

Members' Library Service Request Form

Date of Document	27/11/13
Originator	Head Of Development
Originator's Ref (if any)	
Document Title	Proposed New Housing at Monktonhall Terrace, Musselburgh

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Additional information:

Authorised By	Monica Patterson
Designation	Depute Chief Executive
Date	01/12/13

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REPORT TO: Members' Library Service

MEETING DATE:

BY: Depute Chief Executive – Partnerships and
Community Services

SUBJECT: Proposed New Housing at Monktonhall Terrace, Musselburgh

1 PURPOSE

- 1.1 To note the decision to award the contract for the Proposed New Housing at Monktonhall Terrace, Musselburgh, to Messrs Border Construction Ltd, Carlisle.

2 RECOMMENDATIONS

- 2.1 Members are asked to note the decision of the Head of Development, acting under delegated authority, to accept Messrs Border Construction Ltd's tender amounting to £1,505,207.66 after checking and correction and noting that it is open for consideration until 24th December 2013 for the Proposed New Housing at Monktonhall Terrace, Musselburgh. This report is submitted to the Members Library Service in accordance with Standing Order 3.4 (a) and (c) for Members' information.
- 2.2 Members are asked to note that the average all-in cost per Gross Internal Floor Area (GIFA) equates to £1,176.86/m² excluding land cost and professional fees etc, and this represents better than average value for money when compared like for like with other recent Council housing developments. The average comparative cost per GIFA of the last three approved Council housing projects is £1,264.00.
- 2.3 The 3-Person Equivalent – On average, developments of smaller units are less expensive per unit than developments of larger units, but are more expensive per bedspace. In order to remove the effect this has on the per unit comparison, and to make a fair basis for comparison across developments of all kinds, the development cost per unit is translated into a 3-person equivalent. The 3-person equivalent for the Monktonhall terrace development is £101,142.05. The average 3-person equivalent cost of the last three approved Council housing projects is £105,851.33.

2.4 The below table details costs of other recent approved Council housing projects.

	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

3 BACKGROUND

3.1 The Council is proposing to develop a cleared brownfield site located off Monktonhall Terrace in Musselburgh. The proposed development of 14 housing units is part of the Council's new affordable housing programme.

The proposed housing development has received planning permission for:

- 2 person/2apartment/1 bedroom flat - 3 Nr
- 4 person/3 apartment/2 bedroom flat - 9 Nr
- 6 person/4 apartment/3 bedroom house - 2 Nr

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

Architect -	Camerons
Structural Engineer -	Harley Haddow
Mechanical & Electrical Engineer -	Blackwood Partnership
Quantity Surveyor -	ELC Housing & Environment
Clerk of Works -	ELC Housing & Environment
CDM Co-ordinator -	McGregor Bowes

3.3 Tender Documents were issued to four of the Council's five Housing Framework Contractors, after the fifth contractor declined the opportunity to tender, and the following offers were duly received. The lowest three 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	Border Construction Ltd Carlisle	£1,493,661.00	£1,505,207.66	<u>£1,505,207.66</u>
2	Hart Builders (Edinburgh) Ltd Macmerry	£1,537,248.07	£1,530,905.35	
3	CCG (Scotland) Ltd Glasgow	£1,638,800.43	£1,648,517.45	
4	J. Smart & Co. Plc Edinburgh	£1,751,654.64	Not Checked	

3.4 As indicated at 3.3 Messrs Border Construction Ltd's tender amounting to £1,505,207.66 after detailed checking remains the lowest of the offers submitted and has been competitively priced throughout.

3.5 Messrs Border Construction Ltd have yet to provide their list of proposed Sub-Contractors.

3.6 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 40 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. QUALITIES 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 Border Construction have confirmed that they will satisfy the Community Benefits Contract 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 14 new housing units will not exceed £2,130,881.66 and can be itemised as follows:

Category	Estimated Costs (£)
Construction/ Contract Costs	£1,505,207.66
Internal ELC Professional Fees & Expenses (Quantity Surveyor and Clerk of Works)	£28,599.00
External Consultants Professional Fees & Expenses (Architect, Structural Engineer, M&E Engineer & CDMC)	£107,988.00
Land Purchase Costs, Planning Fees & other Fees	£452,205.00
Section 75 Payments	£17,192.00
Demolition	£19,690.00
TOTAL	£2,130,881.66

Land acquisition was approved by Cabinet on 11 May 2010.

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 total and forecast project expenditure for past, current and future financial years is as follows:

<u>Prior to 2013/14</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
£528,791.00	£438,966.00	£1,140,546.66	£22,578.00

7.2 Personnel – None.

7.3 Other – None.

8 BACKGROUND PAPERS

8.1 Report to Cabinet 11 May 2010 “Acquisition of the Jooglie Brig, 60 Monktonhall Terrace, Musselburgh”

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