

Members' Library Service Request Form

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Document Title	Proposed New Housing at Goose Green Crescent, Musselburgh

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REPORT TO: Members' Library Service

MEETING DATE:

BY: Executive Director (Services for Communities)

SUBJECT: Proposed New Housing at Goose Green Crescent,
Musselburgh

1 PURPOSE

- 1.1 To note the decision to award the contract for the Proposed New Housing at Goose Green Crescent, Musselburgh, to Messrs Hart Builders (Edinburgh) Ltd, Macmerry.

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 Hart Builders (Edinburgh) Ltd's tender amounting to £1,722,054.34 after checking and correction and noting that it is open for consideration until 3 February 2013 for the Proposed New Housing at Goose Green Crescent, Musselburgh.
- 2.2 Cabinet is asked to note that the average construction only cost per Gross Internal Floor Area (GIFA) is £1,164 per m² which compares favourably with updated costs from previous housing developments. Total estimated expenditure for the housing development as detailed at 6.1 (including land, professional fees etc) is £1,707 per m², which is relatively high due mainly to the land cost. It should be noted that the land purchase was previously the subject of a Report to Cabinet (see 7.2).

The figures are reduced slightly when expressed as a 3 person equivalent basis, as the average unit size is 3.4 bed spaces and a conversion factor of 0.9653 is applied:

- works construction cost becomes £1,123 per m²
- estimated total cost becomes £1,648 per m² or £1,380 per m² if the land cost is removed

3 BACKGROUND

3.1 The Council is proposing to develop a brown field site located in a residential area of Musselburgh. The proposed development of 19 housing units is part of the Council's new affordable housing programme.

The proposed housing development has received planning permission for:

- 2 person/2 apartment – 8 Nr
- 4 person/3 apartment – 6 Nr
- 5 person/4 apartment – 4 Nr
- 4 person/3 apartment – 1 Nr (wheelchair house)

3.2 Tender Documents were issued to five Framework Contractors and the following offers were duly received, the three lowest being 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	Hart Builders (Edinburgh) Ltd Macmerry	£1,723,284.34	£1,722,054.34	<u>£1,722,054.34</u>
2	Border Construction Ltd Cumbria	£1,796,827.00	£1,795,066.56	
3	CCG (Scotland) Ltd, Glasgow	£1,821,180.14	£1,821,180.14	
4	Ogilvie Construction Ltd Stirling	£1,825,969.75	Not Checked	
5	J Smart & Co PLC, Edinburgh	£1,967,792.43	Not Checked	

3.3 As indicated at 3.2 Messrs Hart Builders (Edinburgh) Ltd's tender amounting to £1,722,054.34 after detailed checking and correction remains the lowest of the offers submitted and has been competitively priced throughout.

3.4 Messrs Hart Builders (Edinburgh) Ltd have indicated that they propose to use the following Sub-Contractors:

- Roofing - McDonald Roofing Contracts Ltd, Armadale
- Electrical - CableCom Electrical Ltd, Edinburgh

- 3.5 The Contract is prepared on a firm price basis in terms of the Standard Building Contract With Quantities for use in Scotland 2011 Edition Sectional Completion (SBC/Q/Scot 2011) issued by the Scottish Building Contract Committee and the Contractor has undertaken to complete the works in two phases and within 52 weeks overall from the date of possession.

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 £2,526,790.00.

Category	Estimated Costs
Construction/Demolition Costs	£1,765,354
Professional Fees & Expenses	£ 169,371
Miscellaneous Costs	£ 53,209
Land Purchase Costs	£ 411,590
Section 75 payments including estimated cost of play areas	£ 127,266
TOTAL	£2,526,790

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.

So far costs of £618,138 have been incurred on this project. The remaining forecast project expenditure over the 2012/2013, 2013/2014 and 2014/2015 financial years is as follows:

<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>
£288,652	£1,590,000	£30,000

6.2 Personnel – None.

6.3 Other – None.

7 BACKGROUND PAPERS

7.1 Members' Library Report dated 8 July 2009 – Appointment of Building Contractors to a Framework Agreement for the Construction of 150 New Build Council Houses on Smaller Developments.

7.2 Private Report to Cabinet dated 6 July 2010 – Acquisition of Former Stables Site, Goose Green Crescent, Musselburgh.

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