

## Members' Library Service Request Form

Date of Document	01/11/13
Originator	Head Of Development
Originator's Ref (if any)	
Document Title	Proposed Housing Development at Victoria Park Haddington

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Additional information:

Authorised By	Monica Patterson
Designation	Depute Chief Executive
Date	27 <sup>th</sup> November 2013.

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**REPORT TO:** Members' Library Service

**MEETING DATE:**

**BY:** Depute Chief Executive – Partnerships and Community Services

**SUBJECT:** Proposed Housing Development at Victoria Park, Haddington

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## **1 PURPOSE**

- 1.1 To note the decision to award the contract for the Proposed Housing Development at Victoria Park, Haddington, to Messrs CCG (Scotland) Ltd, Glasgow.

## **2 RECOMMENDATIONS**

- 2.1 Members are asked to note the decision of the Head of Development, acting under delegated authority, to accept Messrs CCG (Scotland) Ltd's tender amounting to £2,009,114.99 after checking and correction for the Proposed Housing Development at Victoria Park, Haddington. This report is submitted to the Members Library Service in accordance with Standing Orders 3.4 (a) and (c) for Members' information.
- 2.2 Cabinet is asked to note that the average construction only cost per Gross Internal Floor Area (GIFA) is £1,301 per m<sup>2</sup> or £100,456 per unit. Total estimated expenditure for the housing development as detailed at 7.1 (including land, professional fees etc) is £1,651 per m<sup>2</sup>, or £127,489 per unit. It should be noted that the land purchase was previously the subject of a Report to Cabinet (see 8.1).
- 2.3 The figures are increased slightly when expressed as a 3 person equivalent basis, as the average unit size is 2.6 bed spaces and a conversion factor of 1.045 is applied. Below is a table comparing the costs to those for other recently approved council housing developments at Goose Green stables in Musselburgh and the Law Site (Lochbridge Road), North Berwick.

	Victoria Park (actual)	Victoria Park (3p eq.)	Goose Green (actual)	Goose Green (3p eq.)	Law Site (actual)	Law Site (3p eq.)
Works only cost/unit	£100,456	£104,970	£90,634	£87,489	£115,713	£125,095
Total cost/unit	£127,489	£133,217	£132,989	£128,374	£128,867	£139,315
Works only cost/m2	£1,301	£1,359	£1,164	£1,123	£1,327	£1,217
Total cost/m2	£1,651	£1,725	£1,707	£1,648	£1,614	£1,481

2.3 There are a number of onerous planning conditions applying to Victoria Park which will significantly increase the works cost, including:

- Slate roofs
- Panels formed from re-cut stone and timber cladding
- Demolition and re-building of a section of listed wall
- Requirement to retain a large number of mature trees and protect them during construction
- Extensive off-site traffic calming

2.4 There is also some evidence that tender prices have risen since 2012 when tenders were returned for Goose Green and the Law Site

2.5 Taking into account the onerous planning conditions applying to Victoria Park, the significant land cost and the less favourable tendering climate, the works cost and total costs compare favourably with other recent approvals.

### 3 BACKGROUND

3.1 The Council is proposing to develop a cleared brownfield site located off Victoria Park, Haddington. The proposed development of 20 housing units is part of the Council's new affordable housing programme.

3.2 The proposed housing development has received planning permission for:

- 2 person/2apartment/1 bedroom flat - 12 Nr
- 3 person/3 apartment/2 bedroom flat - 4 Nr
- 4 person/3 apartment/2 bedroom house - 4 Nr

3.3 The following Design Team has been appointed by the Council to progress this project.

Architect - ELC Housing & Environment  
 Structural Engineer - Harley Haddow  
 Mechanical & Electrical Engineer - Blackwood Partnership  
 Quantity Surveyor - ELC Housing & Environment  
 CDM Co-ordinator - Aecom

3.4 Tender Documents were issued to four of the five Housing Framework Contractors, after the fifth contractor declined the opportunity to tender, and the following offers were duly received. All three received tenders were subjected to detailed checks resulting in the Tender Amounts indicated below:

Ref	Contractor	Tender Amount Before Checking	Tender Amount After Checking	Lowest Checked Tender Amount
1	CCG (Scotland) Ltd Glasgow	£2,011,005.93	£2,009,114.99	<u>£2,009,114.99</u>
2	Hart Builders (Edinburgh) Ltd Macmerry	£2,063,948.12	£2,049,652.00	
3	J. Smart & Co. Plc Edinburgh	£2,287,051.14	£2,280,331.14	
4	Border Construction Ltd Carlisle	No tender received		

3.5 As indicated at 3.3 Messrs CCG (Scotland) Ltd's tender amounting to £2,009,114.99 after detailed checking and correction remains the lowest of the offers submitted and has been competitively priced throughout.

3.6 Messrs CCG (Scotland) Ltd have indicated that they propose to use the following Sub-Contractors:

Demolition - George Beattie & Sons, Kilsyth  
 Precast Floors - Hillhouse Precast, Beith  
 Timber Kits - CCG OSM, Glasgow  
 Flat Roofing - AIM Roofing Ltd, Scone  
 Slate Roofing - Marley Contract Services, Glasgow

Leadwork	-	McCormick & Hunter, Larkhall
Steelwork	-	Charter Hill Ltd, Glasgow
Plumbing / Heating Work	-	CCG AM, Glasgow
Electrical Work	-	Jordan Electrics, Wishaw
Ceilings	-	G2 Interiors Ltd, Glasgow
Floor Finishes	-	Hampton & Steel Ltd, Glasgow
Floor Screeding	-	IFT Ltd, East Kilbride
Painter Work	-	Castle Decor Ltd, Shotts
Site Works	-	Advanced Contracts Ltd, Blantyre
Landscaping	-	Coltart Contracts, Kilmarnock

- 3.7 The Contract is prepared on a firm price basis in terms of the Standard Building Contract With Quantities for use in Scotland 2011 Edition (SBC/Q/Scot 2011) issued by the Scottish Building Contract Committee, and the Contractor has undertaken to complete the works within 50 weeks overall from the date of possession.

#### **4 POLICY IMPLICATIONS**

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

#### **5 EQUALITIES IMPACT ASSESSMENT**

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

#### **6 COMMUNITY BENEFITS**

- 6.1 Messrs CCG (Scotland) Ltd have confirmed that they will satisfy the Community Benefits requirements.

#### **7 RESOURCE IMPLICATIONS**

- 7.1 Financial – Together with the addition of restricted ELC professional costs and expenses and external professional costs, expenses, land costs and other fees, the total project expenditure for the development of 20 new housing units will not exceed **£2,549,779.39** and can be itemised as follows:

<b>Category</b>	<b>Estimated Costs (£)</b>
Construction/ Contract Costs	£2,009,114.99
Internal ELC Professional Fees & Expenses (Architect / Quantity Surveyors and Clerk of Works)	£147,469.04
External Consultants Professional Fees & Expenses (Structural Engineer, M&E Engineer & CDMC etc)	£46,421.00
Land Purchase Costs, Planning Fees & other Fees	£346,774.36
Section 75 Payments	£0
Demolition	£0
<b>TOTAL</b>	<b>£2,549,779.39</b>

This expenditure will be contained within the budget allocated for New Affordable Housing in the Council's Capital Investment Plans for 2013/2014, 2014/2015 and 2015/2016.

The actual or forecast project expenditure for past, current and future financial years is as follows:

<b>Previous years</b>	<b>2013/ 2014</b>	<b>2014/2015</b>	<b>2015/2016</b>
£375,000	£250,000	£1,890,000	£35,000

7.2 Personnel – None.

7.3 Other – None.

## **8 BACKGROUND PAPERS**

8.1 Report to Council dated 31<sup>st</sup> October 2006 which included a recommendation for the re-purchase of the site at Victoria Park from Homes for Life Housing Partnership.

<b>AUTHOR'S NAME</b>	Richard Jennings
<b>DESIGNATION</b>	Head of Development
<b>CONTACT INFO</b>	Iain Farquhar – Ext 7317 / Neil Gibbs – Ext 7521 IF/CC – 14 November 2013