

Rebuttal of Proof of Evidence by Paul Maidment of Savills dated June 2021 in respect of Viability Cost Plans prepared by Madlins contained within his proof.

Prepared by Mr Bryan Engwell FRICS, Chartered Quantity Surveyor

Local Authority Planning Application ref: 07/18/0514/F

Appeal ref: APP/W1905/W/21/3271027

Cheshunt Football Club, Theobald's Lane, Cheshunt, EN8 9LY

Submitted on the 15th July 2021.

CONTENTS

1. Introduction Page 1
2. Scope Page 1
3. Review Page 1

Appendix 1 – Cost Spreadsheet relating to Stadium Costs

1. Introduction

- 1.1 My name is Bryan Engwell and I am a Chartered Quantity Surveyor. I was a Director of Derrick Wade Waters Chartered Surveyors and DWW Design until December 2018 and I continue to act as Consultant as required. I have 40 years' experience at Partner and / or Director level within construction companies and private practice and was in a multi-discipline environment at Derrick Wade Waters for 23 years where I was responsible for their Design section.
- 1.2 My previous experience covers all construction cost estimating and quantity surveying duties including: preparation of construction tender documentation, tender reports and construction contracts; construction cost control on active project; preparing and agreeing construction final accounts; preparation of construction cost budgets, preparation of feasibility costs and pre-tender cost estimates; and estimating costs in connection with a variety of construction works including residential, commercial, industrial, leisure and sports buildings.
- 1.3 I have acted for a large number of public and private sector clients advising upon residential, commercial and leisure projects and have assisted in advising developers and local authorities in the preparation and review of construction costs in connection with financial viability assessments.
- 1.4 I have assisted Mr Gerard Wade FRICS Chartered Surveyor in the analysis of cost plan estimates provided by Madlins in regard to the Cheshunt Football Club and this report is to be read in conjunction with his Rebuttal of Proof of Evidence dated 13th July 2021.

2. Scope

- 2.1 The scope of my report covers an analysis of the costing increase between the two sets of figures presented by Madlins in their Viability Cost Plans dated 11th January 2018 and 21st June 2021.
- 2.2 The evidence that I have prepared and provide for this appeal is true and has been prepared and is given in accordance with the guidance of my professional institution and I confirm that the opinions expressed are my true and professional opinions.

3. Review

- 3.1 Below is my summary of the significant increases in costs which I have identified following my analysis of the latest Madlins' cost plan dated 21st June 2021 when comparing this to their original costings dated 11th January 2018.
- 3.2 I have noted from the BCIS All-in Tender Price Index, that the increase between 1Q18 and 3Q21 is forecast to be +2.5%. By way of comparison, the BCIS General Building Cost Index forecasts an increase from January 2018 to July 2021 to be +11.8%.

- 3.3 However, Madlins in their Cost Plan 21st June 2021 on page 48, note under Issue 9, that the BCIS indices have increased +10.025%. Therefore where increases in costs have been applied by Madlins in their latest cost plan beyond this specific figure they have been identified separately as follows:

Demolition & Site Clearance

Site clearance (basic rate increase / m2) +32%
EO break out hard standings +30%
Demolitions - existing buildings +44%
Tree removal and tree surgery. +36%
Preliminaries +100%
Total increase overall +40%

Football Clubhouse

Clubhouse construction (basic cost excluding Abnormals) +21%
Piling +50%
Gas membrane +33%
Lifts +19%
Total increase overall +23%

Commercial Space

Commercial space construction (basic cost excluding Abnormals) +17%
Piling +50%
Gas membrane +33%
Elevational treatment +29%
EO staircase and lift shafts +19%
Lifts +19%
Sprinkler installations have now been included at £143,072 net
Total increase overall +19%

Commercial Space Externals

Total increase overall +58% mainly due to a substantially increased Preliminaries cost from £40k to £430K.

Residential Flats

Residential flats construction (basic cost excluding Abnormals) +26%
Piling +50%
Gas membrane +33%
Sprinklers & Air Source Heat Pumps have now been included at £402595 net
EO for renewable energy +19%
Lifts +19%
AOV's / Dry risers +35%
Floor coverings and finishes +25%
Total increase overall +26%

Residential Houses

Residential flats construction (basic cost excluding Abnormals) +25%

Piling +50%

Gas membrane +33%

EO enhanced elevation treatments +19%

Air Source Heat Pumps have now been included at £183191 net

Floor coverings and finishes +30%

Total increase overall +26%

- 3.4 In their Viability Cost Plan, Madlins give no justification or reasoning behind the above increases which are all significantly higher than the BCIS increase of 10.025% noted by them. Whilst they do highlight that their costings are affected by the changes in Building Control Part L, regarding the introduction of air source heat pumps, the introduction of sprinklers to some commercial and residential buildings, and the NHBC requirement for sprinklers in undercroft parking, the costs of these particular additional works have been identified and included by Madlins separately within their “Abnormals” costs and therefore do not affect their basic costs of construction. In Mr Wade’s Rebuttal, he has made specific reference in paragraphs 5.8 and 5.9 to where certain additional costs have been accepted using Madlins 2021 rates but challenging the areas to which they refer.
- 3.5 I also identified a specific error in Madlins cost build up on the commercial space (page 38 of the proof) where the Main Contractor’s Profit & Overheads is shown as a figure of £430,000. This contrasts with a ‘like for like’ figure in the original 2018 VCP of £40,000 and we are assuming that the intended figure should have been £43,000. The cost of this item is therefore overstated by £390,000 to which fees and other costs would have been automatically applied in the FVA.
- 3.6 Given the above findings, I can see no reasonable justification for such large increases in costs and instead would have expected such increases to have been mirrored by the 10.025% Madlins have quoted, plus any additional reasonable allowance for justified costs in connection with the Part L and NHBC requirements.
- 3.7 In regard to Madlins cost plan estimates for the Football Stadium, the cost spreadsheet appended as Appendix 1, details my summary of the figures included by Madlins in their January 2018 and June 2021 reports. Against these my cost estimates are also detailed which use the same rates per square metre as Madlins in their 2021 cost estimates but with revised measured areas and spectator numbers and these have been based on the planning application drawings and statements made regarding the intended stadium capacities as per points 5.17 - 5.19 and table 2 of Mr Wade’s Rebuttal. As the Madlins’ cost estimates from 2018 and 2021 use different measurement methodologies, it is not possible to identify the cost increases used by Madlins and whether these are within the BCIS increase forecast. Notwithstanding this, Madlins 2021 cost rates have been used by me for the purpose of the exercise.

Appendix 1

Cost Spreadsheet relating to Stadium Costs

<u>MADLINS</u>			
<u>Football Club - Stadium</u>			<u>11/01/18</u>
2610 seater	2610	£682	£1,780,020
2390 standing	2390	£546	£1,304,940
Sub-total			----- £3,084,960
Development of design			£60,000
Preliminaries			£340,000
MC Overheads & Profit			£200,000
TOTAL			----- £3,684,960

<u>MADLINS</u>				<u>MADLINS</u>			
<u>Football Club - Stadium (Phase 1)</u>			<u>21/06/21</u>	<u>Football Club - Stadium (Phase 2)</u>			<u>21/06/21</u>
Foundations	6736	100	£673,600	1280 seater	1280	£360	£460,800
Roof structure, roof & rw disposal	6736	167	£1,124,912	2390 standing	2390	£278	£664,420
Seats	1330	360	£478,800				
Sub-total			£2,277,312	Sub-total			----- £1,125,220
Development of design			£40,000	Development of design			£20,000
Preliminaries			£208,000	Preliminaries			£102,000
MC Overheads & Profit			£120,000	MC Overheads & Profit			£60,000
TOTAL			----- £2,645,312	TOTAL			----- £1,307,220

<u>DWW</u>				<u>DWW</u>			
<u>Football Club - Stadium (2000 capacity)</u>			<u>09/07/21</u>	<u>Football Club - Stadium (2000 capacity)</u>			<u>09/07/21</u>
700 seater	700	£360	£252,000	1000 seater	1000	£360	£360,000
1300 standing	1300	£278	£361,400	1000 standing	1000	£278	£278,000
Foundation, structure, roof and rw disposal	910	£267	£242,970	Foundation, structure, roof and rw disposal	1760	£267	£469,920
Sub-total			----- £856,370	Sub-total			----- £1,107,920
Development of design			£20,000	Development of design			£20,000
Preliminaries			£90,000	Preliminaries			£102,000
MC Overheads & Profit			£50,000	MC Overheads & Profit			£60,000
TOTAL			----- £1,016,370	TOTAL			----- £1,289,920