

## **APPENDIX 3 CONSTRUCTION ESTIMATES**

### **Middlesbrough Council's Initial Guidance on Costings - September 2021.**

In September 2021, Nunthorpe Parish Council was advised by Middlesbrough Council's Design Services that construction costs for Community Centres varied between £1,750 and £2,250 per square metre. Other advice at the time was that the range was even greater - between £1,500 and £2,500. Therefore the mid-point of £2,000 per square meter seemed a reasonable initial assumption. Applying this rate to 380 sqm resulted in construction costs of £760,000. Middlesbrough Council also advised that 10% should be added for management fees, and 5% for environmental studies. A further 5% was added for car-parking and contingencies. This brought the total to £910,000. (Circa **£2,407** sqm).

### **Middlesbrough Council's Revised Guidance on Costings - October 2021**

In October 2021, the documentation inviting bids for the Community Centre indicated that Middlesbrough Council had revised its estimates, resulting in an overall range between £2,700 and £3,298 sqm. Using the formula previously applied by Middlesbrough Council, the lower figure of **£2,700** sqm appears to indicate that the basis of construction costs are approximately £2,235 sqm, plus 10% added for management fees, 5% added for environmental studies and 5% for contingencies

### **Independent Estimates - November 2021**

A further check on these estimates was independently undertaken in November 2021 by Steel River Cost and Project Management Ltd. (whose detailed calculations are available, with a **summary page attached**) This comprehensive report presents construction costs as £1,951 sqm including external works, car-parking and preliminaries. Adding 8% for management fees, 10% for contingencies and 4% for inflation, the estimated total is £911,023 (**£2,410** sqm.)

### **Proposal**

It is submitted that the recent revision by Middlesbrough Council is perhaps over-prudent in relation to the site on Stokesley Road for the following reasons :

1. Reputable firms of architects and quantity surveyors are prepared to charge 8% management fees, rather than the 10% management fees applied in Middlesbrough Council's formula.
2. The proposal is to construct a relatively straightforward single-storey building, without need for elevators or changing rooms/ shower facilities as are often required in a Community Centre (such as in the Southlands Centre currently underway)

3. There are no demolition or relocation costs because the site is already cleared for construction.
4. Environmental surveys have recently been completed for the adjacent site.
5. The access road has been independently funded and is currently under construction.
6. The QS calculations include a contingency specifically to cover current expectations of inflation in the sector, as recommended by the RICS, in addition to an overall contingency of 10%.
7. The Nunthorpe Institute will transfer kitchen equipment and furniture.

For these reasons, while acknowledging the conclusion of the Quantity Surveyor that our proposal sits right at the lower end of the cost data for new build Community Centre projects of a similar size and nature, we believe that our proposal is feasible within a budget of £910,000.

### **Contingency Plan**

A general contingency provision of 10% and an inflation contingency of 4% has been included in the above calculations. However, if this were to prove insufficient after efforts at value engineering, potential sources of income to meet a shortfall include -

- (a) Community Centre Contingency Fund, derived from reserves of Nunthorpe Parish Council and Nunthorpe Institute
- (b) Middlesbrough Mayor's 3% property sale contribution (as stated in his 14th commitment of the "Nunthorpe Nineteen")
- (c) The Community Centre's Marketing Plan to access donations, sponsorship, and bids to charitable foundations.

**Please see extract from QS overleaf**

Section 3 - Indicative Elemental Cost Plan

Ref	Elemental Summary	Total Cost (£)	£/m²
0	DEMOLITIONS	£0.00	£0.00
1	SUBSTRUCTURE	£98,280.00	£260.00
2.1	Frame	£45,360.00	£120.00
2.2	Upper Floors	£0.00	£0.00
2.3	Roof	£39,690.00	£105.00
2.4	Stairs	£0.00	£0.00
2.5	External Walls	£60,480.00	£160.00
2.6	Windows & External Doors	£24,570.00	£65.00
2.7	Internal Walls & Partitions	£20,790.00	£55.00
2.8	Internal Doors	£13,230.00	£35.00
2	SUPERSTRUCTURE	£204,120.00	£540.00
3.1	Wall Finishes	£20,790.00	£55.00
3.2	Floor Finishes	£17,010.00	£45.00
3.3	Ceiling Finishes	£13,230.00	£35.00
3	INTERNAL FINISHES	£51,030.00	£135.00
4	FITTINGS & FURNISHINGS	£15,120.00	£40.00
5	SERVICES	£189,000.00	£500.00
	<b>BUILDING SUB TOTAL</b>	<b>£567,550.00</b>	<b>£1,475.00</b>
8.1	Site Preparation Works	£0.00	£0.00
8.2	Roads, Paths, Pavings and Surfacing	£0.00	£0.00
8.3	Soft Landscaping, Planting and Irrigation Works	£0.00	£0.00
8.4	Fencing, Railings and Walls	£0.00	£0.00
8.5	External Fixtures	£0.00	£0.00
8.6	External Drainage	£0.00	£0.00
8.7	External Services	£0.00	£0.00
8.8	Minor Building Works and Ancillary Buildings	£0.00	£0.00
8	EXTERNAL WORKS	£83,632.50	£221.25
9	PRELIMINARIES @	£96,177.38	£254.44
	<b>TOTAL (less contingencies)</b>	<b>£737,359.88</b>	<b>£1,950.69</b>
11	DESIGN FEES (Excluded)	£68,988.79	£185.06
	<b>TOTAL CONSTRUCTION ESTIMATE</b>	<b>£796,348.67</b>	<b>£2,106.74</b>
13	DESIGN DEVELOPMENT / CONTINGENCIES @	£79,634.87	£210.67
14	INFLATION @	£35,039.34	£92.70
	<b>TOTAL DEVELOPMENT ESTIMATE (exc VAT)</b>	<b>£911,022.87</b>	<b>£2,410.11</b>

GIFA	m²	ft²
GIFA	£/m²	£/ft²
GIFA	2,410.11	223.89

