

Question: Explanation for why the Grainville school costs have increased by 30% of the original project costs.

Extract for report

Grainville School Phase 5 is the final Phase of the rolling redevelopment of Grainville School originating from the Masterplan Report produced in 1997. The MTFP 2016 -2019 indicative capital programme included a proposed allocation for the Grainville School Phase 5 project of £10,229,000. This estimate was compiled in 2015 based on an assumed refurbishment and included projected inflation to 2017. The proposed allocation also included a provision to incorporate the requirements of the Jersey Music Service.

The Budget 2017 capital programme agreed the first phase of funding towards this project and more detailed work was carried out through 2016 and 2017 to develop the details of the project.

The feasibility study carried out in 2016 refreshed the requirements of the school, identifying an increase in the predicted student numbers compared to the assumptions that informed the original bid. Consequently, the previously proposed refurbishment no longer offered value for money or provided the increased classroom and circulation space required to bring the remainder of the school in line with the minimum UK recommended standards. Coupled with changes in the Building bye-laws, levels of inflation above that assumed in the original bid and complicated site conditions not previously predicted, this put significant pressure on the £10,229,000 identified budget.

Recognising the cost pressures and the need to focus on the key Education Department service priorities, the provision for the Jersey Music Service was removed from the project. A revised feasibility without the Jersey Music Service provision then informed the update included in the Budget 2018 capital programme at £15,500,000.

The increase in the estimated cost can be summarised as:

Original Budget	£10.2 million
Updated pupil number modelling increasing classroom and circulation space requirements	£1.3 million
Building bye-law changes	£1.1 million
New 10% consequential improvement requirements	£1.0 million
Inflation above assumptions and impact of timing	£1.0 million
Demolition costs (not required in previous refurbishment scheme)	£0.9 million
Revised Cost	£15.5 million

The movement in the estimated cost is attributable to the evolution of the project to accommodate changing service needs, changing regulatory conditions, further detail revealed through feasibility work and the construction market conditions. The feasibility work also identified some difficult site conditions that were not anticipated.

The phasing of this school development over a long period of time has increased the exposure to inflation and added some complication but it has also provided an opportunity to adapt the project to best reflect the requirements of the school. Whilst the cost has increased from the previous submission as a result, the end result will better serve the school and its pupils.