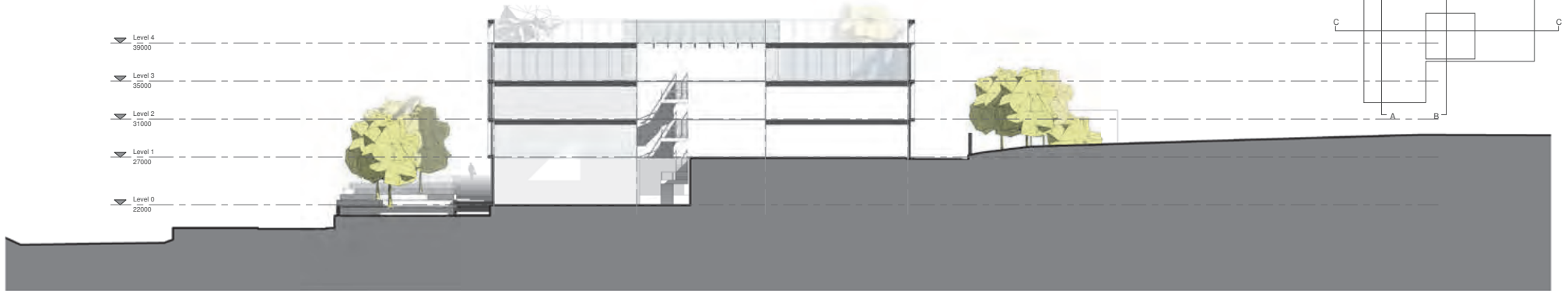
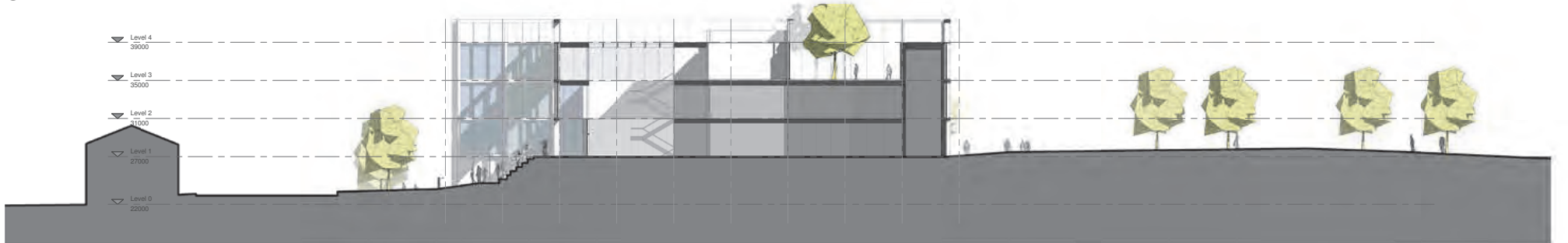


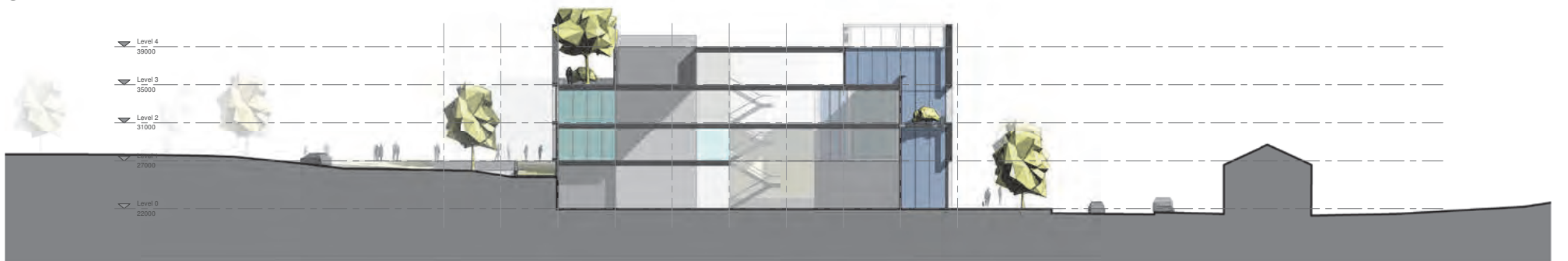
DEVELOPMENT PROPOSALS  
PROPOSED SECTIONS



3 Section CC  
1/8"=1'-0"



2 Section BB  
1/8"=1'-0"



1 Section AA  
1/8"=1'-0"

## VIEW ON APPROACH FROM SOUTH EAST







## VIEW TO REAR ACCESS FROM NORTH WEST



## DEVELOPMENT PROPOSALS

### COST SUMMARY

|  | Cost                      | Overall Cost   |
|--|---------------------------|----------------|
| <b>Construction &amp; Delivery Elements Included</b>   |                           |                |
| • Prelim, Overhead & Profit  |                           |                |
| • Construction Costs to Fabric First Standard  |                           |                |
| • Offsite Works, including Roundabout  |                           |                |
| • Professional Design Fees, Statutory Fees & Surveys   |                           |                |
| • Inflation to Q3 2023 (BCI Point 367)   |                           |                |
| • Risk Allowance at circa £1M  | <b>£25,770,462</b>        |                |
| <b>Potential Additional Project Costs</b>  | <b>Cost Range</b>         |                |
| • Zero Carbon/Passivhaus Design  | +15% of Construction Cost |                |
| • Relocation of Westbank Substation (advance work)   | £200-250K                 |                |
| • Utility Diversion for New Access   | circa £200K               |                |
| • Enabling Demolitions (Westbank Foundations, Muni Bldgs, FTH & Relocation of Muni Substation) * | £400-600K                 |                |
| • FFE – IT Kit for Desk, Mtg Rooms & Chambers Space  | £250-400K                 |                |
| • FFE – Desking/Furniture, etc *   | £500-750K                 |                |
| • Client Side Costs – Fees, Staff & Surveys *  | £500-600K                 |                |
| <b>Total Project Cost</b>  |                           | <b>£32-33M</b> |
| * Costs in previous business case, but may need inflated   |                           |                |

The revised cost summary has been produced following discussion with the entire design team and the Council internal project team. Each designer has created a Technical Specification for the Structural and Civils, Architectural and Mechanical and Electrical elements to confirm the basic requirements of the building. This Specification, coupled with the historic 2015 site characteristic knowledge, has allowed the Quantity Surveyor to produce a high level cost summary, based on a build commencement at **Q3 2023**.

The costs and allowances have been reviewed to take cognisance of Construction Price Inflation, material variations in recent tendered projects received by Hub East Central and the revised specification, to create a new cost from scratch to the new design solution. The main construction build costs, including a risk element have been costed at circa **£25.8M**.

In addition, to the build rates the Council has must undertake a number of advance, enabling and fit out works to complete the project and the following provide an explain of these additional costs and how they have been derived:-

- **Zero Carbon/Passivhaus Design** – following discussion with Mott Macdonald and Hub East Central, based on their experience of Tendered Construction Rates, it is envisaged that to

procure a zero carbon building may incur a 15% premium on general build costs for a “Fabric First Standard” building.

- **Westbank Substation** – the current substation will require to be replaced prior to the site being redeveloped and the Westbank building foundations removed. SPEN previously provided a quote for the relocation of the substation and this cost has been updated.
- **Utility Diversions for New Access** – the existing access road will be built on and a new access road created. Along the frontage of West Bridge St/Camelon Rd are a number of utility routes/services, and it was always envisaged that some of these would require to be relocated to build the new roundabout. This is an allowance and diversions costs can only be sought once we have an approved scheme, however these costs are based on previous S3 costs provided by the various statutory utilities.
- **Enabling Demolitions** – the Council will still require to clear the Westbank Foundations, discussed above, once the Westbank substation has been relocated and to demolish the office portion of the Municipal Buildings, the Falkirk Town Hall and to relocate the substation within the existing plant room and relocate this to a new location. These costs have been estimated based on the Ph1 Municipal Building demolition tender and previous SPEN quotes for relocating a substation of this capacity.
- **FFE – Desking & Furniture** – to allow the Council to move to its new agile working basis, new furniture will require to be purchased similar to that procured at the Foundry and at the Stadium, and this is an allowance based on previous Tenders.
- **FFE – IT Kit, etc** – to allow continuity of Monitors and IT kit, Meeting Room IT Kit and kit for the Chambers, new equipment will require to be procured similar to that being implemented at the Foundry and Stadium, and this is an allowance based on previous Tenders.
- **Client Side Costs** – the client side fees are for Council Project Management costs, and any surveys that require to be updated for the site as the historic surveys are 2015. This will be for Transport Assessments and any TIAs required as part of any statutory submissions, along with initial design fees until the Project reaches a point when the design team can be novated to a main contractor.

All of the above fees, highlight that a **Total Project Cost of around £32-33M** will be required, if this project is to progress.

There has been a significant increase in costs since the last report to Council last year, and this is due to the following:

- **Inflation** – the outturn for 2021 shows an increase in Construction Price Inflation at 21%, with future outturns expected to be much higher. This was far higher than envisaged previously envisaged
- **Material Shortages & Scarcity** - due to the overall economy heating up, employee costs rising, energy inflation and construction element difficulties this continues to remain an issue resulting in higher tender prices.
- **Smaller Building** - less economies of scale with larger building dual function building option
- **Area has Increased Slightly** - from 3965 to 4200 sq m to accommodate site
- **Continued Optioneering** - much of Client side allowance has been utilised and will cause a pressure
- **HQ Presence/Design** - to provide the "aspired presence", there is more external walls and footprint over more floors. A "business park type office", with a simpler design, would for example be around £4M less.



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## APPENDIX 2

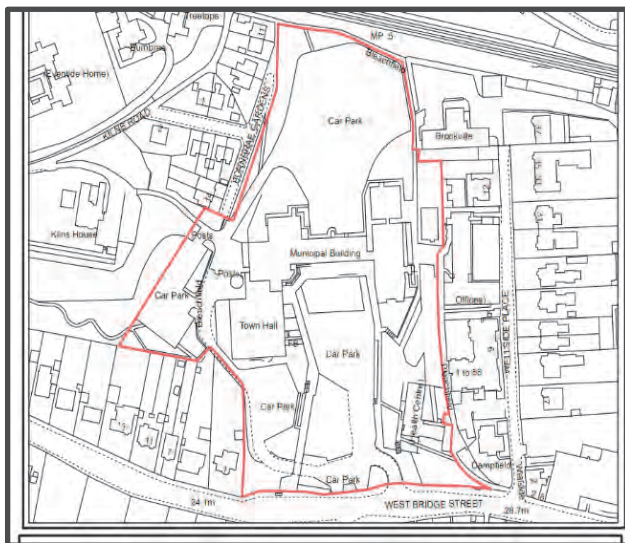
### – Municipal Building Site Valuation Update

#### Municipal Building Site

##### SITE BACKGROUND

The Municipal Building site, which now includes the Westbank Clinic, which it acquired from NHSFV in April 2022.

The Westbank Clinic, the Bunker, the District Court and Committee Suite are currently being demolished by the Council as part of an initial phase of demolition works, which will complete in November 2022. The initial phase of works also includes asbestos removal and soft stripping of the main office block, which will effectively be left as a shell.



As the main office block is structurally integrated with the Falkirk Town Hall, it will remain in situ until there is clarity on the decisions around the long-term future of FTH.

As part of the previous appraisal processes, the potential disposal value of the Municipal Building Site was produced in case the Council chose to purchase and redevelop another site in the town centre. The Municipal site would then be available to be disposed of and would generate a receipt to the Project/assist the overall funding position. The Council's ownership is approx. 8.9 acres, as shown on the plan.

##### USE AND CONDITION

The site is currently utilised for a degree of town centre car parking, and internal discussions with Planning/Roads colleagues have confirmed that a portion of the site may require to be retained to sustain this use. Additionally, there may be a requirement to improve access into the site via a new roundabout or traffic enhancements.

In view of this, it is envisaged that only a portion of the site will be available for redevelopment and it has been agreed that the Net Developable Area should be around **5.5 acres** (of the total site area of 8.9 acres) is considered the minimum.

In addition, the District Valuer has assumed that the Council will clear as much of the Municipal Buildings and Falkirk Town Hall, in readiness for development ie complete the Ph2 demolition works to make the site attractive to developers. The Ph2 demolition works would therefore carry out the following:-

- Relocation of Municipal Buildings Substation
- Demolition of Municipal Office
- Decommissioning, Asbestos Removal & Demolition of Falkirk Town Hall

It is envisaged that the Council would bear the costs of these works in either 22/23 or 23/24, which remove liabilities and holding costs during any marketing period.



## APPENDIX 2

### – Municipal Building Site Valuation Update

#### DISTRICT VALUERS ASSUMPTIONS

The DV looked at what would be an appropriate redevelopment scheme for the site, following discussions with Planning colleagues on massing, density, s75 contribution, etc initially in June 2021. This valuation has been updated as at August 2022 and the following is a summary of the DV's valuation report.

- The Net Developable Area (NDA) has been estimated to extend to c. 5.50 acres or thereby.
- NDA reflects allowances for a roundabout + road traffic improvements to the south and an access road to serve the provision of public car parking to both the south and north of the site. In addition, culvert which runs from north to south, is recognised and area excluded
- Valuation reflects changes in the residential market since the site was last valued in Q2 2021. There has been significant growth with the UK House Price Index reporting average sales value increases of c. 18.5% (across all property types and 21% across detached houses) within Falkirk. This is in contrast to the average cost price increase, which BCIS report to be in the region of 9% over the last 12 months.
- Demolition and site remediation works are undertaken by Falkirk Council.
- Site is likely to be able to accommodate 100 units (including a 15% Affordable Housing provision). An outline scheme consisting of 78 Houses and 22 Apartments extending to 17,500 sqft has been used for illustrative purposes. This proposed density is consistent with other similar schemes. Outline Housing Mix:

| Unit Types                                 | No         | Affordable | Private   |
|--|------------|------------|-----------|
| 2 Bedroom (Terraced / Semi-detached) House | 15         | 5          | 10        |
| 3 Bedroom Semi-detached / Detached House   | 36         | -          | 36        |
| 4 Bedroom Semi-detached / Detached House   | 23         | -          | 23        |
| 5 Bedroom Detached House                   | 4          | -          | 4         |
| 1 Bed Apartment                            | 4          | 3          | 1         |
| 2 Bed Apartment                            | 14         | 7          | 7         |
| 3 Bed Apartment                            | 4          |            | 4         |
| <b>Total</b>                               | <b>100</b> | <b>15</b>  | <b>85</b> |

- Affordable Housing Provision: 15% equating to 15 units. It is envisaged that the units would comprise a mix of 1, 2 bed apartments and 2 bed houses.
- S75 / Developer Contributions: £268,640 based on figures provided by the Council's Planning Department.

#### OPINION OF VALUE

Adopting the above and other development assumptions the DV's residual appraisal equates to a site value of approximately **£4.685m. This equates to c. £850,00 per NDA and £46,850 per unit / £60,000 per private unit.**