

Once the successful tenderer is awarded the contract, the Contractor will communicate with residents on their proposed site logistics, which will relate to parking, refuse collection and ingress and egress of cars and pedestrians. This will include, notice boards, monthly newsletters, resident liaison officers etc.

Barnet Homes will also contact the Colindale ward members in early spring 2022 to notify them of the proposed project. In addition, residents on the Grahame Park Estate will be informed of the forthcoming development in the general estate letter that is distributed quarterly.

The main areas of concern for residents include:

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"> • Parking is currently informal and the proposed maximum parking bays will now be delineated making it safer. • Demarcated parking bays for wheelchair users • Unilateral undertaking which precludes 23 new households (mainly 1 and 2 bed units) from applying for residential parking. Thus, the Travel Plan incentives to new residents for bike vouchers, public transport vouchers and car club membership are promoted. • Restricting 12 family houses to apply for one parking permit per household.
Concern regarding impact to residents during the construction period	<ul style="list-style-type: none"> • Barnet Homes 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, dust 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. • Specific consideration will be given to ingress and egress of vehicles and pedestrians given the complexity of the public realm works especially Highways related.
General support for improvements to the public realm and the provision of high-quality green spaces	The proposal for a high quality, shared, green space to act as the centre of the community, for new and existing residents was welcomed, especially those with young families. In particular, the resurfacing of the roads and pavements with improved lighting will add to the quality of this residential living environment.

11. Equality Impact Analysis (EIA)

An Equality Impact Analysis (EIA) has been prepared to accompany the Full 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 Little Strand 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

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Date	Version	Reason for change	Changes made by
27/01/22	1	Comments incorporated	Tom Metcalf
04/02/22	2	Comments incorporated	Tom Metcalf

Distribution List:

Name	Role	Date
Derek Rust	Director of Growth & Development, Barnet Homes	27th Jan 2022
Meera Bedi	Head of Development, Barnet Homes	27th Jan 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		28 th Jan 2022	1.0
Sangita Mistry	Finance Manager for Housing, LBB		31 st Jan 2022	1.0
Louise Middleton	Senior Property Lawyer, HBPL		4 th Feb 2022	2.0

¹ 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.