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# Spon's Price Books Update 2007

**Publishers**

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## Nr. 1

**INCORPORATING CHANGES UP TO 1<sup>st</sup> NOVEMBER 2006**

The *Update* covers the *Architects' and Builders' Price Book*, the *Civil Engineering and Highway Works Price Book*, the *External Works and Landscape Price Book* and the *Mechanical and Electrical Services Price Book*. Details of changes in material prices, wage rates etc. are given and the various indices and adjustment factors presented in the books are brought up to date.

Each of the Price Books is dealt with separately in its own section of the *Update*. Information on changes to the *Architects' and Builders' Price Book* appear on pages 6 to 9, the *Civil Engineering and Highway Works Price Book* on pages 10 to 11, the *External Works and Landscape Price Book* on page 12 and the *Mechanical and Electrical Services Price Book* from page 13.

Corrections are headed '*Erratum*' and boxed to distinguish them from updated information.

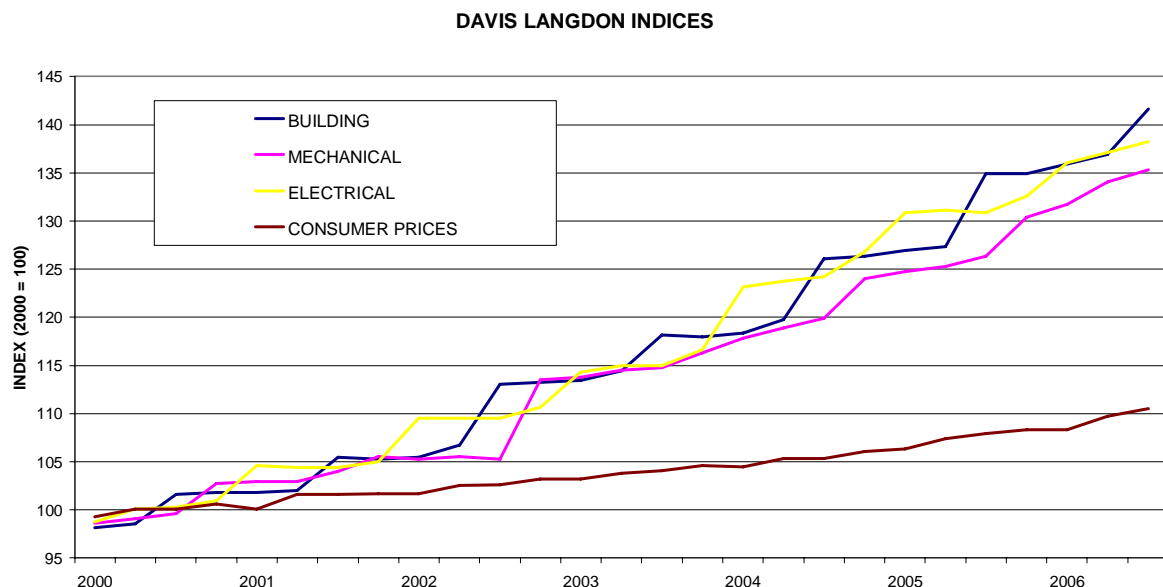
Since the 2002 edition, each series of published updates throughout the year no longer includes a complete history of prior changes. Therefore, if, at any time, you have not previously obtained a copy of an earlier *Update*, please go on-line at [www.pricebooks.co.uk](http://www.pricebooks.co.uk) to download a version.

Spon's 2008 Price Books are planned to be published in August 2007.

**Unless otherwise stated, wages and prices within the four books are still current.**

## The Construction Climate

- The building cost index has risen 5.0% over the year to the third quarter of 2006. Over the past year, materials prices (7.5%) have risen at twice the rate of labour costs (3.6%). Over the next 12 months, the overall rate of increase is expected to moderate to 3.9%
- The Consumer Prices Index increased 2.4% over the year to October 2006, driven principally by gas and electricity price increases which have risen by 41% and 27% respectively
- Construction materials prices are rising at record pace and the rate of increase is still accelerating
- Steel prices are beginning to dominate the headlines again. Corus announced a further increase of £30/tonne for all despatches after 31 December 2006
- Mechanical and electrical services costs increased by double figure inflation, being driven up by non-ferrous metals prices
- Labour wage awards are the lowest for a number of years
- More materials price rises are due in January 2007



The three measures of construction cost inflation – Building, Mechanical and Electrical – continue to climb away from inflation measured by the Consumer Prices Index.

Construction prices have been influenced by conflicting pressures this year. Materials prices have risen even faster than they did in 2004, labour costs have been held in check by greater availability and comparatively low national wage awards for directly employed labour, and at the same time demand for construction work has grown.

Construction price inflation between October 2005 and October 2006 has been underpinned by sharply rising materials prices. figures show that construction materials prices rose by 7.1% in the first eight months of 2006. Included in this is a 51% price increase for copper pipes, 24% for reinforcement, 11% for structural steel, 10% for coated roadstone and 8.5% for ready-mixed concrete.

Wage increases of 3.5% have been agreed for Plumbing and Mechanical Services in

England and Wales from January 2007; Heating, Ventilating and Domestic Engineering Industry from November 2006; both of which are included in this update. And for Electrical Services from January 2007 which were included in the 2007 Price Books.

Government figures show that total construction output in the first half of 2006 was the same as in 2005 but the volume of new work was 4% higher, even exceeding the record level of 2004. Contractors' new orders paint an even rosier picture, the value of orders in the 12 months to August being 10% higher than over the previous year.

In London, the construction industry has rebounded strongly: output figures show that there was 17% more new work activity in the first half of 2006 compared to the same period of 2005 (at current prices). New orders are massively up with the value of new orders won by contractors in London in the first six months of 2006 still more than 20% higher than in 2005, with strong increases in activity in every sector. But offices have inevitably led the way.

As a result, the London construction market has experienced considerable cost escalation, although traditional labour rates may not have moved much. Like other busy areas around the country, it has seen noticeable increases in main contractors' preliminaries and overheads and profit allowances, as well as materials-driven price increases.

## Key Materials

The Department of Trade and Industry (DTI) and The Office of National Statistics (ONS) issue data identifying the following changes to key materials since the book material prices were collated in May 2006 up to the latest published data in October 2006.

	<b>Percentage change</b>
Clay bricks and tiles	1.05%
Concrete reinforcing bars	18.78%
Concrete, ready mixed	0.79%
Concrete, pre-cast products	-0.63%
Copper tubes and fittings	4.89%
Hardwood, imported	6.40%
Paints, water based	Unchanged
Paints, non-water based	-0.09%
Plasterboard partitions and linings	Unchanged
Sand and gravel	-0.44%
Sawn softwood	5.24%
Structural steelwork	11.61%
Clay bricks and tiles	1.05%

## National Wage Awards between editions

Below we include a schedule indicating current wage awards and when the next reviews are expected.

<b>Agreements (in books)</b>	<b>Next review (in 2007 editions)</b>	<b>Notes</b>
1. Building and Civil Engineering Industry wages ( <i>Spon's A&amp;B 2007 pp 75-76, 82-84</i> ) ( <i>Spon's CE 2007 pp 33-38</i> ) ( <i>Spon's Landscape 2007 p 7</i> )	June 2007  (26 June 2006) (26 June 2006)	The June 2007 wage award will be included in Spon's 2008 editions
2. BATJIC wages ( <i>Spon's A&amp;B 2007 p 76</i> )	June 2007 (12 June 2006)	The June 2007 wage award will be included in Spon's 2008 editions
3. The Joint Industry Board for Plumbing Mechanical Engineering Services in England and Wales ( <i>Spon's A&amp;B 2007 pp 77, 85</i> )	2 January 2007  (January 2006)	Plumbing Operatives rates effective from January 2007 are included in this update
4. Scottish and Northern Ireland Joint Industry Board for the Plumbing Industry ( <i>Spon's A&amp;B 2006 p 78</i> )	June 2007  (5 June 2006)	The June 2007 wage award will be included in Spon's 2008 editions
5. New wages for Agricultural workers as Order 2006 (Number 1) ( <i>Spon's Landscape 2007 p 8</i> )	1 October 2006  (1 October 2005)	Details of a new wage agreement are included in this update
6. The Joint Conciliation Committee of the Heating, Ventilating and Domestic Engineering Industry (third and final part of a three-year agreement) ( <i>Spon's M&amp;E 2007 pp 101-105, 593-596</i> )	6 November 2006  (October 2005+5%)	The new three year operative national wage agreement came into effect on Monday 6 November 2006. This is included in this update
7. The Joint Industry Board for the Electrical Contracting Industry (second part of a new two-year agreement) ( <i>Spon's M&amp;E 2006 pp 464-465, 600-603</i> )	8 January 2007  (8 January 2007)	The 8th January 2007 wage award is included in Spon's 2007 editions

## **The National Minimum Wage increased from October 2006**

The minimum wage is a legal right which covers almost all workers above compulsory school leaving age. There are different minimum wage rates for different groups of workers as follows:

- The main rate for workers aged 22 and over increased on 1 October 2006 to £5.35 an hour from £5.05 an hour.
- The development rate for 18-21 year olds increased to £4.45 an hour from £4.25 an hour
- The development rate for 16-17 year olds increased to £3.30 an hour from £3.00 an hour
- On 1 October 2006 the rate of the accommodation offset increased to £29.05 per week (£4.15 per day) from £27.30 per week (£3.90 per day)

It is important to note that these new rates only apply to pay reference periods beginning on or after the date they came into law.

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# SPON'S ARCHITECTS' AND BUILDERS' PRICE BOOK 2007

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## Rates of Wages

### Plumbing and Mechanical Engineering Services Industry

pp 77, 85

	Hourly rate £
<b>Operatives</b>	
Technical Plumber and Gas Service Technician	12.88
Advanced Plumber and Gas Service Engineer	11.60
Trained Plumber and Gas Service Fitter	9.94
<b>Apprentices</b>	
1st year of training	4.82
2nd year of training	5.52
3rd year of training	6.24
3rd year of training with NVQ level 2	7.58
4th year of training	7.68
4th year of training with NVQ level 2	8.71
4th year of training with NVQ level 3	9.62
<b>Adult Trainees</b>	
1st 6 months of Employment	7.76
2nd 6 months of Employment	8.32
3rd 6 Months of Employment	8.68

These rates take effect from 2 January 2007 and represent an increase of 3.5% over 2006 rates.

## Building Costs and Tender Prices

### Building Costs

p 709

The table of building cost indices may be updated as follows:

Year	First quarter	Second quarter	Third quarter	Fourth quarter	Annual average
2006	665	670	692*	695**	680**
2007	697**	698**	719**	721**	709**
2008	723**	725**	754**	756**	740**

\* = Provisional; \*\* = Forecast

## Tender Prices

p 710

The table of tender price indices may be updated as follows:

Year	First quarter	Second quarter	Third quarter	Fourth quarter	Annual average
2006	480	485	492*	497**	488**
2007	503**	509**	517**	524**	513**
2008	532**	540**	548**	555**	544**

\* = Provisional; \*\* = Forecast

## Regional Variations

pp 711 to 714

The table below indicates how building prices vary around the country. The figures are averages and, inevitably, not all trades or items of work will vary exactly in line with the differences shown. The principal driving force behind the variations is differing labour rates between the regions.

The table indicates our forecast first quarter 2007 tender price index for each region, based upon an outer London forecast figure of 502 and the percentage adjustments advised to the Major Works measured rates section of Spon's Architects' and Builders' Price Book 2007, with an index of 500 (1976=100).

Region	Forecast first quarter 2007 tender price index 502*	% adjustment to Spon's Major Works section TPI = 500
Outer London	502	0.4%
Inner London	542	8.4%
East Anglia	477	-4.6%
East Midlands	452	-9.6%
Northern	472	-5.6%
Northern Ireland	366	-26.7%
North West	462	-7.6%
Scotland	472	-5.6%
South East	497	-0.6%
South West	472	-5.6%
Wales	447	-10.6%
West Midlands	462	-7.6%
York/Humberside	477	-4.6%

\* Mid-point of forecast range from the Tender Price Forecast published October 2006.

The figures represent broad averages for the regions. Differences will occur within regions and further adjustments will be needed for city centre or isolated locations.

## Erratum

### Building prices per square metre

p 714

Fitting out offices *should read:*

	<i>Square metre excluding VAT</i>
basic fitting out including carpets, decorations, partitions and services - City/West End (nia)	325 to 450
good quality fitting out including carpets, decorations, partitions and services - City/West End (nia)	425 to 550
basic fitting out including carpets, decorations, partitions and services – Out-of-town (nia South East)	250 to 325
good quality fitting out including carpets, decorations, partitions and services – Out-of-town (nia South East)	275 to 400

### Building cost models

p 729 – 790

Central London Offices

Protective Installations should read:

Sprinkler installations: tanks, pumps, risers etc (*not Passenger lifts, 21 persons*)

Dry riser installation (*not Goods lift serving 10 floors*)

Lightning protection (*not Car park lift*)

Regional Stadium Cost Model was originally published on 11-Jun-04

University Cost Model was originally published on 11-Jun-02

### Curtain/glazed walling

p 792

Stick curtain walling with double glazed units,  
aluminium structural framing and spandrel rails.

Standard colour powder coated m<sup>2</sup> 350.00 – 475.00 (*not 35.00-475.00*)

### Sheet/board flooring

p 797

chipboard flooring: T&G joints m<sup>2</sup> 9.00 – 12.90 (*not 90.00 – 12.00*)

### Comparative steel/metalwork finishes

p 799

Intumescent coating with decorative top seal

half hour m<sup>2</sup> 19.00 – 21.00 (*not 29.00 – 20.00*)

one hour m<sup>2</sup> 30.00 – 36.00 (*not 42.00 – 35.00*)

two hour m<sup>2</sup> 44.00 – 77.00 (*not 42.00 – 74.00*)

### Sanitary and disposal installations

p 800

Industrial buildings

minimum provision m<sup>2</sup> 15.00 – 21.00 (*not 14.40 – 2.00*)



**Office space heating and air treatment***p 801*

Office space heating and air treatment should read:

extra for Category A fit-out (Category A nett area) (*delete rate adjacent to description*)

LTHW heating	m <sup>2</sup>	10.00 – 20.00 ( <i>not 63.00 – 22.00</i> )
chilled water	m <sup>2</sup>	15.00 – 25.00 ( <i>not 28.50 – 28.50</i> )
ductwork	m <sup>2</sup>	65.00 – 75.00 ( <i>unchanged</i> )

**Preparatory excavation and sub-bases***p 805*

Filling; imported top soil; 150mm thick;

spread and levelled for planting m<sup>2</sup> 6.00 – 7.00 (*not 62.00 – 7.20*)

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# SPON'S CIVIL ENGINEERING AND HIGHWAY WORKS PRICE BOOK 2007

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## Basic Materials Prices

*pp 39 to 116*

Information on material price changes is provided in the Spon's Architects' and Builders' Price Book section of this update.

## Cost and Tender Prices Indices

### Price Adjustment Formula Indices

*pp 547 to 548*

The table of Price Adjustment Formulae Indices may be supplemented as follows:

Index nr	1	2	3	4	5	6	7	9	10	11a	
Year	Q										
2006	1	1639	1112	1659	1962	1329	1854	3292	4044	1009	474
	2	1648	1114	1689	1970	1328	1853	3346	4465	1014	521
	3	1696*	1128	1692*	2003*	1336*	1941*	3578*	4403*	1054*	604*

\* Provisional      Note: The figures published relate to the third month of each quarter.

### A Constructed Cost Index based on the Price Adjustment Formula Indices

*pp 549 to 550*

The table of the Constructed Civil Engineering Cost Index may be supplemented as follows:

Year	First quarter	Second quarter	Third quarter	Fourth quarter
2006	1757	1785	1850*	

\* Provisional

## The Road Construction Price Index

pp 551 to 552

Latest figures for civil engineering tender prices as measured by the 'DTI 'Tender Price Index of Road Construction' are reproduced below:

The DTI has recently rebased its series of indices from 1990 = 100 to 1995 = 100. To convert these figures to 1990 = 100 the multiplier is 1.245.

### Tender Price Index of Road Construction - Base 1995 =100

Year	First quarter	Second quarter	Third quarter	Fourth Quarter	Annual average
2005	129	133	137	142	135
2006	145*	146*			

\* Provisional

Source DTI: Public Sector Construction Works  
Quarterly Building Price & Cost Indices September 2006

### Erratum EARTHWORK p 619

#### Weights of typical materials handled by excavators

Lines 15-17; Material, should read:

- Rock: Earth mixture (75:25) – *unchanged*
- Rock: Earth mixture (50:50) – *corrected*
- Rock: Earth mixture (25:75) – *corrected*

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# SPON'S EXTERNAL WORKS AND LANDSCAPE PRICE BOOK 2007

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## 2.2.2 Agricultural Wages, England and Wales

p 8

The Agricultural Wages Order 2006 (Number 1) has been published and applies from 1 December 2006.

Grade	Weekly pay £	Hourly rate £	Overtime (£ per hour)
1	219.18	5.62	8.03
2	235.17	6.03	8.61
3	258.57	6.63	9.47
4	277.29	7.11	10.16
5	294.06	7.54	10.77
6	317.46	8.14	11.63

Full details are available from:

<http://www.defra.gov.uk/farm/working/agwages/awb/index.htm>

## 2.5 Cost Indices

### The Constructed Landscaping Cost Index

p 22

The Constructed Landscaping (Hard Surfacing and Planting) Cost Index may be updated as follows:

Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual Average
2005	641	648	684	683	664
2006	688	692	710*		

\* Provisional

### Prices for Measured Works

pp 29 to 268

### Materials Prices

Reference should be made to the material prices changes notified in the Spon's Architects' and Builders' Price Book section of this Update.

#### Erratum

##### Tables and Memoranda

p 334

Length

1 in = 25.4 mm (*not cm as shown*)

p 347

The heading in the right hand column should read "Volume per hour" (*not per minute*)

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# SPON'S MECHANICAL AND ELECTRICAL SERVICES PRICE BOOK 2007

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## Mechanical Installations

Material Costs/Measured Work Prices – Mechanical Installations  
*pp 69 to 422*

The Mechanical Cost Index is up to 7.1% over the last year, its highest annual inflation rate since 2003. However, the fourth quarter figure should return to the near normal trend of 4.5 – 5.5%.

## Electrical Installations

Material Costs/Measured Work Prices – Electrical Installations

*pp 427 to 550*

The Electrical Cost Index, up 5.6%, is currently in line with its six year trend but is likely to rise over the next two quarters as further materials price inflation works through and the 5% wage award in January 2007 comes into effect.

## Cost Indices

*p 44*

The tables of cost indices for Mechanical Services and Electrical Services should be revised as follows:

### Mechanical Services

Year	First quarter	Second quarter	Third quarter	Fourth quarter
2006	513	522	527*	543**
2007	545**	548**	550**	566**
2008	568**	570**	589**	

### Electrical Services

Year	First quarter	Second quarter	Third quarter	Fourth quarter
2006	631	635	641*	651**
2007	669**	670**	671**	682**
2008	701**	702**	703**	

\* = Provisional; \*\* = Forecast

## Material Costs/Measured Work Prices – Mechanical Installations

pp 102 – 105

LABOUR RATE - MECHANICAL

The annual cost of a notional gang of 12 men

	FOREMAN NR 1	SENIOR CRAFTSMAN (=2 <sup>nd</sup> Welding skill) NR 1	SENIOR CRAFTSMAN NR 2	CRAFTSMAN NR 4	INSTALLER NR 2	MATE (Over 18) NR 2	SUB- TOTALS
<b>Hourly Rate from 6 November 2006</b>	13.66	11.76	11.29	10.35	9.39	7.91	
Working hours per annum per man	1,702.40	1,702.40	1,702.40	1,702.40	1,702.40	1,702.40	
<b>x hourly rate x nr of men = £ per annum</b>	<b>23,254.78</b>	<b>20,020.22</b>	<b>38,440.19</b>	<b>70,479.36</b>	<b>31,971.07</b>	<b>26,931.97</b>	
<b>Overtime Rate from 6 November 2006</b>	19.25	16.57	15.92	14.59	13.24	11.15	
Overtime hours per annum per man	313.6	313.6	313.6	313.6	313.6	313.6	
<b>x hourly rate x nr of men = £ per annum</b>	<b>6,036.80</b>	<b>5,196.35</b>	<b>9,985.02</b>	<b>18,301.70</b>	<b>8,304.13</b>	<b>6,993.28</b>	
<b>Total</b>	<b>29,291.58</b>	<b>25,216.58</b>	<b>48,425.22</b>	<b>88,781.06</b>	<b>40,275.20</b>	<b>33,925.25</b>	<b>265,914.88</b>
<b>Incentive schemes 5.00%</b>	<b>1,464.58</b>	<b>1,260.83</b>	<b>2,421.26</b>	<b>4,439.05</b>	<b>2,013.76</b>	<b>1,696.26</b>	<b>13,295.74</b>
Daily Travel Time Allowance (15-20 miles each way)	8.48	8.48	8.48	8.48	8.48	8.16	
Days per annum per man	224	224	224	224	224	224	
<b>x nr of men = £ per annum</b>	<b>1,899.52</b>	<b>1,899.52</b>	<b>3,799.04</b>	<b>7,598.08</b>	<b>3,799.04</b>	<b>3,655.68</b>	<b>22,650.88</b>
Daily Travel Fare (15-20 miles each way)	8.40	8.40	8.40	8.40	8.40	8.40	
Days per annum per man	224	224	224	224	224	224	
<b>x nr of men = £ per annum</b>	<b>1,881.60</b>	<b>1,881.60</b>	<b>3,763.20</b>	<b>7,526.40</b>	<b>3,763.20</b>	<b>3,763.20</b>	<b>22,579.20</b>
Employer's contributions to EasyBuild Stakeholder Pension (Death and accident cover is provided free)							
Number of weeks	52	52	52	52	52	52	
Total weekly £ contribution each	4.00	4.00	4.00	4.00	4.00	4.00	
<b>£ Contributions/annum</b>	<b>208</b>	<b>208</b>	<b>416</b>	<b>832</b>	<b>416</b>	<b>4.16</b>	<b>2,496.00</b>
National Insurance Contributions:							
Annual gross pay (subject to NI) each	34,537.28	30,258.52	58,408.72	108,344.59	49,851.20	43,040.39	
% of NI Contributions	12.8	12.8	12.8	12.8	12.8	12.8	
<b>£ Contributions/annum</b>	<b>3612.57</b>	<b>3064.89</b>	<b>5859.91</b>	<b>10635.30</b>	<b>4764.55</b>	<b>3892.77</b>	<b>31,829.98</b>

LABOUR RATE - MECHANICAL

The annual cost of a notional gang of 12 men

Holiday Credit and Welfare contributions:							
Number of weeks	52	52	52	52	52	52	
Total weekly £ contribution each from 2 October 2006	71.53	62.47	60.30	55.81	51.22	44.16	
<b>x nr of men = £ Contributions/annum</b>	<b>3,719.56</b>	<b>3,248.44</b>	<b>6,271.20</b>	<b>11,608.48</b>	<b>5,326.88</b>	<b>4,592.64</b>	<b>34,767.20</b>
<b>Holiday Top-up Funding including overtime</b>	12.90	11.11	10.61	9.73	8.84	7.45	
<b>Cost</b>	<b>670.80</b>	<b>577.72</b>	<b>1,103.44</b>	<b>2,023.84</b>	<b>919.36</b>	<b>774.80</b>	<b>6,069.96</b>
SUB-TOTAL							<b>399,603.85</b>
TRAINING (INCLUDING ANY TRADE REGISTRATIONS) - SAY						1.00%	<b>3,996.04</b>
SEVERANCE PAY AND SUNDRY COSTS - SAY						1.50%	<b>6,054.00</b>
EMPLOYERS LIABILITY AND THIRD PARTY INSURANCE - SAY						2.00%	<b>8,193.08</b>
ANNUAL COST OF NOTIONAL GANG							<b>417,846.96</b>
MEN ACTUALLY WORKING = 10.5 THEREFORE ANNUAL COST PER PRODUCTIVE MAN							<b>39,794.95</b>
AVERAGE NR OF HOURS WORKED PER MAN= 2016 THEREFORE ALL IN MAN HOUR							<b>19.74</b>
PRELIMINARY ITEMS - SAY						7.50%	<b>1.48</b>
SITE AND HEAD OFFICE OVERHEADS - SAY						12.50%	<b>2.65</b>
PROFIT - SAY						5.00%	<b>1.19</b>
THEREFORE INCLUSIVE MAN HOUR							<b>25.07</b>

Notes:

- (1) The following assumptions have been made in the above calculations:-
  - (a) The working week of 38 hours i.e. the normal working week as defined by the National Agreement
  - (b) The actual hours worked are five days of 9 hours each
  - (c) A working year of 2016 hours
  - (d) Five days in the year are lost through sickness or similar reason
- (2) The incentive scheme addition of 5% is intended to reflect bonus schemes typically in use
- (3) National insurance contributions are those effective from 6 April 2006
- (4) Weekly Holiday Credit/Welfare Stamp values are those effective from 2 October 2006
- (5) Rates are based on 6 November 2006 wage increase
- (6) Overtime rates are based on Premium rate 1 for November 2006
- (7) Easybuild Stakeholder Pension Contributions effective from 26 June 2006
- (8) Fares (New Malden to Waterloo +Zone 1) current at November 2006. Tel: 0845 7484950
- (9) Does not include for major project status
- (10) Caution should be applied when utilising the labour rate and the 'all-in' rate it applies to, as the size and complexity of the project will reflect in the gang size

LABOUR RATE - DUCTWORK

The annual cost of a notional eight man gang

	FOREMAN 1 NR	SENIOR CRAFTSMAN 1 NR	CRAFTSMAN 4 NR	INSTALLER 2 NR	SUB-TOTALS
<b>Hourly Rate from 6 November 2006</b>	13.66	11.29	10.35	9.39	
Working hours per annum per man	1,702.40	1,702.40	1,702.40	1,702.40	
<b>x hourly rate x nr of men = £ per annum</b>	<b>23,254.78</b>	<b>19,220.10</b>	<b>70,479.36</b>	<b>31,971.07</b>	
<b>Overtime Rate</b>	19.25	15.92	14.59	13.24	
Overtime hours per annum per man	313.6	313.6	313.6	313.6	
<b>x hourly rate x nr of men = £ per annum</b>	<b>6,036.80</b>	<b>4,992.51</b>	<b>18,301.70</b>	<b>8,304.13</b>	
<b>Total</b>	<b>29,291.58</b>	<b>24,212.61</b>	<b>88,781.06</b>	<b>40,275.20</b>	<b>182,560.45</b>
<b>Incentive schemes 5%</b>	<b>1,464.58</b>	<b>1,210.63</b>	<b>4,439.05</b>	<b>2,013.76</b>	<b>9,128.02</b>
Daily Travel Time Allowance (15-20 miles each way)	8.48	8.48	8.48	8.48	
Days per annum per man	224	224	224	224	
<b>x nr of men = £ per annum</b>	<b>1,899.52</b>	<b>1,899.52</b>	<b>7,598.08</b>	<b>3,799.04</b>	<b>15,196.16</b>
Daily Travel Fare (15-20 miles each way)	8.40	8.40	8.40	8.40	
Days per annum per man	224	224	224	224	
<b>x nr of men = £ per annum</b>	<b>1,881.60</b>	<b>1,881.60</b>	<b>7,526.40</b>	<b>3,763.20</b>	<b>15,052.80</b>
Employer's contributions to EasyBuild Stakeholder Pension (Death and accident cover is provided free)					
Number of weeks	52	52	52	52	
Total weekly contribution £ each	4.00	4.00	4.00	4.00	
<b>£ Contributions/annum</b>	<b>208</b>	<b>208</b>	<b>832</b>	<b>416</b>	<b>1,664.00</b>
National Insurance Contributions:					
Annual gross pay (subject to NI) each	3,4537.28	29,204.36	108,344.59	4,9851.20	
% of NI Contributions	12.8	12.8	12.8	12.8	
<b>£ Contributions/annum</b>	<b>3,612.57</b>	<b>2,929.96</b>	<b>10,635.30</b>	<b>4,764.55</b>	<b>21,942.37</b>
Holiday Credit and Welfare contributions:					
Number of weeks	52	52	52	52	
Total weekly £ contribution each	71.53	60.30	55.81	51.22	
<b>x nr of men = £ Contributions / annum</b>	<b>3,719.56</b>	<b>3,135.60</b>	<b>11,608.48</b>	<b>5,326.88</b>	<b>23,790.52</b>
<b>Holiday Top-up Funding including overtime</b>	12.90	10.61	9.73	8.84	
<b>Cost</b>	<b>670.80</b>	<b>551.72</b>	<b>2,023.84</b>	<b>919.36</b>	<b>4,165.72</b>
			SUB-TOTAL		<b>273,500.04</b>



LABOUR RATE - DUCTWORK

**The annual cost of a notional eight man gang**

TRAINING (INCLUDING ANY TRADE REGISTRATIONS) - SAY	1.00%	<b>2,735.00</b>
SEVERANCE PAY AND SUNDRY COSTS - SAY	1.50%	<b>4,143.53</b>
EMPLOYERS LIABILITY AND THIRD PARTY INSURANCE - SAY	2.00%	<b>5,607.57</b>
ANNUAL COST OF NOTIONAL GANG		<b>285,986.14</b>
MEN ACTUALLY WORKING = 7.5 THEREFORE ANNUAL COST PER PRODUCTIVE MAN		<b>38,131.49</b>
AVERAGE NR OF HOURS WORKED PER MAN = 2016 THEREFORE ALL IN MAN HOUR		<b>18.91</b>
Preliminary Items Say	12.50%	<b>2.36</b>
Site and Head Office Overheads Say	25.00%	<b>5.32</b>
Profit Say	10.00%	<b>2.66</b>
<b>THEREFORE INCLUSIVE MAN HOUR RATE</b>		<b>29.26</b>

Notes:

- (1) The following assumptions have been made in the above calculations:-
  - (a) The working week of 38 hours i.e. the normal working week as defined by the National Agreement
  - (b) The actual hours worked are five days of 9 hours each
  - (c) A working year of 2016 hours
  - (d) Five days in the year are lost through sickness or similar reason
  - (e) The incentive scheme addition of 5% is intended to reflect bonus schemes typically in use
- (2) National insurance contributions are those effective from 6 April 2006
- (3) Weekly Holiday Credit/Welfare Stamp values are those effective from 2 October 2006
- (4) Rates are based on 6 November 2006 wage increase
- (5) Overtime rates are based on Premium rate 1 for November 2006
- (6) Easybuild Stakeholder Pension Contributions effective from 26 June 2006
- (7) Fares (New Malden to Waterloo +Zone 1) current at November 2006. Tel: 0845 7484950
- (8) Does not include for major project status
- (9) Caution should be applied when utilising the labour rate and the 'all-in' rate it applies to, as the size and complexity of the project will reflect in the gang size

**Hourly Rates of Wages**

*pp 594 – 596*

All districts of the United Kingdom

<i>Main Grades</i>	<i>From 6 November 2006 p/hr</i>
Foreman	13.66
Senior Craftsman (+2nd welding skill)	11.76
Senior Craftsman	11.29
Craftsman (+2nd welding skill)	10.82
Craftsman	10.35
Operative	9.52
Adult Trainee	7.91
Mate (over 18)	7.91
Mate (17-18)	3.67
 Modern Apprentices	
Junior	5.14
Intermediate	7.28
Senior	9.39

## Trainee Rates of Pay

### Junior Ductwork Trainees (Probationary)

Age at entry	From 6 November <i>p/hr</i>
17	4.66
18	4.66
19	4.66
20	4.66

### Junior Ductwork Erectors (Year of Training)

Age at entry	<i>From 6 November 2006</i>		
	<i>1 yr p/hr</i>	<i>2 yr p/hr</i>	<i>3 yr p/hr</i>
17	5.80	7.21	8.18
18	5.80	7.21	8.18
19	5.80	7.21	8.18
20	5.80	7.21	8.18

### Responsibility Allowance (Craftsmen)

*From 6 November 2006  
p/hr*

Second welding skill or supervisory responsibility (one unit)	0.47
Second welding skill and supervisory responsibility (two units)	0.94

### Responsibility Allowance (Senior Craftsmen)

*From 6 November 2006  
p/hr*

Second welding skill	0.47
Supervising responsibility	0.94
Second welding skill and supervisory responsibility	1.41

### Daily travelling allowance – Scale 2

C: Craftsmen including Installers  
M&A: Mates, Apprentices and Adult Trainees

Direct distance from centre to job in miles

<i>Over</i>	<i>Not exceeding</i>	<i>From 6 November 2006</i>	
		<i>C p/hr</i>	<i>M&amp;A p/hr</i>
15	20	2.27	1.95
20	30	5.84	5.05
30	40	8.40	7.27
40	50	11.06	9.47

## Daily travelling allowance – Scale 1

C: Craftsmen including Installers  
M&A: Mates, Apprentices and Adult Trainees

Direct distance from centre to job in miles

		<i>From 6 November 2006</i>	
<i>Over</i>	<i>Not exceeding</i>	<i>C p/hr</i>	<i>M&amp;A p/hr</i>
15	20	8.48	8.16
20	30	12.05	11.26
30	40	14.61	13.48
40	50	17.27	15.68

## Weekly Holiday Credit and Welfare Contributions

		<i>From 6 November 2006</i>						
		£	£	£	£	£	£	£
		a	b	c	d	e	f	g
Weekly Holiday Credit		65.06	60.51	58.26	56.00	53.83	51.61	49.34
Combined Weekly/Welfare Holiday Credit and Contribution		71.53	66.98	64.73	62.47	60.30	58.08	55.81

		<i>From 6 November 2006</i>						
		£	£	£	£	£	£	£
		h	i	j	k	l	m	
Weekly Holiday Credit		44.75	37.69	34.68	24.56	23.95	17.48	
Combined Weekly/Welfare Holiday Credit and Contribution		51.22	44.16	41.15	31.03	30.42	23.95	

From 2 October 2006, the grades of H&V Employees covered by the range of credit values and entitled to the different rates of Sickness and Accident Benefit, and Weekly Holiday Credit and Welfare Contribution are as follows:

a Foreman	f Craftsman (+1 RA)	j Intermediate Modern Apprentice
b Senior Craftsman (RAS + RAW)	g Craftsman	k Junior Modern Apprentice
c Senior Craftsman (RAS)	h Installer	l Mate
d Senior Craftsman (RAW)	i Senior Modern Apprentice	m Mate (16-17)
e Senior Craftsman Craftsman (+2 RA)	i Adult Trainee Mate (18 and over)	

*From 6 November 2006*

## Daily Abnormal Conditions Money

Per day 2.99 (no change)

## Lodging Allowance

Per night 28.60

## Dayworks

p 609

Calculation of Hourly Base Rate of Labour for Typical Main Grades applicable from 3 October 2005 plus 5% Provisional Allowance, refer to notes within Section Three – Rates of Wages.

	FOREMAN	SENIOR CRAFTSMAN (+ 2 <sup>nd</sup> Welding Skill)	SENIOR CRAFTSMAN	CRAFTSMAN	INSTALLER	MATE OVER 18
Hourly Rate from 6 November 2006	13.66	11.76	11.29	10.35	9.39	7.91
Annual standard earnings excluding all holidays, 45.8 weeks x 38 hours	23,773.86	20,467.10	19,649.11	18,013.14	16,342.36	13,766.56
Employers national insurance contributions from 6 April 2005	2,447.03	2,023.76	1,919.06	1,709.65	1,495.79	1,166.09
Weekly holiday credit and welfare contributions (52 weeks) from 3 October 2005	3,719.56	3,248.44	3,135.60	2,902.12	2,663.44	2,296.32
Holiday top-up funding	-164.84	-141.44	-137.80	-127.40	-114.92	-96.2
Annual prime cost of labour	29,775.61	25,597.86	24,565.97	22,497.51	20,386.67	17,132.77
Hourly base rate	17.11	14.71	14.12	12.93	11.71	9.84

## **Erratum**

### **Labour Rate – Mechanical**

*p 102*

The third line from the bottom of the page should read:

Annual gross pay **and not** *Wkly gross pay*

### **Labour Rate – Ductwork**

*p 104*

The seventh line from the bottom of the page should read:

Annual gross pay **and not** *Weekly gross pay*

*Please note that both of these pages are included in the updates above.*