

EAST AYRSHIRE COUNCIL

POLICY AND RESOURCES COMMITTEE – 12 APRIL 2005

BUILDING LEARNING COMMUNITIES: SCHOOLS PPP PROJECT - GROUND SURVEY COSTS

Joint Report by Executive Director of Educational and Social Services and Executive Head of Finance

1. PURPOSE OF REPORT

- 1.1** The purpose of this report is to seek Committee consideration of the cost of ground condition surveys, undertaken as part of the PPP project.

2. BACKGROUND

- 2.1** At its meeting of 22 March 2005, the Education Committee agreed to the recommendation that the Executive Director of Educational and Social Services prepare a report for the consideration of the Policy and Resources Committee to invite consideration of the funding implications of the costs of ground condition surveys at the 4 school sites included in the Council's PPP proposals.
- 2.2** Part of the Council's obligation in terms of the PPP contract is to provide independent assessment of ground conditions at each of the PPP project sites. This work allows bidding companies to prepare accurate costings in relation to building foundation and any ground work which would be necessary to allow the construction of new school buildings.

3. FUNDING REQUESTED

- 3.1** The cost of work undertaken to provide detailed analysis of the sites has been projected at £97,368. Full reports, with transferable warranty, detailing the ground conditions have been delivered to the PPP Unit. These documents can be used by the bidding organisations to accurately assess the necessary works and price accordingly.

It would be possible to require the successful bidder to reimburse the council for this. It is the case however that this cost would then be passed back to the council in the form of higher charges which would take account of interest, administration costs and profit.

Alternatively the Council could fund the work itself and avoid any oncost. This is considered to be the best solution in the longer term. The cost has not been budgeted for however and the cost would effectively be set against the council's uncommitted General Fund Balance.

4. LEGAL/FINANCIAL/POLICY IMPLICATIONS

4.1 The Committee is invited to conclude on how best to fund this issue.

5. RECOMMENDATIONS

5.1 It is recommended that Members of the Policy and Resources Committee:

- (i) agree that the costs of the ground conditions survey amounting to £97,368 be met from uncommitted General Fund Balances; and
- (ii) otherwise note the contents of this report.

John Mulgrew
Executive Director of Educational and Social Services

EC/JBS
24 March 2005

LIST OF BACKGROUND PAPERS

Education Committee – 22 March 2005 (Agenda Item 1)

Members wishing further information should contact Euan Couperwhite, Head of Resource Support, Tel: (01563) 576090 or Alex McPhee, Executive Head of Finance, Tel (01563) 576300.

IMPLEMENTATION OFFICER : EUAN COUPERWHITE