

## **LA MARE DE CARTERET PROPOSALS – MEDIA BRIEFING NOTE 21-11-14**

### **Why is it costing so much more than building a school in the UK?**

The Education Department is fully aware that it is asking the States to allocate a significant amount of money - £59.4m - from the Capital Reserve to fund the redevelopment of La Mare de Carteret Schools site. This is money that has already been set aside for major capital developments and it has been agreed by the States that La Mare de Carteret was one of the high priorities for funding from this reserve.

- **We are not proposing to build just one school.** The project includes a new High School for up to 600 students, a new Primary School for up to 420 pupils, a new Communication and Autism base for up to 36 children, a pre-school, a sports hall with spectator seating for up to 500 people which can be used by the Island's sporting community out of school hours, plus a small suite of rooms for community use.
- Putting all of these facilities on the one site brings huge benefits and economies of scale as they are able to share elements of the building but are also able to support each other in the work they are doing
- The business case for all of these elements has been independently reviewed and scrutinised as part of the States Capital Investment Portfolio (SCIP) process which also includes Value for Money Reviews at key stages of the process. The independent reviewers stated that this was ***'an exceptionally well planned and managed project, with strong stakeholder support providing a compelling business justification for proceeding'***
- This is not the final cost – there will be further opportunities to drive down the cost by working closely with a contractor once they have been appointed. We have achieved this on all previous school build projects.
- The costs for the previous school projects were tested for value for money by Treasury and Resources at the time that they were in planning and passed as meeting those criteria. We have benchmarked the costs for La Mare de Carteret against the other schools and also similar new school builds in the UK.
- Treasury and Resources has also long acknowledged that a premium has to apply for building costs in Guernsey. We are not exceeding that premium. In fact when we first estimated costs for the project in 2013 using rates supplied by States Property Services (a part of T&R) the costs were £10M higher than we are now estimating.
- With any comparator it is important that we are comparing like with like. The costs published for La Mare de Carteret project represent the total development cost, including all the external works, drainage, landscaping, fitting out the building, ICT costs, design team fees, central costs etc. UK figures that have been quoted by some are not outturn total development costs but pure construction costs and therefore exclude approximately 40% of the total development expenditure.
- If you compare the build costs of the three most recent school builds (excluding abnormalities, swimming pool plant, tank and external works) in current prices:
  - LMDC £2,896/m<sup>2</sup>
  - Les Beaucamps £2,989/m<sup>2</sup>
  - Baubigny Schools £2,850/m<sup>2</sup>

- We considered building the schools elsewhere, refurbishing the existing buildings, putting extensions on some of our other schools and moving the La Mare de Carteret children there but these options were either judged as completely impractical or even more costly than the rebuild proposals. These options are all highlighted in the States Report and appendices.
- We could build the schools more cheaply but then we would be soon be criticised for giving the community yet another generation of La Mare de Carteret schools that are only built for twenty five years, which leak, have excessive damp, are cold in winter and overheat in summer, which have high energy costs, which are unfit for those with physical disabilities and which do not meet the widening demands of today's curriculum. The States 40 years ago would not have approved the buildings thinking these faults would emerge, but in the end you get what you pay for and we are looking for a much longer life span for these buildings (60 years +) with the use of more appropriate materials for the marine conditions of the site and a much more energy efficient internal environment for the buildings.
- Our cost consultants have demonstrated that building to a lower specification with a shorter asset life may provide a lower build cost now but it would cost the States much more in running, maintenance and replacement costs over the next 60 years than building what we are proposing.
- We believe we have demonstrated that our proposals for the two schools, Communication and Autism Unit, pre-school, community sports hall and community facilities represent value for money.
- The proportion of these elements to the overall cost are:

<b>High School</b>	<b>52.43%</b>
<b>Sports (minimum requirements for school use)</b>	<b>15.31%</b>
<b>Sports Hall (enhancements for match play/spectators)</b>	<b>2.94%</b>
<b>Community rooms</b>	<b>1.32%</b>
<b>Primary School</b>	<b>21.85%</b>
<b>Communication &amp; Autism Unit</b>	<b>1.59%</b>
<b>Pre-school Nursery</b>	<b>1.07%</b>
<b>Central/project costs</b>	<b>3.49%</b>