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ADDITIONAL CIRCULATION



To: Councillor Boulton, Convener; Councillor Graham, Vice Convener; and Councillors Houghton, Hutchison, Laing, MacKenzie, McLellan, Mennie and Yuill.

Town House,
ABERDEEN 21 September 2021

CAPITAL PROGRAMME COMMITTEE

The undernoted items are circulated in connection with the meeting of the **CAPITAL PROGRAMME COMMITTEE** to be held here in the Town House on **WEDNESDAY, 22 SEPTEMBER 2021 at 2.00 pm.**

FRASER BELL
CHIEF OFFICER - GOVERNANCE

BUSINESS

COMMITTEE BUSINESS

Please note that these reports have been amended to allow them to be considered in public. The sections that are exempt from both reports remain as exempt within items 9.1 and 9.2 on the original agenda.

Councils Capital Programme

- 8.8 Countesswells Primary School - RES/21/205 (Pages 3 - 8)
- 8.9 Torry Heat Network - RES/21/207 (Pages 9 - 16)

Should you require any further information about this agenda, please contact Karen Finch, tel 01224 522723 or email kfinch@aberdeencity.gov.uk

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ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme Committee
DATE	22 September 2021
EXEMPT	Item 3.6 is exempt under financial or business affairs exemption in terms of paragraph 6 of Part I of Schedule 7A to the Local Government (Scotland) Act 1973.
CONFIDENTIAL	No
REPORT TITLE	Countesswells Primary School – Progress Report
REPORT NUMBER	RES/21/205
DIRECTOR	Steve Whyte
CHIEF OFFICER	John Wilson
REPORT AUTHOR	Bill Watson
TERMS OF REFERENCE	1.1

1. PURPOSE OF REPORT

The purpose of this report is to update the Committee on the progress of the new Countesswells Primary School project.

2. RECOMMENDATION(S)

That the Committee:-

2.1 Note that this project forms part of the Education New Build Programme presented to the Capital Programme, Strategic Commissioning and City Growth and Resources Committees in September 2018. The project will also contribute to the delivery of Aberdeen City Council's Early Learning and Childcare Expansion Programme of works.

2.2 Note the current on-going work leading to the anticipated completion of the construction of the Countesswells Primary School by summer 2023.

2.3 Note that the Council has provided a temporary school to meet the current need of this community.

3. BACKGROUND

3.1 This proposal is for a two-stream primary school and early years provision at the new Countesswells development in accordance with the Section 75 legal agreement dated 20th March 2016.

3.2 The Council was granted ownership of the allocated site on 14 May 2021.

3.3 The new school will provide:

- A two-stream primary school with a capacity for 434 pupils
- Early Learning & Childcare (ELC) provision for 60 pupils
- 3G, 7 a-side-pitch
- External outdoor play and learning spaces

Design Team Procurement

3.4 The Council have appointed Hub North Scotland to develop the detail and construction costs for this project.

Timescale

3.5 Planning approval for this project was granted on 28 February 2019.

3.6 Exempt information.

3.7 Hub North Scotland previously provided the Council with technical and commercial proposals in spring 2020. At the Council's request, Hub North Scotland are currently updating these commercial proposals, in conjunction with their supply chain, so as to take into account the changes in circumstances since 2020. These changes include a better understanding of the implications of Covid, but also industry wide materials availability and inflation issues. Both the Council and Hub North Scotland seek to achieve commercial close as early as previously. This is likely to be achieved in September 2021.

3.8 The current programme envisages that the construction of this project will commence autumn 2021 and be completed summer 2023.

3.9 Summary of anticipated programme:

Milestone	Indicative Timescale
Commercial close	autumn 2021
Contractor to take possession of the site	autumn 2021
Construction Complete	summer 2023
School Operational	summer 2023

4. FINANCIAL IMPLICATIONS

4.1 The Countesswells Primary School forms part of the General Fund Capital Programme approved by Council on 3 March 2020.

4.2 Following the delegations approved at CG&R committee in May 2021 a virement exercise has been carried out to reprofile the global £100 million (£25 million each) budget. The virement of budgets takes into account the different sizes of each building which, in turn, is as a result of the different educational and community requirements for each neighbourhood. The virement also takes into account the different site costs associated with each school. The budget for the Countesswells Primary School has been revised to £18.9 million.

Budget	
General Fund Capital Programme	£18.900m
Spend to date	
Total to end of Q1 2021/22	£1.074m

5. LEGAL IMPLICATIONS

5.1 None at this time.

6. MANAGEMENT OF RISK

	Risk	Low (L), Medium (M), High (H)	Mitigation
Financial	Inability to deliver the Council's desired outcomes within the approved budget.	H	The estimated spend profile is being constantly updated as the design of the project progresses. Take immediate action if the estimated cost exceeds the approved budget.
Legal	None		Not applicable
Employee	None		Not applicable
Customer	Poor communication with stakeholders.	L	A communication plan has been prepared that will ensure that the appropriate stakeholders are kept informed as appropriate.
Environment	That the design of the proposed building increases the Council's carbon footprint and has an adverse effect on the environment.	L	Design proposals have been developed in accordance with Aberdeen City Council's Building Performance Policy ensuring that environmental risks remain low.
	That the activities of the contractor will have a negative impact on local residents	M	The tender documents will include a requirement that the site is registered with the Considerate Constructors Scheme that will require the contractor to be a good neighbour.

Technology	That the project does not make best use of available technology during the design, construction and use phases of the project.	L	The design team are utilising the latest computer aided design software to ensure that the design process is as effective and efficient as possible, this will ensure that the building will be delivered with all the information necessary to run and maintain the building as cost effectively as possible.
Reputational	The reputational risk of not being in a position to provide sufficient pupil places to support a growing school population.	M	This is being mitigated through early planning and close working between teams across Aberdeen City Council.

7. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous Economy	<p>The delivery of Countesswells Primary School will help to grow Aberdeen as a city of learning that will empower local residents to put lifelong learning at the heart of the community.</p> <p>The Early Learning and Childcare Programme, which this project is part of, requires an investment in our Early Years Estate as well as an investment in staffing to ensure we are providing high quality provision that meets the needs of children and families in all localities.</p> <p>This project supports the delivery of LOIP Stretch Outcome 1 – 10% increase in employment across priority and volume growth sectors by 2026. The investment in our estate is interlinked with the investment in our workforce. To staff the expanding estate the Early Years team will contribute to the diversification of the local economy by offering flexible pathways into the Early Years Sector and increasing the number of people employed in this growth sector.</p>
Prosperous People	<p>This project supports the LOIP Stretch Outcome 3 – 95% of children (0-5 years) will reach their expected developmental milestones by the time of their child health reviews by 2026. The project will be designed to support outdoor learning and the free flow of direct access to the outside environment. Outdoor learning, exercise and play benefits school children by encouraging them to be physically active. This will help address many of the health challenges outlined in the LOIP. Children will have daily access to outdoor play and will regularly experience outdoor play in a natural environment.</p>

	Outdoor learning will significantly contribute to a child's development and wellbeing.
Prosperous Place	<p>The Council is committed to ensuring that Aberdeen is a welcoming place to invest, live and visit and operate to the highest environmental standards. Countesswells Primary School will contribute to this objective.</p> <p>This project supports the delivery of LOIP Stretch Outcome 13 – No one in Aberdeen will go without food due to poverty by 2026. Increasing the accessibility of nursery provision will contribute to transforming the lives of families. Every child attending a funded early learning and childcare session will receive a healthy meal. The accessibility of provision will lead to an increase in the uptake of the Early Learning and Childcare funded offer and help ensure that no child in Early Learning and Childcare will go hungry.</p>
Enabling Technology	Countesswells Primary School will provide the potential for enabling people to learn and develop themselves in ways that meet their needs, interests and ambitions.

Design Principles of Target Operating Model	
	Impact of Report
Customer Service Design	The creation of Countesswells Primary School presents an exciting opportunity to design education provision into the fabric of the place, recognising the central role which schools and learning play in the life of a community. The new primary school will strive to play a central role in the life of the community and enable a range of non-school activities to take place at the end of the school day.
Organisational Design	This promotes quality relationships between the citizens of Aberdeen and the Council. This is a core aspect of the interim structure of the Early Intervention and Community Empowerment structure and culture.
Governance	This continues robust management of the assets of Aberdeen City Council.
Workforce	There will be new staff opportunities within Countesswells Primary School.
Process Design	The design team are utilising the latest computer aided design software to ensure that the design process is as effective and efficient as possible, this will ensure that the building will be delivered with all the information necessary to run and maintain the building as cost effectively as possible.
Technology	Examples of the latest proven technology have been incorporated into the design to ensure that the building is as energy efficient and sustainable as is reasonably possible.
Partnerships and Alliances	The Council is working closely with stakeholders having carried out the requisite Statutory Consultation regarding the proposed new primary school provision from October to November 2016. This close working relationship will continue throughout the duration of the project.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	No further update required at this juncture.
Data Protection Impact Assessment	No further update required at this juncture.
Duty of Due Regard / Fairer Scotland Duty	<p>The Duty of Due Regard applies to all pupils in receipt of early learning and childcare provided under section 47 of the Children and Young People (Scotland) Act 2014</p> <p>The proposals have considered inequalities of outcomes for those pupils experiencing them and plans to address them and comply with the (Education (additional support for learning) (Scotland) Act 2004 Section 3B.</p>

9. BACKGROUND PAPERS

Item 8 Education New Build Programme 2018; Capital Programme Committee; 12th September 2018

Item 14 New Schools Development Programme 2018; Strategic Commissioning Committee; 13th September 2018

Item 21 New Schools Development Programme 2018; City Growth and Resources Committee; 18th September 2018

Item 3 General Fund Revenue Budget 2019/20 to 2023/24; and General Fund Capital Programme 2019/20 to 2023/24; Council Meeting; 5th March 2019

10. REPORT AUTHOR CONTACT DETAILS

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ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme Committee
DATE	22 September 2021
EXEMPT	Section 4. FINANCIAL IMPLICATIONS is exempt under: LOCAL GOVERNMENT (SCOTLAND) 1973 Part 1t Schedule 7A, parag 8: ESTIMATED EXPENDITURE ON CONTRACTS:
CONFIDENTIAL	No
REPORT TITLE	Torry Heat Network
REPORT NUMBER	RES/21/207
DIRECTOR	Steve Whyte
CHIEF OFFICER	John Wilson
REPORT AUTHOR	Bill Watson
TERMS OF REFERENCE	1.1

1. PURPOSE OF REPORT

The purpose of this report is to update the Committee on the progress of the Torry Heat Network.

2. RECOMMENDATION(S)

That the Committee:-

2.1 Notes the current on-going work leading to the anticipated completion of the construction of the approved phase of the Torry Heat Network by late 2023.

3. BACKGROUND

3.1 During 2016 it was recognised that a district heating infrastructure project in Torry might be viable, given that heat (reserved by a SEPA license for a heat network) was expected from the EfW project.

3.2 The extent of the proposed infrastructure within the phase of the Heat Network that was approved by the City Growth and Resources Committee on 28 October 2020 is:

- a Heat Distribution Facility (containing controls, valves, heat buffer tanks and back-up boilers and other equipment required to effectively operate and supply heat to the district heating network). It is proposed that this facility will be located within the former Waste Transfer Station building, Greenbank Crescent, Tullos (i.e. immediately adjacent to the EfW site);
- the main spine heat distribution pipes from the Heat Distribution Facility (routed underneath the Aberdeen to Dundee railway line) so as to connect with the existing heating network in Torry) to supply heat for 146 homes (to the 3 high rises) and 3 public buildings (Deeside Family Centre, Provost Hogg Court and Balnagask House): sufficient for the future district heating needs of Torry, and a potential future connection to the city centre network;
- new internal installations, heat metering and heat supply pipes to Tullos Primary School and Torry Social Work office; and
- new internal installations, heat metering and heat supply pipes to an additional (circa) 150 homes to Balnagask Circle, Balnagask Court and the Farquhar Road stub blocks, i.e. that upon completion of this phase of the Network, circa 296 homes will be provided with heat from the EfW plant.

3.3 The Council has received an offer of a capital funding grant from the Scottish Government's Low Carbon Infrastructure Programme (LCIP) towards the approved phase of this Network.

3.4 The Scottish Government have, in addition, invited the Council to apply for a second grant, so as to assist with the delivery of a further phase of this Network. The City Growth and Resources Committee, on 28 October 2020, approved the use of the budget for the project (that is not required for the first phase of works) being used as match-funding against a future grant application. This second grant application is due to be submitted by end of September 2021. Assuming successful, it is anticipated that this will facilitate a substantial second phase of this network being constructed in the period up to the end of 2024. The results of this second grant application will be reported to a future committee.

Project Progress

3.5 The Council have appointed specialist Engineers and Solicitors to assist with the various aspects of the project, including: design, specification, and contracts.

3.6 An outline scheme has been agreed with Network Rail. Network Rail have allocated resources to this project and entered a Basic Asset Protection Agreement (BAPA) with the Council.

3.7 The Council has appointed Barhale as its specialist Design and Build Under Track Crossing (UTX) contractor. This specialist contractor will be responsible for all subsequent liaison with Network Rail. This specialist contractor will also construct an access route (under the rail track) from Tullos Primary School playing fields to Greenwell Road, in preparation of the district heating pipes being pulled through in autumn 2022.

3.8 The Council is well advanced in the procurement of a specialist Main Works district heating contractor. Final proposals, from the short-listed bidders, have been called for. The selection of the preferred bidder is to be undertaken in autumn 2021. This Main Works contractor will be responsible for the detailed design of the project. It is anticipated that the initial design phase will be concluded in early 2022, and it is anticipated that the construction works will commence in spring 2022. It is anticipated that construction and commissioning of the main infrastructure of the approved phase will be completed in spring 2023. It is planned this will then be followed by the noted (item 3.2) additional house connections throughout the rest of 2023.

3.9 It is noted that the Main Works contract is being procured through a framework mechanism, so as to facilitate rapid commencement of subsequent phases of works, e.g. should the Council's forthcoming grant application as outlined in paragraph 3.4 prove successful.

3.10 The Council has commenced the first stage of procuring an Operations Contractor. It is intended that there will be an extended soft landing from the Main Works contractor to the Operations Contractor.

3.11 Summary of anticipated programme:

Milestone	Indicative Timescale
UTX D & B Contractor appointment	autumn 2021
UTX design & Network Rail approval process	autumn 2021 to spring 2022
UTX works commencement	summer 2022
UTX works completion	autumn 2022
Main Works D & B Contractor appointment	autumn 2021
Main Works design & approval processes	autumn 2021 to spring 2022
Main Works infrastructure works commencement	spring 2022
Main Works infrastructure works completion	spring 2023
House connections commencement	spring 2023
House connections completion	winter 2023
Second grant application submission	autumn 2021
Second grant application decision	spring/summer 2022

4. FINANCIAL IMPLICATIONS

Information is exempt

5. LEGAL IMPLICATIONS

5.1 None at this time.

6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	An undertrack crossing is not successfully achieved	M	<p>The methodology employed to procure an undertrack crossing contractor has been specially chosen so as to minimise this risk.</p> <p>In addition, the Council has the fall-back option of undertaking the crossing via the underpass at Ladywell Place. This should be achievable, albeit at uncertain cost and time, due to the significant number of service adaptations, that would be required. Network Rail consent would also be required.</p>
Compliance	It is anticipated that in the future this network may become regulated by the Heat Trust	L	This future proofing has been allowed for in the proposals
Operational	Covid-19 pandemic restrictions impacting on work practices.	L	There is a potential for a future pandemic event. There would have to be full closure of the construction industry for there to be much of a delay to the main infrastructure works. The vaccine programme has greatly reduced the likelihood of this delay risk.
Financial	Covid-19 pandemic restrictions and Brexit impacting on the cost of labour and materials	H	Contractors will be appointed to undertake works on a fixed price basis. Extent of works to

			be chosen to keep project within budget
Reputational	Late delivery will delay provision of lower cost heat to a number of potential domestic customers.	L	This is to be mitigated through the communication plan being aligned with the development of the delivery programme.
Environment / Climate	That the activities of the contractor will have a negative impact on local residents	M	Monitoring of works and liaison with the contractor to ensure that appropriate measures are in place to ensure inconvenience and disruption is kept to an absolute minimum.

7. OUTCOMES

COUNCIL DELIVERY PLAN	
	Impact of Report
Aberdeen City Council Policy Statement	<p>Unleashing the non-oil and gas economic potential of the city: The construction of the heat network will create over 50 jobs many using skills transferable from the oil and gas sector. Furthermore, during operation, skilled, engineering based staff will be required, again utilising skills common in the oil and gas sector.</p> <p>Maximising community benefit from major developments: There are numerous community benefit obligations built into the contract including the establishment of apprenticeships, placements and training. Links are being established with schools in the region to support environmental education.</p>
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	The proposals within this report support the delivery of LOIP Stretch Outcome 1 – 10% increase in employment across priority and volume growth sectors by 2026. The construction of the heat network will create over 50 jobs. Furthermore, during operation, skilled, engineering based staff will be required.
Prosperous People Stretch Outcomes	2.1 Promoting inclusive economic growth for our most disadvantaged communities. There are numerous community benefit obligations built into

	the contract including the establishment of apprenticeships, placements and training. Links are being established with schools in the region to support environmental education. The facility is being developed close to one of the disadvantaged areas of the city.
Prosperous Place Stretch Outcomes	14.1 Reducing emissions across the city through delivery of Aberdeen's Sustainable Energy Action Plan 'Powering Aberdeen'. Construction of the heat network will provide a low carbon heat supply to local housing and other premises, and will also help reduce fuel poverty.
Regional and City Strategies	Strategic Development Plan: Sustainable Development and Climate Change. This network will increase the supply of renewable energy in the region and diversify the mix of renewable sources.
UK and Scottish Legislative and Policy Programmes	<p>This project will assist the Council and Governments meet their carbon emission reduction targets.</p> <p>This project will also provide both the Council and Scottish Government with key reported information on the challenges and methodology of delivery of heat networks to existing domestic properties.</p>

8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	Not required for this report. This will, however, be relevant to the future operating business case
Data Protection Impact Assessment	Not required for this report. This will, however, be relevant to the future operating business case

9. BACKGROUND PAPERS

9.1 Special Council meeting on 24th October 2016, decisions

- 9.2 Communities, Housing and Infrastructure Committee on 24th January 2017, report
- 9.3 Communities, Housing and Infrastructure Committee on 24th May 2017, report
- 9.4 Council, 4th March 2019, report Joint Energy from Waste Project Contract Award
- 9.5 General Services Capital budget 2021-22 to 2025-26, approved 10th March 2021

The Heat Network budget is listed under “Projects with indicative budgets” on page 118 of GF Appendix 2.

- 9.6 Housing Revenue Account budget 2021-22, approved 10th March 2021.

The Torry Heat Network aspects fall under section 3.3 of the appendix 2.1.

- 9.7 Items 9.9 and 14.3 Torry Heat Network - Third Progress Report; City Growth and Resources Committee; 28th October 2020

10. REPORT AUTHOR CONTACT DETAILS

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