

Proof of Evidence of Ian Tarbet BSc

Appeal Reference: APP/C3105/W/23/3315849

Planning Application Reference No: 21/01630/OUT

Land at North West Bicester Home Farm, Lower Farm  
and SGR2 Caversfield

5<sup>th</sup> May 2023

## Contents

- |  |         |
|--|---------|
| 1. Introduction.                                       | Page 2  |
| 2. The Parties Respective Construction Cost Positions. | Page 4  |
| 3. Summary of Conclusions.                             | Page 10 |
| 4. Declaration and Statement of Truth.                 | Page 11 |

## Appendices

Appendix 1 – 530 Unit Feasibility Cost Estimate No.3 Revision 0 dated 21<sup>st</sup> April 2023.

## 1. Introduction

### **Credentials**

- 1.1. I am Ian John Tarbet. I am an Associate of MGAC in Birmingham. I joined MGAC (formally known as RLF) in November 2019. Prior to joining I was an Associate Director at Currie & Brown, based in Birmingham. Currie & Brown acquired Sweett Group in 2016, whom I joined in 2005. Prior to joining Sweett Group I have been employed by a number of Quantity Surveying/Cost Consultant Companies dating back to September 1981. In total I have more than 41 years experience in Cost Consultancy.
- 1.2. I studied a part time degree in Quantity Surveying at Trent Polytechnic, Nottingham gaining a degree in 1989.
- 1.3. I specialise in providing Cost Consultancy advice, acting for both Public and Private Clients throughout the United Kingdom.
- 1.4. I advised Oxford City Council (OCC) on the construction cost of the Applicant's proposals for Oxford North, a 26.71 hectare (66 acre) site being promoted for approximately 500 houses and 90,000 sq m of office floor space. I also advised Cherwell District Council (CDC) on the construction cost of North-West Bicester Eco-Town, reviewing the Applicant's Cost Plan for a 3,500 dwelling scheme on CDC's behalf.
- 1.5. I advised on the construction cost of a 5.66 hectare (13.99 acre) site set to provide 100% affordable housing and approximately 219 dwellings in West Oxfordshire.
- 1.6. I have significant experience in Cost Planning of traditional and high-rise residential projects along with all associated public realm works. Additionally I have experience in cost planning, and delivery of, a number of highways infrastructure projects. I am currently involved in three major medium to high rise residential projects in the West Midlands.

### **Scope of Proof of Evidence**

- 1.7. I was instructed by Cherwell District Council (CDC), The Planning Authority on 13<sup>th</sup> March 2023 to give evidence at this Inquiry.
- 1.8. I am aware in providing expert evidence to the Inquiry my duty to the Inspector is to provide my professional view, irrespective of by whom I am instructed.

1.9. The purpose of this Proof of Evidence is to address matters in terms of the construction costs of the development for the proposals put forward by the Appellant.

**Information relied on to inform this Proof of Evidence**

1.10. The following information has been relied upon to produce this Proof of Evidence:

- Viability Order of Cost Estimate for Infrastructure and Construction Costs 530 Unit Option TZC – Cost Update 1Q 2023 dated 22<sup>nd</sup> February 2023 (Provided by Gardiner & Theobald).
- Illustrative Masterplan drawing SK005 (Provided by Mosaic Urban Design & Master planning via the Appellant).
- Cost Data from the Build Cost Information Service (BCIS) All-In Tender Price Index (TPI).

## 2. The Parties' Respective Cost Positions

2.1. This section provides an overview of each party's respective cost positions and provides my evidence addressing the areas of difference between the parties.

### **MGAC Cost Plan Version 3.0 Revision 0 (April 2023).**

2.2. MGAC's Cost Plan is included in Appendix 1 and is summarised below:

Item	Total Cost (£) – Q2 2023	Total Cost (£) – Q1 2023
Environmental & Ecological Works	765,000	759,000
Demolition, Site Clearance & Land Formation	1,221,000	1,211,000
On Site Roads	8,261,000	8,196,000
Off Site Infrastructure	133,000	132,000
Utilities – Diversions	-	-
Utilities – Reinforcements	1,610,000	1,597,000
Utilities – On Site Distribution	2,714,000	2,693,000
Surface Water Drainage	1,311,000	1,301,000
Foul Water Drainage	1,182,000	1,173,000
Public Realm	2,718,000	2,697,000
Private & Affordable House Build Costs	88,709,000	88,012,000
Car Parking & Garages	2,324,000	2,306,000
Sub-Total Building / Facilitating Works	110,948,000	110,077,000
Contingency	11,094,000	11,006,000
<b>TOTAL CONSTRUCTION COST (Excl. VAT)</b>	<b>122,042,000</b>	<b>121,083,000</b>

2.3. It should be noted that the MGAC Cost Plan is based on present day prices fixed at Q2 2023. That said, for the purposes of identifying areas of difference between the respective cost positions, the MGAC Cost Plan figures have been adjusted and rebased to Q1 2023 to reflect Gardiner & Theobald's Q1 2023 base date.

### **Areas Of Difference**

2.4. MGAC undertook a review of the Gardiner & Theobald (G&T) Cost Plan. The review identified there were numerous differences between the two respective cost positions, some of which were of a major financial significance, and some were of a minor significance. This Proof of Evidence focusses in detail on the areas of difference which are of a significant value. The minor areas of difference are referred to purely as a statement of fact.

The significant areas of difference are as follows:

2.4.1. Cost Plan Base Date – G&T Cost Plan base date is **Q1 2023**, whereas MGAC base date is **Q2 2023**.

2.4.2. Total Construction Cost – G&T Cost Plan totals **£123,640,000** versus MGAC's total of **£121,083,000**. A difference of **£2,557,000**.

2.4.3. Utilities – On Site Distribution – G&T **£4,375,000** versus MGAC **£2,693,000**. A difference of **£1,682,000** and the areas of significant difference are as follows:

2.4.3.1. G&T and MGAC differ on the electricity on site distribution costs. The area of difference is circa **£379,000**. Whilst this can be attributed to a number of factors the key area of difference is the quantification and evaluation of the High Voltage (HV) and Low Voltage (LV) trenches. G&T has allowed for a total of **3,358m** at **£135/m**, an overall cost of circa **£453,000**, whereas MGAC has allowed **3,446m** at **£33/m**. An area of difference of circa **£340,000**. Whilst MGAC has allowed a greater quantity the unit rate is significantly lower. MGAC's position is representative of Q1 2023 cost data for a volume house build development in the Midlands region. Having re-based the cost data to Q2 2023 and adjusting for locational factors, MGAC considers the rate of **£33/m** to be appropriate.

2.4.3.2. G&T and MGAC differ on the mains water on site distribution costs. The area of difference is circa **£539,000**. This can be attributed to a number of factors; however, the key areas of difference are (i) the evaluation of the mains water distribution pipe laying charge. G&T has allowed a unit rate of **£175/m**, whereas MGAC has allowed a unit rate of **£99/m**. Based upon an agreed quantity of **4,093m** the area of difference is circa **£310,000**. It is unclear where G&T has obtained the rate of **£175/m**; however, as these works will be carried out by a Statutory Authority, MGAC's rate of **£99/m** has been sourced from the Thames Water Charging Arrangements for connection services 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 document (re-based to Q1 2023). (ii) G&T's assessment of associated trenching costs totals circa **£346,000**, MGAC's assessment is circa **£219,000**. An area of difference of circa **£127,000**. The area of difference is the result of significant differences in the unit rate/m. G&T has allowed a blended

rate of circa **£85/m**, and MGAC has applied a rate of circa **£54/m**. MGAC's position is representative of Q1 2023 cost data for a volume house build development in the Midlands region. Having re-based the cost data to Q2 2023 and adjusting for locational factors, MGAC considers the rate of **£54/m** to be appropriate. (iii) G&T and MGAC differ on the evaluation of water service plot connection charges. The area of difference is circa **£101,000**. Again, the area of difference is a result of differences in the quantification and evaluation of a number of items. One item of note is that G&T has applied an uplift of 3.1% to the new water mains cost and service connection costs. They state that this is a pro-rata adjustment of **£44,000** as the original costs were based upon a 514 unit scheme, rather than a 530 unit scheme. The quantities included in the G&T cost plan suggest that the pro-rata adjustment is not required and as such MGAC considers it to be unnecessary.

2.4.3.3. G&T and MGAC differ on the telecoms on site distribution costs. The area of difference is circa **£244,000**. The key area of difference is the quantification and evaluation of telecoms trenches. G&T has allowed a total of **3,358m** at a blended rate of circa **£106/m**, whereas MGAC has allowed **3,446m** at circa **£35/m**. Whilst MGAC has allowed for a greater quantity the unit rate is significantly lower. MGAC's position is representative of Q1 2023 cost data for a volume house build development in the Midlands region. Having re-based the cost data to Q2 2023 and adjusting for locational factors, MGAC considers the rate of **£35/m** to be appropriate.

2.4.3.4. In addition to the above areas of difference G&T has included site preliminaries, overheads and profit as a separate costed line item, whereas MGAC has included site preliminaries, overheads and profit within the individual unit rates, resulting in an area of difference of circa **£520,000**. For clarity, there is no right or wrong approach in determining whether preliminaries, overheads and profit should be included within the unit rate or shown as a separate item. The key point is that they are included. Both G&T and MGAC have included preliminaries, overheads and profit within their costs. The area of difference of **£520,000** exists

because if G&T were to adopt the same approach as MGAC and include preliminaries, overheads and profit within the unit rates, all of the rates within this section of the their cost plan would increase by 13.50%.

2.4.4. Surface Water Drainage – G&T **£1,950,000** versus MGAC **£1,301,000**. A difference of **£649,000** and the areas of significant difference are as follows:

2.4.4.1. G&T included an allowance for permeable paving. MGAC included this item at nil cost in this section as the costs have been included in the Car Parking and Garages section. The area of difference totals circa **£172,000**.

2.4.4.2. G&T and MGAC differ on the surface water drainage costs. The area of difference is circa **£349,000**. G&T has allowed for a total of **3,358m** of 300mm diameter and 450mm diameter pipework in trenches at a blended rate of circa **£293/m** totalling circa **£985,000**. MGAC has allowed a total of **3,446m** of 225mm diameter and 450mm diameter pipework in trenches at a blended rate of **£185/m** totalling circa **£636,000**. An area of difference of circa **£349,000**. Not only is the area of difference a result of quantification and evaluation of the main drainage runs, there is also a difference in the pipework diameters and depths of drain runs. MGAC's position is representative of Q1 2023 cost data for a volume house build development in the Midlands region. Having re-based the cost data to Q2 2023 and adjusting for locational factors, MGAC considers the rate of **£185/m** to be appropriate. Moreover, based on the same review, MGAC's assessment of the pipe diameters and assumed depths are reasonable.

2.4.4.3. G&T and MGAC differ on the cost allowance for preliminaries, overheads & profit. The area of difference is circa **£102,000**. Although G&T and MGAC agree on the percentage allowance to cover preliminaries, overheads and profit the area of difference is because of the respective works costs being different.

2.4.5. Foul Water Drainage – G&T **£1,698,000** versus MGAC **£1,173,000**. A difference of circa **£525,000**. The areas of significant difference are as follows:

2.4.5.1. G&T has allowed for a total of **4,093m** at a blended rate of **£219/m** totalling circa **£898,000**. MGAC has allowed a total of **3,769m** at a blended rate of circa



**£130/m** totalling circa **£494,000**. An area of difference of circa **£404,000**. Not only is the area of difference a result of quantification and evaluation of the main drainage runs, there is also a difference in the pipework diameters and depths of drain runs. MGAC's position is representative of Q1 2023 cost data for a volume house build project in the Midlands region. Having re-based the raw data to Q2 2023 and adjusting for locational factors, MGAC considers the rate of **£130/m** to be appropriate. Moreover, based upon the same review MGAC's assessment of the pipe diameters and assumed depths are reasonable.

2.4.5.2. G&T and MGAC differ on the foul water manhole quantities and costs. An area of difference of circa **£118,000**. G&T has allowed for a total of **91no.** manholes at a unit rate of **£3,250/no.** totalling circa **£296,000**. MGAC has allowed for a total of **86no.** at a blended rate of **£2,070/no.** totalling circa **£178,000**. Not only is the difference a result of quantification and evaluation of the manholes, there is a difference in the assumed depths of the manholes. MGAC's position is representative of Q1 2023 cost data for a volume house build development in the Midlands region. Having re-based the raw data to Q2 2023 and adjusting for locational factors, MGAC considers the rate of **£2,070/no** to be appropriate. Moreover, based upon the same review, MGAC's assessment of the manhole depths is reasonable.

2.4.6. On Site Roads – G&T **£7,778,000** versus MGAC **£8,196,000**. A difference of **£418,000** and the areas of significant difference are as follows:

2.4.6.1. G&T and MGAC differ on the 6m wide carriageway costs. MGAC's cost allowance is more than the G&T allowance and the area of difference is circa **£449,000**. G&T has allowed **1,231m** at a blended rate of circa **£1,851/m**. MGAC has allowed **1,241m** at a blended rate of circa **£2,197/m**. MGAC's position is representative of Q1 2023 cost data for a volume house build development in the Midlands region. Having re-based the cost data to Q2 2023 and adjusting for locational factors, MGAC considers the rate of **£2,197/m** to be appropriate.

2.4.7. Car Parking and Garages – G&T **£2,095,485** versus MGAC **£2,306,000**. A difference of circa **£211,000** and the area of significant difference is as follows:

2.4.7.1. G&T and MGAC differ on the garage costs. MGAC's cost allowance is more than the G&T allowance, the area of difference is circa **£281,000**. MGAC's position is representative of Q1 2023 cost data for a volume house build development in the Midlands region. Having re-based the cost data to Q2 2023 and adjusting for locational factors, MGAC considers the all-in unit rate for the garage construction to be appropriate.

2.5 As stated in paragraph 2.4, areas of difference of a minor significance are listed below:

2.5.1.Environmental & Ecological Works – G&T **£754,000** versus MGAC **£759,000**. MGAC's cost allowance is more than the G&T allowance and the area of difference is **£5,000**.

2.5.2.Demolition, Site Clearance, and Land Formation – G&T **£1,057,000** versus MGAC **£1,211,000**. MGAC's cost allowance is more than the G&T allowance and the area of difference is **£154,000**.

2.5.3.Off Site Infrastructure – G&T **£225,000** versus MGAC **£132,000**. The area of difference is **£93,000**.

2.5.4.Utilities – Reinforcements – G&T **£1,421,000** versus MGAC **£1,597,000**. MGAC's cost allowance is more than the G&T allowance and the area of difference is **£176,000**.

2.5.5.Public Realm – G&T **£2,836,000** versus MGAC **£2,697,000**. The area of difference is **£139,000**.

2.5.6.Houses and Apartments – G&T **£88,210,870** versus MGAC **£88,012,000**. The area of difference is circa **£199,000**.

2.5.7.Contingency – G&T **£11,240,036** versus MGAC **£11,006,000**. The area of difference is circa **£234,000**, which is a direct result of the respective parties' total construction costs being different.

### 3. Summary and Conclusions

- 3.1. This Proof of Evidence focusses on the areas of significant difference of the respective parties' cost plans.
- 3.2. MGAC's Cost Plan is **£2,557,000** lower than the G&T Cost Plan, although costs between the Appellant and the Authority are agreed in the Statement of Common Ground on Viability.
- 3.3. If necessary MGAC propose to work closely with the Appellant's Cost Consultant to assist the Inquiry.

## 4. Declaration and Statement of Truth

### Statement of Truth

- 4.1. I confirm that I have made clear which facts and matters referred to in this report are within my own knowledge and which are not. Those that are within my own knowledge I confirm to be true.
- 4.2. The opinions I have expressed represent my true and complete professional opinions on the matters to which they refer.
- 4.3. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

### Declaration

- 4.4. I confirm that my report has drawn attention to all material facts which are relevant and have affected my professional opinion.
- 4.5. I confirm that I understand and have complied with my duty to the Inspector as an expert witness which overrides any duty to those instructing or paying me, that I have given my evidence impartially and objectively, and that I will continue to comply with that duty as required.
- 4.6. I confirm that I have no conflicts of interest.
- 4.7. I confirm that I am aware of and complied with the rules, protocols, and directions of the Planning Inspectorate.



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5<sup>th</sup> May 2023.

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