

MELBOURN PARISH COUNCIL

Full Council : 27 September 2021

Item: PC076 21b) Explanation as to calculation of reinstatement valuations

Afternoon Claire,

Thanks for the extract from your insurance schedule. You've asked for more detail as to how the updated valuations have been calculated.

Reinstatement costs for the buildings are based upon a £/m2 applied to the gross internal floor area of the building.

Our estimates for the relevant building only (excluding external works & services, fees, contingencies etc) compared to £/m2 in the industry used price book (Spon's 2021) are as follows.

Melbourne Community Hub

Bremner RCA (Building only excluding external works & services etc)	£2,634/m2
<i>Spon's 2021 (£2,218/m2 plus 21%) =</i>	<i>£2,683/m2</i>

Little Hands Nursery

Bremner RCA (Building only excluding external works & services etc)	£2,399m2
<i>Spon's 2021 (£1,775/m2 plus 21%) =</i>	<i>£2,147/m2</i>

Melbourn Sports Pavilion

Bremner RCA (Building only excluding external works & services etc)	£2,645m2
<i>Spon's 2021 (£1,700/m2 plus 21%) =</i>	<i>£2,057/m2</i>

The sports pavilion looks high against Spon's 2021. However, we have just completed a similar sports pavilion (larger building at 610m2) which cost £2,970/m2 so feel comfortable with the re-build figure included in our RCA report.

Please note Spon's 2021 was published in Autumn 2020 and prior to the significant increases in labour & materials costs over the past 12 months. We have added a 15% cost uplift onto Spon's 21 rates to reflect these cost increases, plus a 6% price addition to the end of the insurance period (September 2022) - so total uplift on Spon's 2021 rates of 21%

Our RCA's for each asset include a separate allowance for the following costs:

- Demolition & site preparation costs
- Drainage, external works & services
- Design and Construction contingencies
- Professional Fees
- Planning & Building Regs fees
- Survey costs

Not certain whether allowances for these cost headings were included in your historic assessments?

Hope this helps. Any queries please let me know

Kind regards

Stuart Bremner, Partner
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