

## Members' Library Service Request Form

Date of Document	21/01/13
Originator	Executive Director (Services For Communities)
Originator's Ref (if any)	
Document Title	Proposed New Housing at Nethershot Road, Prestonpans

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Additional information:

Authorised By	Monica Patterson
Designation	Ex Dir - Services for Communities
Date	29/01/13

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**REPORT TO:** Members' Library Service

**MEETING DATE:**

**BY:** Executive Director (Services for Communities)

**SUBJECT:** Proposed New Housing at Nethershot Road, Prestonpans

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## **1 PURPOSE**

- 1.1 To note the decision to award the contract for the Proposed New Housing at Nethershot Road, Prestonpans, to Messrs R. Rollo and Sons, Cockenzie.

## **2 RECOMMENDATIONS**

- 2.1 Cabinet is asked to note the decision of the Executive Director (Services for Communities) (per the Head of Housing & Environment) as appointed representative under Standing Order Rule 46 and delegation Appendix 2a (Tenders) thereto and after consultation with the Provost and the Head of Council Resources to accept Messrs R. Rollo and Sons' tender amounting to £910,371.90 after checking and noting that it is open for consideration until 11 April 2013 for the Proposed New Housing at Nethershot Road, Prestonpans.
- 2.2 Cabinet is asked to note that the average construction only cost per Gross Internal Floor Area (GIFA) is £1,350 per m<sup>2</sup> or £98,568 per unit, which compares favourably with updated costs from previous housing developments. Total estimated expenditure for the housing development as detailed at 6.1 (including professional fees etc.) is £1,487 per m<sup>2</sup> or £108,556 per unit.

The figures are increased slightly when expressed as a 3 person equivalent basis, as the average unit size is 2.7 bed spaces and a conversion factor of 96.8 is applied:

- works construction cost becomes £1,394 per m<sup>2</sup> or £101,826 per unit
- estimated total cost becomes £1,536 per m<sup>2</sup> or £112,114 per unit

### 3 BACKGROUND

3.1 The Council is proposing to develop a brown field site located in a residential area of Prestonpans. The proposed development of nine housing units is part of the Council's new affordable housing programme.

The proposed housing development has received planning permission for nine individual flats:

- 3 Nr. 1 Bed / 2 Person flats
- 6 Nr. 2 Bed / 3 Person flats

All flats are within a single three-storey building with communal areas, a private entrance road and including nine private parking spaces, landscaping, private drainage and new services supplies.

3.2 R. Rollo & Sons negotiated a tender price with the Council's appointed Employer's Agent, CBA, for the works and the contract is to be concluded under the JCT Design and Build Contract for use in Scotland. The Contractor has undertaken to complete the works in a single phase, within a 39 week construction period following from the date of possession.

3.3 The Council's procurement process requiring the open advertisement of this contract was not followed in this case for the following reasons :

- a) R. Rollo & Sons were selected to tender was the high quality of their work on the adjacent Rollo Court development constructed on behalf of East Lothian Council and Dunedin Canmore Housing Association
- b) To avoid pumping sewerage it was necessary to connect into the private sewers constructed as part of the Rollo Court development and the use of the same Contractor would result in a single responsible party in the event of any future drainage problems
- c) It was originally envisaged that the Nethershot Road project would commence whilst the adjacent Rollo Court development was being constructed and the appointment of R. Rollo & Sons would negate the chance of any delays if another contractor was not permitted to gain access to the Rollo Court Site whilst the construction works were being carried out there.

3.4 As indicated at 1.2 Messrs R. Rollo & Sons tender amounting to £910,371.90 after detailed checking and negotiation has been competitively priced throughout.

3.5 The submission from R. Rollo & Sons details the only proposed sub-contractors at this time as:

- Grouting works - Van Elle
- Precast stairs and landings - Creagh Concrete

3.6 Scottish Government subsidy of £270,000 has been approved for this project.

#### **4 EQUALITIES IMPACT ASSESSMENT**

4.1 This Report is not applicable to the wellbeing of equalities groups and an Equalities Impact Assessment is not required.

#### **5 POLICY IMPLICATIONS**

5.1 The construction of these houses will assist in delivering one of the Council's core priorities "Provision of Affordable Housing".

#### **6 RESOURCE IMPLICATIONS**

6.1 Financial – The total project expenditure, as set out below, will not exceed £977,009

<b>Category</b>	<b>Estimated Costs</b>
Construction/Demolition Costs	£887,116
External Professional Fees & Expenses	£ 79,293
Expenditure to date (Clearance site investigation etc.)	£ 10,600
Section 75 payments including estimated cost of play areas	£ 0
Land Costs	£ 0
Scottish Government Grant	£270,000
Total including Scottish Government Grant	£707,009
<b>TOTAL</b>	<b>£977,009</b>

This expenditure has been approved by the Head of Council Resources and will be contained within the budget allocated for New Affordable Housing in the Council's Capital Investment Plans for 2012/2013, 2013/2014 and 2014/2015.

The forecast project expenditure over the 2012/2013, 2013/2014 and 2014/2015 financial years is as follows:

**2012/2013**

£180,000

**2013/2014**

£783,354

**2014/2015**

£13,655

6.2 Personnel – None.

6.3 Other – None.

**7 BACKGROUND PAPERS**

7.1 None.

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<b>DESIGNATION</b>	Head of Housing & Environment
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