

CABINET

31 May 2006

FINAL REPORT ON MAKINS COURT REDEVELOPMENT AND ASSOCIATED ISSUES

REPORT OF THE DIRECTOR OF COMMUNITIES

Contact Officer: Clive Broomfield Tel No: 01962 848149

RECENT REFERENCES:

Report HO3010 dated 26th January 2000
Report CAB 9 dated 14th June 2000
Report CAB20 (exempt information) dated 14th June 2000
Report CAB34 dated 12th July 2000
Report CAB57 dated 22nd September 2000

EXECUTIVE SUMMARY:

This report gives details of the total project costs associated with the phased redevelopment of Makins Court, New Alresford that the City Council undertook in partnership with Eastleigh Housing Association. All financial liabilities connected with the project were dispensed in 2005.

The redevelopment was awarded the Rose Bowl Award for years 2003 and 2004 by the Alresford Society for "an outstanding visual improvement by way of new or improvements to existing buildings within the Alresfords". It also received a commendation in the Best Retirement Category at the Daily Mail National Homebuilder Design Awards in 2004.

Subsequent to its opening in 2001 (Phase I) and 2002 (Phase II), the redevelopment has proven very popular with its residents living within both flats and bungalows.

RECOMMENDATION:

That the contents of the report be noted.

CABINET31 May 2006FINAL REPORT ON MAKINS COURT REDEVELOPMENT AND ASSOCIATED ISSUES1.0 Introduction

- 1.1 The project for the phased redevelopment of Makins Court, New Alresford to provide bungalows, flats, warden's accommodation and common facilities on behalf of Winchester City Council (WCC) and Eastleigh Housing Association (EHA) has been satisfactorily completed.
- 1.2 The construction works were undertaken by a single contractor, Benson Limited, but as two separate contracts namely Phase I (Construction of flats with WCC as the employer) and Phase II (Construction of bungalows with EHA as the employer).
- 1.3 The design and project Management team of consultants employed by the Council were :-

Architect - John Thompson & Partners
Civil Engineer - Anthony Ward Partnership Ltd.
Quantity Surveyor - Smith Turner & Associates
M & E Engineer - Martin Clowes Associates Ltd.

2.0 Scheme Design, Layout And Programme

- 2.1 The scheme layout and design (as shown on display drawings at Housing Committee on 26th January 2000) comprised a two storey block of self contained flats (11 no. 1 bed, 5 no. 2 bed) incorporating a Wardens house and communal facilities, and car parking.
- 2.2 Adjacent to the flats are 12 bungalows (10 no. 2 bed, 2 no. 1 bed) with access to small private gardens, a communal garden and car parking.
- 2.3 All new flats and bungalows were designed to comply with The Housing Corporation's 1998 Scheme Development Standards. All new dwellings have level access (lift access to upper floors) and door and corridor widths are suitable for wheelchair users. Kitchens and bathrooms were also designed to accommodate elderly and disabled persons.
- 2.4 All communal rooms have floor space that meet Category 2.5 criteria for Sheltered Accommodation enabling flexibility of operation in the future. Access to the scheme is also Disability Discrimination Act (DDA) compliant.
- 2.5 The Phase 1 work commenced on 9th October 2000 with a contract completion date of 16th July 2001. This date was subsequently revised by Architect's "Extension of time" to be by 5th October 2001 when in fact contract "Practical completion" was achieved.
- 2.6 The Phase 2 work under the control of our partner, Eastleigh Housing Association (EHA), had a proposed contract commencement date of 30th July 2001 but as this was dependant on completion of the phase 1 work was subsequently revised to 19th October 2001 with a completion date of 31st May 2002. Further Architect's contract "Extensions of time" revised this to be by 21st June 2002. Contract "Practical completion" was achieved on 30th July 2002.
- 2.7 Both phases were officially opened by HRH The Princess Royal on 24th January 2003.

3.0 Total Project Costs

- 3.1 The estimated total costs for the City Councils development, together with its share of the fees and facilities shared with Eastleigh Housing Association was previously reported at £2,140,818 (CAB57). This amount, together with the capital receipt of £250,000, from the sale to EHA of the land for its bungalow development was reported as sufficient to cover the total cost of the project.
- 3.2 Summary details of Contract Final Accounts, agreed by the Quantity Surveyor consultant Smith Turner & Associates, for Phase 1 and Phase 2 together with final Consultant's costs, contract adjustments and allocation of project costs in accordance with the Partnership Agreement entered into between WCC and EHA are shown in Appendices A & B.
- 3.3 Costs associated with the project were as follows:-

	<u>Estimated</u>	<u>Actual</u>	<u>Cost Variation</u>
Total Construction Costs (Phase I & II)	£2,739,822.00	£2,839,709.56	
Consultants Fees (and expenses etc)	£343,162.00	£386,264.16	
TOTAL	£3,082,984.00	£3,225,973.72	+ £142,989.72 (+ 4.6%)

3.4 Partnership costs:

<u>Winchester City Council</u>			
	<u>Estimated</u>	<u>Actual</u>	<u>Cost Variation</u>
Construction costs to WCC	£1,891,024.00	£1,970,746.05	
Consultants Fees	£219,794.00	£254,852.41	
Home Loss Payment	£21,000.00	£16,500.00	
Removal & Misc Expenses	£9,000.00		
Planning & Building Control Fees	-	£9,740.00	
TOTAL	<u>£2,140,818.00</u>	<u>£2,251,838.46</u>	<u>+ £111,020.00</u> <u>(+ 5.2%)</u>

<u>Eastleigh Housing Association</u>			
	<u>Estimated</u>	<u>Actual</u>	<u>Cost Variation</u>
Construction costs to EHA	£848,798.00	£868,963.51	
Consultants Fees	£93,368.00	£105,171.75	
TOTAL	<u>£942,166.00</u>	<u>£974,135.26</u>	<u>+ £31,969.26</u> <u>(+ 3.4%)</u>

Plus cost of land for bungalow contract, paid to WCC, of £250,000.

- 3.5 The following are the total broad variation amounts reported in the phase 1 final account. Each amount being set against the specific authorising instructions as shown in the final account:-

<u>Variation Type</u>	£
Client/Planning	36,348
Design development	64,005
Disabled Provision	<u>21,672</u>
Total Phase 1 variation (nett)	<u>£122,025</u>

- 3.6 Details of the contract events, final account amounts together with the Consultants fees etc. are listed in Appendix A attached.
- 3.7 Details of the allocation of contract costs between WCC and EHA are shown in Appendix B also attached.
- 3.8 Costs not included in the total project costs in para. 3.4 are (i) WCC staff costs of £62,130 (over the period 1999 – 2005), including tenant liaison and contract administration and management duties, and (ii) the costs associated with the opening by HRH The Princess Royal in January 2003, which totalled £5,356. In the latter case these costs have been charged to revenue expenditure.
- 3.9 Costs incurred by EHA (excepting those stated) are unknown.

4.0 Summary

- 4.1 It can be seen from the total costs shown in Section 3 that actual costs of construction and directly associated expenses exceeded the estimate by a total of £142,989 (4.6% of contract sum for Phases I and II).
- 4.2 The majority of these costs were associated with the construction process and contract variations issued by the Council's Architect in accordance with the Joint Contracts Tribunal (JCT) Intermediate form of Building Contract, under which the project was procured, administered and managed.
- 4.3 Of this sum £111,020 was attributed to WCC and £31,969 attributed to EHA. (The allocation of costs was set out within the Partnership Agreement entered into between WCC and EHA to deliver the joint project.)
- 4.4 The additional contract costs of £111,020 falling to the Council and the cost of staff time £62,130 were funded from the capital receipt of £250,000, from the sale to EHA of the land for their Phase II development.

OTHER CONSIDERATIONS

- 5.1 CORPORATE STRATEGY (RELEVANCE TO)
Investing in affordable housing provision is one of the Council's six main corporate priorities.
- 5.0 RESOURCE IMPLICATIONS
- 6.1 The financial impact of the Makins Court project has been monitored and reported via the Council's Capital Programme financial monitoring regime.

7.0 BACKGROUND DOCUMENTS

7.1 Working papers and documents held in the offices of the Director of Communities.

8.0 APPENDICES

Appendix A – Makins Court Project Summary

Appendix B – Project Partnership Cost Allocation Summary

APPENDIX A**Makins Court Project Summary**

	<u>Phase 1</u>	<u>Phase 2</u>	
Contract start date	9/10/2000	30/7/2001	
Revised start date		19/10/2001	
Contract completion date	16/7/2001	31/5/2002	(revised)
Extensions of time to	5/10/2001	21/6/2002	
Practical Completion achieved	5/10/2001	30/7/2002	

Construction Costs :-

			Total
Contract Sum	1,742,573.00	997,249.00	2,739,822.00
Agreed Final Account	1,864,596.39	975,113.17	2,839,709.56

Consultants Costs :-

	Total
Architect - John Thompson & Partners	169,772.52
Civil Engineer - Anthony Ward Partnership Ltd.	47,423.15
Quantity Surveyor - Smith Turner & Associates	99,738.01
M & E Engineer - Martin Clowes Associates Ltd.	39,755.93
Sundry accounts & expenses	3,334.55
Home Loss/Removal Expenses	16,500.00
Planning & Building Control Fees	9,740.00
	<u>386,264.16</u>

	Phase 1	Phase 2	Total
<u>Agreed Final Accounts</u>	1,864,596.39	975,113.17	2,839,709.56

Allocation of Project Costs –

	<u>See Appendix B</u>	<u>W.C.C.</u>	<u>Eastleigh H.A.</u>	<u>Total</u>
In accordance with the Partnership Agreement				
Construction		1,970,746.05	868,963.51	2,839,709.56
Consultants Fees etc.		281,092.41	105,171.75	386,264.16
Total Cost of Project		2,251,838.46	974,135.26	3,225,973.72

W.C.C. Financial Allocations

	£
Client/Planning	36,348
Design Development	64,005
Disabled Provision	21,672
Total Phase 1 Additions	<u>£122,025</u>

Partnership Allocation Summary

Phase 1 Allocation

		Omit	Add
Winchester City Council			£1,893,641.09
Add/Omit Variations	Phase 1 f/a		<u>£127,126.86</u>
Add/Omit Variations	Phase 2 f/a	<u>£50,021.09</u>	
		£50,021.09	£2,020,767.95
		Omit	<u>£50,021.09</u>
		TOTAL	<u>£1,970,746.86</u>

Phase 2 Allocation

		Omit	Add
Eastleigh Housing Association			£846,181.69
Add/Omit Variations	Phase 1 f/a	<u>£5,103.44</u>	
Add/Omit Variations	Phase 2 f/a		<u>£27,885.26</u>
		£5,103.44	£874,066.95
		Omit	<u>£5,103.44</u>
		TOTAL	<u>£868,963.51</u>

AGREED FINAL ACCOUNT (PHASE I & II) £2,839,710.37