

Full Business Case (FBC): Coppetts Road Project (part of GLA 87 programme) Public

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1. Introduction

This Final Business Case (FBC) seeks approval to progress to the construction phase and enter into a building contract with a main contractor, 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. For Coppetts Road, it was proposed that a refreshed approach be taken to bringing forward the site for development with increased density if possible.

Barnet Homes, acting as development agent for Barnet Council, has identified a potential residential development at Coppetts Road that will deliver 15 new affordable homes for London Affordable Rent. The development proposes the demolition of 19 garages to provide the 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 scheme at Coppetts Road is part of a wider programme of housing delivery to deliver 87 new homes across three sites, known to the council as "GLA 87". The programme will be funded in part by GLA grant, with the balance from the council's Housing Revenue Account (HRA).

The remaining homes that make up the wider programme of 81 homes (down from 87), are subject to separate Final Business Cases.

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 estimated budget for the Coppetts Road project is £9.4m, which includes construction and project on costs.

The planning application 22/1308/FUL was granted approval on 16 June 2022 at LBB's Strategic Planning Committee, subject to Conditions and S106 Agreement. This S106 Unilateral Undertaking is currently being finalised.

The procurement of main contractor is currently in the tender evaluation phase and yet to be determined. As such, Barnet Homes seek approval of the FBC on a 'maximum price' basis. It is noted that Barnet Homes have a strong working relationship with the tendering contractors and because the quality of tender returns was high, Barnet Homes are comfortable appointing the eventual successful bidder 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 enabling a start on site by March 2023, thus securing the GLA grant. Completion is expected by Winter 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 identified a potential residential development at Coppetts Road, N10 that will deliver up to 15 new affordable homes for London Affordable Rent. The remaining homes that make up the wider programme of jhu81 homes are subject to separate FBCs.

Barnet Homes appointed RCKa Ltd for architecture and landscape design services to RIBA stage 3. Potter Raper Ltd were 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.

Barnet Homes, on behalf of the council, has successfully secured grant from the Greater London Authority (GLA) through their Building Council Homes for Londoners programme for £100,000 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

This site is located in an established suburban area in north of the Borough in the Friern Barnet 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. 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. 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 existing plan is contained in **Appendix 2.2**.

The proposed development consists of 15 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. The proposed plan is contained in **Appendix 2.3**.

2.2 Unit mix to be delivered

Block A consists of two maisonettes for families, each with their own front doors at ground level, and seven 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 also has 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	3	1b2p flats	
	4	2b3p flats	
	2	3b5p maisonettes	Accessed independently
Block B	4	4b6p houses	
	2	4b6p houses	M4(3) wheelchair compliant
Total	15		

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.

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 as disabled spaces.

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.

A pedestrian route will allow access to the site from Coppetts Road for residents of Block A.

2.4 Environmental impact and sustainability

Barnet Homes' new build developments embrace sustainable design and contribute to the Barnet Council's emerging Sustainability Strategy. The aspiration of Barnet's 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 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 recently introduced Future Homes Standard, ensuring its Employer's Requirements are kept up-to-date to address developments including, 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 proposed space heating is provided by electric panel heaters with air source heat pumps (ASHP) for hot water. Also recommended is the targeting of a thermal bridge free construction and triple glazing. Photovoltaics are also included 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. This includes a highly experienced and skilled precontract design team, who have ensured that the 'golden thread' of design integrity starts at the beginning of the project. Diligent selection of the main contractor during the procurement tender evaluation process is equally integral to ensuring quality is maintained during the build, aligning with design intent.

The design is compliant with grant requirements and meets all contemporary standards and ensures that a robust set of employer's requirements has been prepared, which is what the build contractors will use as a minimum standard. The contractor tender process ensures an emphasis on quality, with the tenders 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 sprinkler systems in all units.

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:

The delivering more quality affordable homes in the borough is a key priority for the council and is recognised in the Housing Strategy 2019-2024, the Growth Strategy and is a key theme of the emerging Corporate Plan. Barnet has the second largest population of any London Borough with 389,300 residents. The figure is expected to grow to 452,000 by 2036. With a third of the borough designated green belt, Barnet Council has to be innovative in how new homes can be built in the borough. To deliver an increase in housing completions to meet housing need the council and wider public sector needs to increase its own pipeline of housing delivery. To that end the council is reviewing its assets to consider all suitable sites for redevelopment potential.

The Draft Local Plan (2021-2036) sets out the vision for growth and development in the borough and the delivery of 32,200 new homes and 20,000 new jobs by 2030. The Regeneration Strategy builds on this, articulating the council's approach to delivering growth and focusing on the places that need intervention.

These schemes would count towards the 1000 homes at London Affordable Rent that the Administration pledged as part of their Manifesto in May 2022.

Delivering more affordable homes in the borough is a priority of the council, as set out in the Housing Strategy 2019-2024 and the Growth Strategy. Since May 2022 this has become a council priority and work is underway to convert current delivery plans to ensure they contribute to starting on site with 1,000 affordable social rent homes over the next 4 years. These schemes will deliver 59 homes to wards this target.

The Health and Wellbeing Strategy 2021 to 2025 recognises that the condition of and access to local housing has an important role in the quality of life and health of both individuals and communities.

Emerging Corporate Plan

A new Corporate Plan is in development, with an approach being built around a council that cares for people, our places, and the planet, as discussed at the Policy and Resources Committee meeting on 29 September 2022. Under the People priority, it aims to be family friendly, tackle inequality, and support health and independence. Under the Place priority, it aims to ensure safe, attractive neighbourhoods, quality homes, sustainable growth, and thriving town centres and make Barnet a fun place to visit. Under the Planet priority, it aims to focus on the council's journey to net zero, local environment, and green spaces.

It should be noted that this scheme provides a high percentage of larger family homes plus two family homes 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. 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.

The preferred option for progression is Option 2 – *Develop these homes, funded by the HRA*. This is the option that fully meets all the identified CSFs. The option delivers new affordable homes thus meeting CSF1 and CSF2. This option produces revenue benefits as identified later in this section, thus meeting CSF3. There has been extensive community engagement and funding is in place ready to progress with this option subject to the approval of the FBC by Housing and Growth Committee, thus CSF4 is met.

Option 1 - *Do not proceed with the development of these new homes*, does not meet any of the above CSFs as it does not provide any additional homes or benefits.

Option 3 - *Develop these homes, through on-lending to Opendoor Homes*, could potentially meet some of the above CSFs but it is not as closely aligned as Option 2. Option 3 would result in higher rents which does not fully meet CSF1 or CSF2. It is also likely to be slower to deliver as no alternative funding arrangement is in place, therefore does not meet CSF4.

Further detail on the options identified is contained within section 4 of this report.

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	15	£32,988	£38,847	£22,902	£94,737

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 2022/23 rates.

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

The estimated total revenue benefit inclusive of savings to Barnet Council is **£94,737** per annum.

It is estimated that the public realm contribution equates to £50,000 of the works on Coppetts Road.

3.2.2 Value for money

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, Barnet Homes 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. Barnet Homes will manage and maintain the homes, once complete, on behalf of the council.

3.3.2 Procurement

Procurement for the main building contractor has been carried out in accordance with applicable contract procedure rules with tenders being sought. The tenders are evaluated on the basis of cost and quality. Barnet Homes have procured the building contractor via a framework, A mini-competition has been held with suitable contractors invited to tender.

The contractors bid demonstrates 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 were key quality questions in the tender, 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.

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

3.4 Financial case

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

The Coppetts Road project is funded through a combination of grant from the GLA and grant from the borough's S106 contributions. The balance is funded via 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 £7.8m (previously £8.7m) is expected to be funded from the GLA grant, One Public Estate grant, borough S106 grant and the remaining costs through HRA borrowing.

Barnet Homes has successfully secured grant up to £7.8m from the Greater London Authority (GLA), based on £100,000 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 £1.5m of this grant allocation. See section 8.3 for the project plan.

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 has and will continue to oversee the project and be responsible for the day to day running of the project, supported in this role by the Employer's Agent and client consultant team. 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 is responsible for liaising between relevant parties, managing communications with residents. The main contractor is tasked to lead on resident communication during the construction phase, with monitoring taking place by Barnet Homes Project Manager. Furthermore, 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

4. Options

Due to the project objective, limited options were considered due to the desired outcomes from the Commissioning client. These were presented at the time of the Outline Business Case and repeated again below for completeness.

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 and grant.
- **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"> • Primary school continues to make use of 'temporary' car park • Local community is not impacted by construction period • Status quo of estate maintained, in terms of number of homes and public realm. 	<ul style="list-style-type: none"> • Will not contribute towards the Labour manifesto of 1,000 new social rent homes • Social housing stock within the borough continues to decline through RTB sales without replacement homes being constructed. • The expected project benefits will not be delivered. • Site continues to be underutilised and an eye sore •

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.

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. Provision of X2 new wheelchair accessible family homes 	<ul style="list-style-type: none"> Initial up-front cost borne by the HRA. Loss of ‘temporary’ staff car park to neighbouring primary school.

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. 	<ul style="list-style-type: none"> Will not contribute towards the Labour manifesto of 1,000 new social rent homes Level of GLA grant would reduce. Higher rents may not be affordable to all Homelessness customers. ODH could not viably deliver the project without some form of subsidy, such as gifted Right to Buy receipts.

It is on this basis that Barnet Homes recommend Option 2 be progressed at the Outline Business Case gateway in January 2022.

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
Benefit 1: Financial cashable Cost avoidance	A financial saving will be made through avoided costs, where Temporary Accommod	Council	£41,418 per annum	2024/25 onwards	HRA	Measured by comparing the cost per year to provide Temporary Accommodation	Cost of Temporary Accommodation 2020/21

	ation is not required for 15 households.						
Benefit 2: Financial cashable Council tax revenue	Council tax revenue from the 15 new dwellings.	Council	£24,000 per annum	2024/25 onwards	Council	Calculated on an annual basis using Council tax rates	Using Council tax rates 2022/23 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 the borough through levering in public subsidy in the form of GLA grant of £100,000 per home	Council / those in housing need	Provides occupation for 15 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 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 Strategic objective	Rental income for 15 new homes at London Affordable Rent	Council	£120,848 per annum	2025/26 onwards	HRA	Gross rent calculated on an annual basis using London Affordable Rent	London Affordable Rent

5.2 Social Value

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 requires that the contractor endeavours to target the employment and training of local labour, 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

Since the presentation of the OBC many risks have been addressed. However, residual risks remain and are documented below:

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 application to the statutory bodies will be made 	4	3	12
Expectations of Highways, on a small and constrained project	<ul style="list-style-type: none"> • Engagement with Highways early in the process 	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 • Instruction of an experienced design team with capacity to deliver to timescales 	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"> • To be closely monitored by BH and construction consultants 	4	3	12
Provisional sums push price risk back to the Employer	<ul style="list-style-type: none"> • Close out provisional sum pre-contract or agree maximum sum 	4	3	12
Delivery				
Delay to project delivery	<ul style="list-style-type: none"> • Timely instructions from Barnet Council • Regular project monitoring and reporting • Regular monitoring of the market conditions • Request contractor's programme as part of invitation to tender • Compare programme to BCIS benchmarks of similar projects • Ensure regular programme reporting is requested and monitored 	4	3	12

7. Financial Appraisal

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. All costs have been included in the updated HRA Business Plan which is also being presented to Housing & Growth Committee in November 2022.

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

A sum of £27.625m has been allocated to the council's Housing Revenue Account budget for the GLA 87 programme, including £8.7m (now £7.8m) of GLA grant funding.

Following the anticipated change in programme unit numbers to 78, the budget was updated at Capital Strategy Board in November 2022 (accounting for only £7.8m of GLA grant across the programme).

However, the addition of £2m of S106 commuted sums and £0.961m of other contributions will be presented to the Policy & Resources Committee in December 2022 as part of the HRA Business Plan update.

The total estimated budget for the Coppetts Road project is £9.4m, which includes construction and project on costs.

This is currently within the budget parameters of the programme.

Barnet Homes has successfully secured a £7.8m (previously £8.7m) grant from the Greater London Authority (GLA) through their Building Council Homes for Londoners programme.

This equates to £100,000 per new home, or £1.5m for Coppetts Road 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 £700,000 was secured via a borough S106 grant.

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

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
Key dates	March 2022	June 2022	May-Nov 2022	Nov-Dec 2022	Jan-March 2023	Oct-Dec 2024
Milestones	<ul style="list-style-type: none"> • OBC approved in February • Planning application submitted 	Planning committee resolution to approve on 16 June subject to Conditions and S106 Unilateral Undertaking	<ul style="list-style-type: none"> • Main contractor tenders on single stage basis • Contractor pricing finalised and contract sums agreed • Stakeholder consultation throughout 	FBC approval at 16 Nov H&G Committee and 13 Dec P&R Committee	Start on site date in line with programme	<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 15 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
Community engagement	Give the complexity of the site and proximity of neighbours including Coppetts Wood Primary School, ongoing and detailed engagement is need with all local stakeholders affected, not least on the issue of parking during the works.
Government funding	Funding is mixture of GLA grant funding, which subsidises the new homes, borough S106 grant, and contributions from the authority's Housing Revenue Account (HRA).
UKPN substation	Not envisaged. Should a substation be required, reliance on reaching agreement with UKPN will follow.
Stopping up of highways land	Reliance on securing a successful stopping up order, in the face of any objections.
Highways	Reliance on the necessary highways applications being made and agreed, including works outside the site boundary S278.
Highways	Temporary traffic management to facilitate site access and progressing the works
Diversion of utilities	Not envisaged. Reliance on agreement with utility companies re diversion of any existing services should they be discovered.

Garage strategy	Reliance on gaining vacant possession of 19 garages, let on weekly tenancies.
Party Wall Awards	Successful agreement of awards with adjoining leaseholder neighbours affected for piling and party wall awards
Drainage works	Cooperation with adjoining primary school to agree routing of surface and foul drainage across land to nearest gravity fed connection.

11. Approach to Consultation

Internal consultation

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, the provision of play equipment and seating, bike storage and grounds maintenance proposals.

Representatives from Major Works, Repairs & Maintenance and H&S Compliancy teams have also be consulted in preparation for the construction phase. This will add value to the proposals specifically in relation to emerging building regulations.

Community and ward member engagement

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 were held with the Head Teacher and school governors. The school's main concern related to teacher parking and the impact on students whilst the construction works are delivered.

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
<p>Concern regarding the existing parking arrangement and future demand for spaces</p>	<ul style="list-style-type: none"> • Additional parking bays will be provided to ensure policy compliance with the construction of 16 additional units in this area. • Parking surveys have been undertaken to understand the likely displacement of parking onto neighbouring streets. • 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. • 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.
<p>Concern regarding impact to residents during the construction period</p>	<ul style="list-style-type: none"> • 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. • 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 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.
<p>Concern regarding Overlooking towards the school</p>	<p>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.</p>
<p>General support for improvements to the public realm and the provision of high quality green space</p>	<p>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.</p>

12. Equality Impact Analysis (EqIA)

An Equality Impact Analysis (EqIA) is contained in **Appendix 2.4**. The EqIA 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 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. 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.

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Distribution List:

Name	Role	Date
Derek Rust	Director of Growth & Development, Barnet Homes	21/10/22
Meera Bedi	Head of Development, Barnet Homes	28/10/22

Approvals:

By signing this document, the signatories below are confirming that they have fully reviewed the Full 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		16/10/22	3.0
Sangita Mistry	Finance Manager for Housing, LBB		25/10/22	3.0
Louise Middleton	Senior Property Lawyer, HBPL		31/10/22	3.0

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.