

Public Document Pack



To: Councillor Boulton, Convener; Councillor Lumsden, Vice Convener; and Councillors Flynn, Graham, Laing, Avril MacKenzie, McLellan, Nicoll and Yuill.

Town House,
ABERDEEN 7 November 2019

CAPITAL PROGRAMME COMMITTEE

The Members of the **CAPITAL PROGRAMME COMMITTEE** are requested to meet in **Committee Room 2 - Town House** on **THURSDAY, 14 NOVEMBER 2019 at 2.00 pm.**

FRASER BELL
CHIEF OFFICER - GOVERNANCE

B U S I N E S S

NOTIFICATION OF URGENT BUSINESS

1.1 Notification of Urgent Business

DETERMINATION OF EXEMPT BUSINESS

2.1 Members are requested to determine that any exempt business be considered with the press and public excluded

DECLARATIONS OF INTEREST

3.1 Declarations of Interest (Pages 3 - 4)

DEPUTATIONS

4.1 Deputations where requested

MINUTES OF PREVIOUS MEETINGS

- 5.1 Minute of Previous Meeting of 12 September 2019 (Pages 5 - 14)

COMMITTEE BUSINESS PLANNER

- 6.1 Committee Planner (Pages 15 - 18)

NOTICES OF MOTION

- 7.1 Notices of Motion

COMMITTEE BUSINESS

- 8.1 Housing Programme Strategic Planning Progress Report - RES/19/417
(Pages 19 - 26)
- 8.2 Summerhill New Build Housing Progress Report - RES/19/276 (Pages 27
- 36)
- 8.3 Wellheads Road New Build Housing Progress Report - RES/19/367
(Pages 37 - 46)
- 8.4 The Event Complex Aberdeen (TECA) Project Update - RES/19/277
(Pages 47 - 52)

EXEMPT / CONFIDENTIAL BUSINESS

- 9.1 Exempt Business if required

EHRIAs related to reports on this agenda can be viewed [here](#)

To access the Service Updates for this Committee please click [here](#)

Website Address: www.aberdeencity.gov.uk

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

DECLARATIONS OF INTEREST

You must consider at the earliest stage possible whether you have an interest to declare in relation to any matter which is to be considered. You should consider whether reports for meetings raise any issue of declaration of interest. Your declaration of interest must be made under the standing item on the agenda, however if you do identify the need for a declaration of interest only when a particular matter is being discussed then you must declare the interest as soon as you realise it is necessary. The following wording may be helpful for you in making your declaration.

I declare an interest in item (x) for the following reasons

For example, I know the applicant / I am a member of the Board of X / I am employed by... and I will therefore withdraw from the meeting room during any discussion and voting on that item.

OR

I have considered whether I require to declare an interest in item (x) for the following reasons however, having applied the objective test, I consider that my interest is so remote / insignificant that it does not require me to remove myself from consideration of the item.

OR

I declare an interest in item (x) for the following reasons however I consider that a specific exclusion applies as my interest is as a member of xxxx, which is

- (a) a devolved public body as defined in Schedule 3 to the Act;
- (b) a public body established by enactment or in pursuance of statutory powers or by the authority of statute or a statutory scheme;
- (c) a body with whom there is in force an agreement which has been made in pursuance of Section 19 of the Enterprise and New Towns (Scotland) Act 1990 by Scottish Enterprise or Highlands and Islands Enterprise for the discharge by that body of any of the functions of Scottish Enterprise or, as the case may be, Highlands and Islands Enterprise; or
- (d) a body being a company:-
 - i. established wholly or mainly for the purpose of providing services to the Councillor's local authority; and
 - ii. which has entered into a contractual arrangement with that local authority for the supply of goods and/or services to that local authority.

OR

I declare an interest in item (x) for the following reasons.....and although the body is covered by a specific exclusion, the matter before the Committee is one that is quasi-judicial / regulatory in nature where the body I am a member of:

- is applying for a licence, a consent or an approval
- is making an objection or representation
- has a material interest concerning a licence consent or approval

- is the subject of a statutory order of a regulatory nature made or proposed to be made by the local authority.... and I will therefore withdraw from the meeting room during any discussion and voting on that item.

CAPITAL PROGRAMME COMMITTEE

ABERDEEN, 12 September 2019. Minute of Meeting of the CAPITAL PROGRAMME COMMITTEE. Present:- Councillor Boulton, Convener; Councillor Lumsden, Vice-Convener; and Councillors Duncan (as substitute for Councillor Laing), Flynn, Graham, Greig (as substitute for Councillor Yuill), Avril MacKenzie, McLellan and Nicoll.

The agenda and reports associated with this minute can be found at:-
<https://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=621&MId=6765>

Please note that if any changes are made to this minute at the point of approval, these will be outlined in the subsequent minute and this document will not be retrospectively altered.

MINUTE OF PREVIOUS MEETING OF 3 JUNE 2019

1. The Committee had before it the minutes of their previous meeting of 3 June 2019.

The Committee resolved:-

- (i) to note that the Director of Resources would ensure that all previous requests for further information would be circulated to the Committee; and
- (ii) to otherwise approve the minute as a correct record.

COMMITTEE PLANNER

2. The Committee had before it the Committee business planner as prepared by the Chief Officer Governance.

The Committee resolved:-

- (i) in relation to items Middlefield Community Hub and Northfield Community Centre and whether the current provision would be moved to another location, to note that Education colleagues were undertaking a holistic review of all early learning provision and that the Director of Resources would liaise with them and provide and update via email to the Committee;
- (ii) to otherwise note the content of the planner.

JOINT ENERGY FROM WASTE PROJECT - RES/19/363

3. The Committee had before it a report by the Director of Resources which provided an update on progress made with regards to the

CAPITAL PROGRAMME COMMITTEE

12 September 2019

procurement/construction/operation of the Energy from Waste Facility at East Tullis Industrial Estate.

The report recommended:-

That the Committee -

- (a) note the milestones achieved to date for the project and those that remained, to ensure successful operation of the facility;
- (b) note the financial position for the project; and
- (c) instruct the Chief Officer - Capital to provide a further update on progress at the next Capital Programme Committee in January 2020.

The Committee resolved:-

to approve the recommendations contained in the report.

FLEET REPLACEMENT PROGRAMME - OPE/19/268

4. The Committee had before it a report by the Chief Operating Officer which provided an update on the progress of the Fleet Replacement Programme for 2018/19.

The report recommended:-

That the Committee -

- (a) note the update on the progress of the Fleet Replacement Programme; and
- (b) note the continuation of the previously approved Fleet Replacement Programme for 2019/20.

The Committee resolved:-

to approve the recommendations contained in the report.

ABERDEEN ART GALLERY - RES/19/274

5. The Committee had before it a report by the Director of Resources which provided an update on the progress of the delivery of the transformed Aberdeen Art Gallery leading up to its expected opening.

The report recommended:-

That the Committee -

- (a) note the current progress and on-going works leading to an opening of the Art Gallery on 2 November 2019; and
- (b) instruct the Chief Officer Corporate Landlord in consultation with the Chief Officer Capital and Chief Officer City Growth to provide a post evaluation report to this committee a minimum of 12 month post opening. This report will report on the delivery of the desired outcomes identified within the approved business case.

CAPITAL PROGRAMME COMMITTEE
12 September 2019

The Committee resolved:-

- (i) to note that information relating to the current financial position of the project would be discussed in private session;
- (ii) to note the typographical error on page 35 at 4.3 which should read £14,828,500.72;
- (iii) to instruct the Chief Officer Corporate Landlord in consultation with the Chief Officer Capital and Chief Officer City Growth to provide a post evaluation report to this Committee providing details on the delivery of the desired outcomes identified within the approved business case within 12 months of post opening; and
- (iv) to otherwise approve recommendation (a) above.

UNION TERRACE GARDENS - RES/19/259

6. The Committee had before it a report by the Director of Resources which provided an update on progress of the delivery of Union Terrace Gardens (UTG) project which has an anticipated completion date of Summer 2021.

The report recommended:-

That the Committee -

- (a) note the progress achieved in the Union Terrace Gardens transformation; and
- (b) to instruct the Chief Officer Capital to provide a further update on progress to this Committee in January 2020.

The Committee resolved:-

- (i) in relation to the work programme to note that the Director of Resources would look at how the overall contract had been costed and provide information to the Committee via email;
- (ii) in relation to whether Sustrans funding would alleviate some of the costs for the Council, to note that the Director of Resources would source the information and circulate to the Committee via email; and
- (iii) to otherwise approve the recommendations contained in the report.

PROVOST SKENE HOUSE - RES/19/275

7. The Committee had before it a report by the Director of Resources which provided an update on the progress of works to refurbish Provost Skene's House.

The report recommended:-

That the Committee -

- (a) note the progress achieved in the procurement of Provost Skene's House refurbishment; and
- (b) instruct the Chief Officer Capital to provide a further update on progress to this Committee in January 2020.

CAPITAL PROGRAMME COMMITTEE
12 September 2019

The Committee resolved:-

to approve the recommendations contained in the report.

COUNTESSWELLS PRIMARY SCHOOL - RES/19/364

8. The Committee had before it a report by the Director of Resources which provided an update on the progress of Countesswells Primary School, following the decision of Council at its meeting on 5 March 2019 to procure appropriate works and services and to enter into any contracts necessary for the delivery of the project.

The report recommended:-

That the Committee –

- (a) note that the project formed part of the Education New Build Programme presented to the Capital Programme Committee, Strategic Commissioning Committee and the City Growth and Resources Committee in September 2018 and that the project would contribute to the delivery of Aberdeen City Council's Early Learning and Childcare Expansion Programme of works;
- (b) note the current on-going works leading to an opening on the new Countesswells Primary School towards the end of 2021; and
- (c) instruct the Chief Officer Capital to provide a further update on progress to this Committee in May 2020.

The Committee resolved:-

- (i) to note the typographical error on page 54 at 3.2, second bullet point, which should read Early Learning and Childcare (EL&C) provision for 60 pupils;
- (ii) to note that for all new school builds, full size flood lit pitches would be accommodated where possible;
- (iii) in relation to when pupils started to be accommodated at Hazlewood School, to note that the Chief officer Corporate Landlord would confirm the date and circulate the information to the Committee via email;
- (iv) to note that a standardised approach for presenting plans for each of the schools in the future would be provided; and
- (v) to otherwise approve the recommendations contained in the report.

MILLTIMBER PRIMARY SCHOOL - RES/19/361

9. The Committee had before it a report by the Director of Resources which provided an update on the progress of Milltimber (Replacement) Primary School, following the decision of Council at its meeting on 5 March 2019 to procure appropriate works and services and to enter into any contracts necessary for the delivery of the project.

CAPITAL PROGRAMME COMMITTEE
12 September 2019

The report recommended:-

That the Committee -

- (a) note that the project formed part of the Education New Build Programme presented to the Capital Programme Committee, Strategic Commissioning Committee and City Growth and Resources Committee in September 2018 and that the project would contribute to the delivery of Aberdeen City Council's Early Learning and Childcare Expansion Programme of works;
- (b) note the current on-going works leading to an opening of the new Milltimber School in summer 2021 and
- (c) instruct the Chief Officer Capital to provide a further update on progress at this Committee in May 2020.

The Committee resolved:-

to approve the recommendations contained in the report.

TILLYDRONE PRIMARY SCHOOL - RES/19/362

10. The Committee had before it a report by the Director of Resources which provided an update on the progress of Tillydrone (Riverbank Replacement) Primary School, following the decision of Council at its meeting on 5 March 2019 to procure appropriate works and services and to enter into any contracts necessary for the delivery of the project.

The report recommended:-

That the Committee -

- (a) note that the project formed part of the Education New Build Programme presented to the Capital Programme Committee, Strategic Commissioning Committee and City Growth and Resources Committee in September 2018 and that the project would contribute to the delivery of Aberdeen City Council's Early Learning and Childcare Expansion Programme of works;
- (b) note the current on-going works leading to an opening of the Tillydrone (Riverbank Replacement) Primary School in summer 2022; and
- (c) to instruct the Chief Officer Capital to provide a further update on progress at this Committee in May 2020.

The Committee resolved:-

to approve the recommendations contained in the report.

TORRY PRIMARY SCHOOL - RES/19/365

11. The Committee had before it a report by the Director of Resources which provided an update on the progress of Torry Primary School (including Community Hub), following the decision of Council at its meeting on 5 March 2019 to procure appropriate

CAPITAL PROGRAMME COMMITTEE
12 September 2019

works and services and to enter into any contracts necessary for the delivery of the project.

The report recommended:-

That the Committee -

- (a) note that the project formed part of the Education New Build Programme presented to the Capital Programme Committee, Strategic Commissioning Committee and City Growth and Resources Committee in September 2018 and that the project would contribute to the delivery of Aberdeen City Council's Early Learning and Childcare Expansion Programme of works;
- (b) note the grant award of £2,000,000 made in respect of the Community Hub part of the project by the Regeneration Capital Grant Fund on 25 April 2019;
- (c) note the current on-going works leading to an opening of the new Torry Primary School towards the end of 2021; and
- (d) to instruct the Chief Officer Capital to provide a further update on progress at this Committee in May 2020.

The Committee resolved:-

to approve the recommendations contained in the report.

ELC - NORTHFIELD/CUMMINGSPARK NURSERY UPDATE - RES/19/280

12. The Committee had before it a report by the Director of Resources which provided an update on the progress of Northfield Cummingspark Nursery which would help meet the Council's Early Learning and Childcare Delivery Plan objectives by working with the Education Operations team to help meet the Council's commitment to expand funded early learning and childcare from 600 hours to 1,140 hours by 2020.

The report recommended:-

That the Committee -

- (a) note the update to the programme milestones and the financial implications;
- (b) note the design development update regarding the suitability of the site for development; and
- (c) instruct the Chief Officer Capital to prepare an update to this Committee in January 2020.

The Committee resolved:-

to approve the recommendations contained in the report.

ELC - SEATON NURSERY UPDATE - RES/19/281

13. The Committee had before it a report by the Director of Resources which provided an update on the progress of Seaton Nursery which would help meet the

CAPITAL PROGRAMME COMMITTEE

12 September 2019

Council's Early Learning and Childcare Delivery Plan objectives by working with the Education Operations team to help meet the Council's commitment to expand funded early learning and childcare from 600 hours to 1,140 hours by 2020.

The report recommended:-

That the Committee -

- (a) note the updates to the programme milestones and the financial implications; and
- (b) instruct the Chief Officer Capital to prepare an update to this Committee in January 2020.

The Committee resolved:-

to approve the recommendations contained in the report.

ELC - TILLYDRONE NURSERY UPDATE - RES/19/278

14. The Committee had before it a report by the Director of Resources which provided an update on the progress of Tillydrone Nursery which would help meet the Council's Early Learning and Childcare Delivery Plan objectives by working with the Education Operations team to help meet the Council's commitment to expand funded early learning and childcare from 600 hours to 1,140 hours by 2020.

The report recommended:-

That the Committee -

- (a) note the update to the programme milestones and the financial implications; and
- (b) instruct the Chief Officer Capital to prepare an update to this Committee in January 2020.

The Committee resolved:-

to approve the recommendations contained in the report.

ELC - KINGSFORD SCHOOL - RES/19/342

15. The Committee had before it a report by the Director of Resources which provided an update on the progress of Kingsford School Nursery which would help meet the Council's Early Learning and Childcare Delivery Plan objectives by working with the Education Operations team to help meet the Council's commitment to expand funded early learning and childcare from 600 hours to 1,140 hours by 2020.

The report recommended:-

That the Committee -

- (i) to note that the project formed part of the overall Aberdeen City Council's Early Learning and Childcare Expansion Programme of works; and

CAPITAL PROGRAMME COMMITTEE

12 September 2019

- (ii) to instruct the Chief Officer Capital to prepare an update to this Committee in January 2020.

The Committee resolved:-

to approve the recommendations contained in the report.

ELC - QUARRYHILL SCHOOL - RES/19/340

16. The Committee had before it a report by the Director of Resources which provided an update on the progress of Quarryhill School Nursery which would help meet the Council's Early Learning and Childcare Delivery Plan objectives by working with the Education Operations team to help meet the Council's commitment to expand funded early learning and childcare from 600 hours to 1,140 hours by 2020.

The report recommended:-

That the Committee -

- (a) note that the project formed part of the overall Aberdeen City Council's Early Learning and Childcare Expansion Programme of works; and
- (b) instruct the Chief Officer Capital to prepare an update to this Committee in January 2020.

The Committee resolved:-

to approve the recommendations contained in the report.

ELC - TULLOS SCHOOL - RES/19/344

17. The Committee had before it a report by the Director of Resources which provided an update on the progress of Tullos Nursery which would help meet the Council's Early Learning and Childcare Delivery Plan objectives by working with the Education Operations team to help meet the Council's commitment to expand funded early learning and childcare from 600 hours to 1,140 hours by 2020.

The report recommended:-

That the Committee -

- (a) note that the project formed part of the overall Aberdeen City Council's Early Learning and Childcare Expansion Programme of works; and
- (b) instruct the Chief Officer Capital to prepare an update to this Committee in January 2020.

The Committee resolved:-

to approve the recommendations contained in the report.

CAPITAL PROGRAMME COMMITTEE

12 September 2019

ELC - WESTPARK SCHOOL - RES/19/341

18. The Committee had before it a report by the Director of Resources which provided an update on the progress of Westpark School Nursery which would help meet the Council's Early Learning and Childcare Delivery Plan objectives by working with the Education Operations team to help meet the Council's commitment to expand funded early learning and childcare from 600 hours to 1,140 hours by 2020.

The report recommended:-

That the Committee -

- (a) note that the project formed part of the overall Aberdeen City Council's Early Learning and Childcare Expansion Programme of works; and
- (b) instruct the Chief Officer Capital to prepare an update to this Committee in January 2020.

The Committee resolved:-

to approve the recommendations contained in the report.

ELC - WOODSIDE SCHOOL - RES/19/343

19. The Committee had before it a report by the Director of Resources which provided an update on the progress of Woodside School Nursery which would help meet the Council's Early Learning and Childcare Delivery Plan objectives by working with the Education Operations team to help meet the Council's commitment to expand funded early learning and childcare from 600 hours to 1,140 hours by 2020.

The report recommended:-

That the Committee -

- (a) note that the project formed part of the overall Aberdeen City Council's Early Learning and Childcare Expansion Programme of works; and
- (b) instruct the Chief Officer Capital to prepare an update to this Committee in January 2020.

The Committee resolved:-

to approve the recommendations contained in the report.

- **COUNCILLOR MARIE BOULTON, Convener**

CAPITAL PROGRAMME COMMITTEE
12 September 2019

	A	B	C	D	E	F	G	H	I
1	CAPITAL PROGRAMME COMMITTEE BUSINESS PLANNER The Business Planner details the reports which have been instructed by the Committee as well as reports which the Functions expect to be submitting for the calendar year.								
2	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
3			14 November 2019						
4	South College Street	To report on the progress of the delivery of the South College Street Corridor Improvement Project.		Alan McKay	Capital	Resources	Remit 1.1	D	A report was presented to the City Growth and Resources Committee in September 2019. At this stage there is not an update on progress. It is proposed that a report be provided in March 2020.
5	Wellheads Housing Development	To provide an update to Committee in relation to the Wellheads Housing Development	a report is on the agenda	John Wilson	Capital	Resources	Remit 1.1		
6	ELC - Duthie Park	to update the committee on the progress of Duthie Park. This project will help meet Aberdeen City Council's Early Learning and Childcare Delivery Plan objectives by working with the Education Operations teams to help meet the Scottish Governments commitment to expand funded early learning and childcare from 600 hours to 1140 hours by 2020.		Colin Kemp	Capital	Resources	Remit 1.1	D	Design development/planning consultation now complete. Propose to include this report in January with the other ELC reports.
7	Summerhill Housing Development	Capital Programme Committee 3 June 2019 to instruct the Chief Officer Capital to provide a further update on progress at the next Capital Committee in September 2019.	a report is on the agenda	John Wilson	Capital	Resources	Remit 1.1		
8	TECA	Capital Programme Committee 3 June 2019 to instruct the Chief Officer Capital to provide a further update on progress at the next Capital Committee in September 2019.	a report is on the agenda	Andrew Win	Capital	Resources	Remit 1.1		
9	Housing Programme Strategic Planning Progress Report	To update the Committee on the progress of works being undertaken as part of Aberdeen City Council's directly delivered new build Council housing sites and	a report is on the agenda	John Wilson	Capital	Resources	Remit 1.1		
10	Queen Street Project	To report on the progress of the delivery of the Queen Street Project.		Sandy Beattie	Strategic Place Planning	Place	Remit 1.1	D	As the Queen Street update will include the business case for the replacement mortuary this report will need to go to City Growth and Resources Committee as it includes financial information.
11			22 January 2020						
12	Torry Heat Network	To report on the progress of the delivery of the Torry Heat Network Project.		Bill Watson	Capital	Resources	Remit 1.1		
13	Energy From Waste	To report on the progress of the delivery of the Energy from Waste Project.		John Wilson	Capital	Resources	Remit 1.1		
14	Union Terrace Gardens	to provide an update on progress on the delivery of the project.		Tara Gavan	Capital	Resources	Remit 1.1		

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
			18 November 2020						
35									
36	Aberdeen Art Gallery	Capital programme Cttee - 12/09/19 (iii) to instruct the Chief Officer Corporate Landlord in consultation with the Chief Officer Capital and Chief Officer City Growth to provide a post evaluation report to this Committee providing details on the delivery of the desired outcomes identified within the approved business case within 12 months of post opening		John Wilson	Capital	Resources	Remit 1.1		
37			TBC						
38	Review of Community Facilities in Garthdee - NOM Cllrs Yuill and Townson	Council 15/03/17 referred the terms of the motion to Communities, Housing and Infrastructure Committee. "In light of the Administration's commitment to build 2,000 houses by 2022, to instruct the Interim Director of Communities, Housing and Infrastructure to bring forward to the earliest committee a further report on the feasibility of the Council investing in Council housing on the site of the Kaimhill Outdoor Sports Centre". Capital Programme Committee 12/09/18 The Committee agreed to separate the issues into two entries. The second report will be to address the use of the former outdoor centre for council houses. This will be addressed in the detailed proposals for 200 houses in due course.		Stephen Booth	Corporate Landlord/ Early Intervention and Community Empowerment	Resources/ Customer	Remit 1.1		

This page is intentionally left blank

ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme
DATE	14 th November 2019
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Housing Programme Strategic Planning Progress Report
REPORT NUMBER	RES/19/417
DIRECTOR	Steven Whyte, Director of Resources
CHIEF OFFICER	John Wilson, Chief Officer, Capital
REPORT AUTHOR	John Wilson, Chief Officer, Capital
TERMS OF REFERENCE	1.1

1. PURPOSE OF REPORT

- 1.1 To update the Committee on the progress of works being undertaken as part of Aberdeen City Council's directly delivered new build Council housing sites and developer led schemes.
- 1.2 Council led sites referred to throughout include Craighill, Kincorth, Tillydrone, Greenferns and Greenferns Landward.
- 1.3 Specific developer led sites are yet to be determined.

2. RECOMMENDATION(S)

That the Committee:

- 2.1 Notes the progress achieved in the social housing programme.

3. BACKGROUND

Project Introduction

- 3.1 At its budget meeting on 6 March 2018 the Council resolved, "to instruct the Director of Resources to report back to the City Growth and Resources

Committee on 19 June 2018 with business cases for the delivery of 2,000 Council houses in conjunction with private developers, as appropriate, working within an affordable capital investment sum of £250 million and that each business case must demonstrate the long term affordability and sustainability of the Council’s Housing Revenue Account.”

3.2 At its meeting on 23 May 2018, this Committee agreed to proceed with various sites as a Council house programme to increase the number of new build social housing units across the city based on the current design proposals and that this be added to the capital programme.

To date the council has:

- Delivered 179 units at Smithfield and Manor Walk
- Purchased 4 units through the buy-back scheme;
- A further 37 No. units which are being purchased through the buy-back scheme are being processed by legal;
- Discussions/interests for the purchase of approximately a further 86 No units through the buy-back scheme are currently on-going with 3rd parties.
- Has entered into 2 contracts (Summerhill and Wellheads) to deliver 652 units. Both of these projects are reported separately to this committee.

3.3 The procurement strategy is being developed in alignment with the visioning work and the aim is to go back to the market to develop sites within our ownership as well as developer owned sites.

Works Proposals

3.4 In relation to the sites currently within the Council’s ownership, work is progressing to undertake the necessary surveys and investigations to support design development.

3.5 House/flat specifications are being developed to align with Housing Management and Building Services requirements. It has been agreed that all homes should be flexible and all developments should be future-proofed and comply with Housing for Varying Needs standards. Standard house types are being developed to ensure quality is consistent across the programme.

3.6 The designs of the housing/flat types takes cognisance of resources associated with ongoing maintenance.

Current Status

3.7 A high-level programme will be drafted for review with stakeholders in due course, key target dates are as follows:

Activity	Target Start Date	Status
Demolition at Kincorth (old Kincorth Academy)	Spring 2019	Completed
Greenferns Strategy Workshop	Summer 2019	Completed

Craighill/Tillydrone/Kincorth design to be developed	Winter 2019	Ongoing
Site surveys to be undertaken	Winter 2019	Awaited

- 3.8 Feasibility studies are being developed for each project by Aberdeen Heat and Power to consider the incorporation of a Combined Heat and Power system for each site. This change from individual combi-gas boilers will make a major contribution to carbon reductions and additional savings in terms of life-cycle costs and help address challenges of fuel poverty.
- 3.9 A Business Case will be developed based on the individual project costs based on the final design. The Business Cases are required to demonstrate viability and funding proposals for each project. An approach will be made to the Scottish Government for Housing Association Grant (HAG) funding support.
- 3.10 Procurement of design teams for each project will be undertaken over the coming months.
- 3.11 Applications will be made to the Scottish Government for Housing Infrastructure Funding to support with infrastructure costs on each project where applicable. Officers will also target alternative funding for “green initiatives” which can then be incorporated into future developments.
- 3.12 A Project Brief for Craighill is under review and awaiting approval. Project Briefs for the remaining Council delivered sites are currently being drafted.
- 3.13 Engagement sessions have been held with 14 potential development partners to establish viability of development on proposed sites. The Invitation to Tender (ITT) documentation is currently being revised in readiness for a renewed procurement exercise.

Interdependencies update

- 3.14 There are no interdependencies on the programme at this time.

4. FINANCIAL IMPLICATIONS

- 4.1 Outline Business Cases will be developed for each site once budget and costs have been determined.
- 4.2 The total project costs will be supported by funding from the following sources, with details to be confirmed in individual business cases:
- (a) Public Works Loan Board borrowing
 - (b) Second homes Council tax discount
 - (c) Developer contributions for affordable housing
 - (d) Scottish Government and other funding sources (to be applied for)

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

Key Risks for Initial Construction Activities

- 6.1 Project briefs are currently being developed and therefore specific programme challenges are yet to be established in detail.
- 6.2 Procurement process may provide limited options for Contractors, potentially limiting value for money and achieving competitive tenders.
- 6.3 The evaluation of the financial/funding model(s) of the developer ITT requires to be robust and transparent to mitigate risk of challenge.

	Risk	Low (L), Medium (M), High (H)	Mitigation
Commercial	Limited Contractor bids may impact project budget and value for money.	H	Ensure thorough procurement process - Review of current ITT documents is ongoing to develop a document which should encourage multiple tender returns.
Financial	The Financial/ Funding Section of the Developer ITT may be too onerous and could limit developers' responses.	M	The ITT document must be drafted to ensure competitive and compliant submissions are received and that the evaluation methodology ensures an objective de-selection approach.
Financial	The Employers' Requirements do not fully capture the Council's technical and operational requirements.	M	Alignment with the Local Outcome Improvement Plan, Council Policies and stakeholder engagement will develop a robust set of Employers' Requirements.

7. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous Economy	The construction programme for new Council housing will support the local economy, employment and training during a period of relative subdued construction activity, especially in the housing and commercial sectors.
Prosperous People	The Council is committed to improving the key life outcomes of all people in Aberdeen City. The availability of affordable housing contributes to this objective by providing choice and opportunities which would otherwise not be available.
Prosperous Place	The Council is committed to ensuring that Aberdeen is a welcoming place to invest, live and visit and operate to the highest environmental standards. The availability of affordable housing contributes to this objective.

Design Principles of Target Operating Model	
	Impact of Report
Customer Service Design	Tenant consultation does align to networking, communication and learning opportunities that support customer service design e.g. early intervention and prevention, data management and are aligned to good customer service.
Organisational Design	This promotes quality relationships between tenants and the Council - a landlord. 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 HRA account.
Workforce	Housing Revenue Account should align with workforce principles e.g. flexibility and empowerment.
Process Design	Housing Revenue Account should be effective in enabling the most efficient method to provide housing to the 22,000 tenancies.
Technology	Housing Revenue Account priorities should maximise effective use of technology.
Partnerships and Alliances	Housing Revenue Account priorities should maximise the opportunity benefit of partnering e.g. rapid rehousing.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	An Equality and Human Rights Impact Assessment (EHRIA) in connection with the Council housing building programme has been carried out on 11.4.2018 based on report no RES/18/006.
Data Protection Impact Assessment	Privacy impact assessment (PIA) screening has been undertaken and a PIA is not necessary.
Duty of Due Regard / Fairer Scotland Duty	The new Council House Building Programme will improve and increase choices for households in meeting their housing needs in this sector of the housing market.

9. BACKGROUND PAPERS

- 9.1 Council 6 March 2018: Draft Housing Revenue Account Budget and Housing Capital Budget 2018/19 to 2022/23: report no CG/18/030.
- 9.2 Capital Programme 23 May 2018: Shaping Aberdeen Housing LLP – Referral from City Growth and Resources: report no RES/18/006.
- 9.3 Council 5 March 2019: Housing Revenue Account Budget 2019/20: report no RES/19/202.

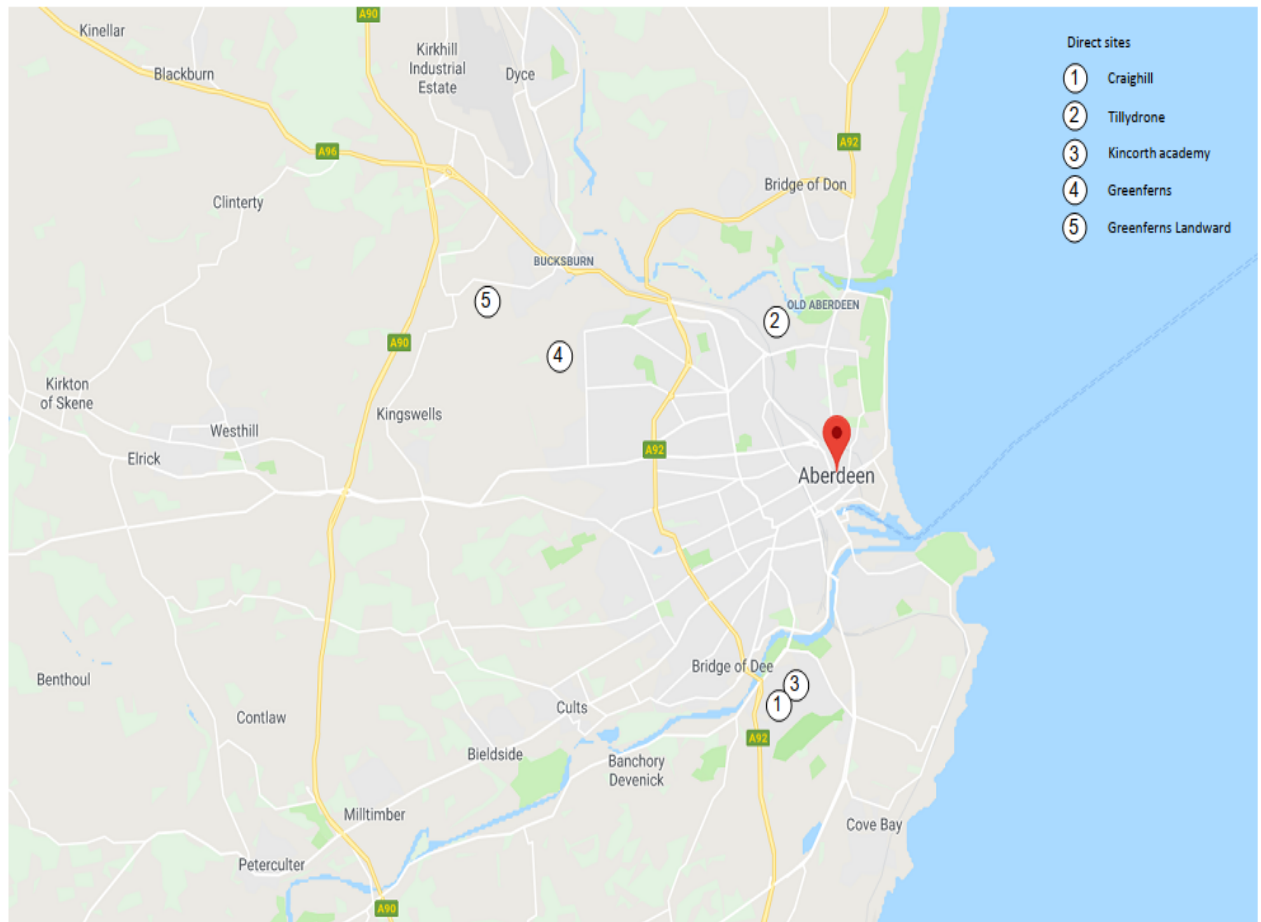
10. APPENDICES (if applicable)

Appendix 01: Location Map

11. REPORT AUTHOR CONTACT DETAILS

Name	John Wilson
Title	Chief Officer, Capital
Email Address	JohnW@aberdeencity.gov.uk
Tel	01224 523629

Appendix 01: Location Map



ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme
DATE	14 th November 2019
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Summerhill New Build Housing Progress Report
REPORT NUMBER	RES/19/276
DIRECTOR	Steven Whyte, Director of Resources
CHIEF OFFICER	John Wilson, Chief Officer, Capital
REPORT AUTHOR	John Wilson, Chief Officer, Capital
TERMS OF REFERENCE	1.1

1. PURPOSE OF REPORT

To update the Committee on the progress of works being undertaken at Summerhill new build Council housing project.

2. RECOMMENDATION(S)

That the Committee:

- 2.1 Notes the progress achieved in the housing project at Summerhill.

3. BACKGROUND

Project Introduction

- 3.1 At its budget meeting on 6 March 2018 the Council resolved, “to instruct the Director of Resources to report back to the City Growth and Resources Committee on 19 June 2018 with business cases for the delivery of 2,000 Council houses in conjunction with private developers, as appropriate, working within an affordable capital investment sum of £250 million and that each business case must demonstrate the long term affordability and sustainability of the Council’s Housing Revenue Account.”
- 3.2 At its meeting on 23 May 2018, this Committee agreed to proceed with the Summerhill site as a Council house build project to deliver 369 homes

consisting of 1,2 and 3 bedroomed flatted apartments for social rent based on the current design proposals and that this be added to the capital programme.

- 3.3 The Council at its Budget Meeting on 5 March 2019 gave approval for the Chief Officer – Capital, to award the contract for the Summerhill procurement to develop the site as detailed in the report.
- 3.4 The Summerhill project will set the standard for the Council's new build housing programme providing an enhanced living environment and improved choice for local people.

Procurement

- 3.5 Following on from the last report to Committee on 3 June 2019 a Letter of Intent was issued to Chap Group (Aberdeen) Ltd (the Contractor) on 28th June 2019 to allow the commencement of the offsite Denburn Culvert works and site setup/clearance by the Contractor.
- 3.6 A further Letter of Intent was issued to the Contractor on 9 August 2019 to enable initial preparatory works to continue.
- 3.7 The contract was subsequently awarded on 13 September 2019.

Works

- 3.8 The offsite Denburn Culvert works encompass a new drainage culvert being laid from the proposed Summerhill site southwards along Stronsay Drive to a new outfall at the North Burn of Rubislaw. This was originally planned to be taken forward as a separate contract.
- 3.9 The drainage offsite works are required as part of the planning conditions prior to Section 1 of the units being occupied, therefore there was benefit in facilitating and concluding these works early in the overall project's delivery programme.
- 3.10 The majority of the new culvert works are now well advanced with the Contractor making use of the summer school holiday period when traffic flows were lighter. This helped minimise the impact of the roadworks on the local community.
- 3.11 Completion of these works is anticipated in the coming months.
- 3.12 The Design Team has identified an opportunity to re-use the existing stockpile of materials. The engineer has confirmed the suitability of material to be reused across the site. Officers will work with the Contractor to minimise the amount of material that has to go off-site.
- 3.13 The Contractor has commenced key supply chain procurement to progress key activities including timber kit design and groundworks.
- 3.14 The Contractor has awarded key works packages and is progressing with activities including site clearance, site access and substructure works.

Current Status

Phasing

- 3.15 Indicative programme milestones throughout the delivery will be determined by the Contractor's finalised programme, however final stage completion dates cannot be confirmed because the council will have to ensure these dates are staggered to avoid a large volume of properties coming on to the council tax register at one time.



Activity	Target Start Date	Status
Offsite culvert works	Summer 2019	Ongoing
Issue second Letter of Intent	Summer 2019	Completed
Site clearance commencing	Autumn 2019	Ongoing
Let full Contract	Autumn 2019	Completed
Site start	Autumn 2019	Commenced
Section 1 (Blocks 1, 2 and 5)	Winter 2019/2020	Awaited

Section 2 (Blocks 3, 4 and 6)	Spring 2020	Awaited
Section 3 (Blocks 7 and 8)	Spring 2021	Awaited

- 3.16 The indicative programme incorporates three Sectional Completion dates to provide Aberdeen City Council (ACC) with a phased release of housing units. Sectional Completion dates are anticipated as shown in the following table:

Activity	Completion Date	No. of Units
Offsite Culvert Works	Early Winter 2019	N/A
Section 1	Winter 2021/ 2022	128 units
Section 2	Summer 2022	128 units
Section 3	TBC	113 units

Combined Heat & Power

- 3.17 During the procurement process an opportunity was identified with Aberdeen Heat and Power to incorporate a Combined Heat & Power (CHP) system in lieu of individual domestic gas boilers.
- 3.18 The inclusion of this proposal will make a major contribution to carbon reductions and additional savings in terms of life cycle costs, whilst supporting the Council's drive to reduce fuel poverty across the city and minimise carbon footprint in line with the Strategic Housing Investment Plan.
- 3.19 Work is now underway to update the construction drawings incorporating the change from individual combi-gas boilers to a Combined Heat and Power solution.

Interdependencies update

- 3.20 As noted above the project includes a new culvert connection to the Denburn and this work is in hand and should not cause the main works any issues.
- 3.21 The contract parties will discuss and work closely with the heating contractor to ensure work does not impinge on overall project delivery.

4. FINANCIAL IMPLICATIONS

- 4.1 As noted in the June 2019 report, a single tender was submitted to the Council and since then design has been developed in order to achieve financial viability.
- 4.2 A large number of Value Engineering workshops were held in order to align the project with the overall funds within the project's Business Case.

- 4.3 An approach has been made to the Scottish Government for Housing Association Grant (HAG) funding to support with overall costs.
- 4.4 An expression of interest form has been submitted as part of the application process to obtain grants from the Housing Infrastructure Fund. If successful, this fund will contribute to infrastructure costs on the project to assist with the development of infrastructure on and around the site.
- 4.5 The construction costs include introduction of a Combined Heat & Power system and Denburn Culvert offsite drainage works.

The overall business case gross budget of £56.8m has been approved by ACC.

Gross Budget	Spend to date
£56.8m	£3.8m

- 4.6 The spend to date includes costs outlined in the first Letter of Intent which was predominantly related to the offsite drainage works.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

Key Risks for Initial Construction Activities

	Risk	Low (L), Medium (M), High (H)	Mitigation
Programme	Unidentified site constraints encountered	M	F&G will supervise site activities and highlight any issues.
Time	Delay to Statutory Approvals	M	F&G monitoring progress and liaising with parties
Design	Combined Heating & Power Design/Programme	M	F&G monitoring progress and liaising with parties.
Programme	Inclement weather	M	Monitor and plan the works taking cognisance of the likelihood of bad weather,

			especially during the winter months.
Programme	Supply chain insolvency/liquidation	M	Building Contractor to ensure financial checks of supply chain.

7. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous Economy	The construction programme for new Council housing will support the local economy, employment and training during a period of relative subdued construction activity, especially in the housing and commercial sectors.
Prosperous People	The Council is committed to improving the key life outcomes of all people in Aberdeen City. The availability of affordable housing contributes to this objective by providing choice and opportunities which would otherwise not be available.
Prosperous Place	The Council is committed to ensuring that Aberdeen is a welcoming place to invest, live and visit and operate to the highest environmental standards. The availability of affordable housing contributes to this objective.

Design Principles of Target Operating Model	
	Impact of Report
Customer Service Design	Tenant consultation does align to networking, communication and learning opportunities that support customer service design e.g. early intervention and prevention, data management and are aligned to good customer service.

Organisational Design	This promotes quality relationships between tenants and the Council - a landlord. 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 HRA account.
Workforce	Housing Revenue Account should align with workforce principles e.g. flexibility and empowerment.
Process Design	Housing Revenue Account should be effective in enabling the most efficient method to provide housing to the 22,000 tenancies.
Technology	Housing Revenue Account priorities should maximise effective use of technology.
Partnerships and Alliances	Housing Revenue Account priorities should maximise the opportunity benefit of partnering eg. rapid rehousing.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	An Equality and Human Rights Impact Assessment (EHRIA) in connection with the Council housing building programme has been carried out on 11.4.2018 based on report no RES/18/006.
Data Protection Impact Assessment	Privacy impact assessment (PIA) screening has been undertaken and a PIA is not necessary.
Duty of Due Regard / Fairer Scotland Duty	The new Council House Building Programme will improve and increase choices for households in meeting their housing needs in this sector of the housing market.

9. BACKGROUND PAPERS

- 9.1 Council 6 March 2018: Draft Housing Revenue Account Budget and Housing Capital Budget 2018/19 to 2022/23: report no CG/18/030.
- 9.2 Capital Programme 23 May 2018: Shaping Aberdeen Housing LLP – Referral from City Growth and Resources: report no RES/18/006.
- 9.3 Council 5 March 2019: Housing Revenue Account Budget 2019/20: report no RES/19/202.

10. APPENDICES

Appendix 1 Location Map

Appendix 2 Site Layout

11. REPORT AUTHOR CONTACT DETAILS

Name	John Wilson
Title	Chief Officer, Capital
Email Address	JohnW@aberdeencity.gov.uk
Tel	01224 523629

Appendix 1 Location Map



Appendix 2 Site Layout



This page is intentionally left blank

ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme
DATE	14 th November 2019
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Wellheads Road New Build Housing Progress Report
REPORT NUMBER	RES/19/367
DIRECTOR	Steven Whyte, Director of Resources
CHIEF OFFICER	John Wilson, Chief Officer, Capital
REPORT AUTHOR	John Wilson, Chief Officer, Capital
TERMS OF REFERENCE	1.1

1. PURPOSE OF REPORT

- 1.1 To update the Committee on the progress of the Wellheads Road new build Council housing project.

2. RECOMMENDATION(S)

That the Committee:

- 2.1 Notes the progress achieved in the procurement of new build Council housing project at Wellheads Road.

3. BACKGROUND

Project Introduction

- 3.1 At its budget meeting on 5 March 2019 the Council resolved to approve funding for the delivery of the works and associated services for the capital programme for the financial year 2019/20 for the Dyce/Wellheads site, and delegated authority to the Director of Resources, following consultation with the Convener of the City Growth and Resources Committee and the Head of Commercial and Procurement Services, to consider and approve business cases (including estimated expenditures) for the purposes of Procurement Regulation 4.1.1 and thereafter to procure appropriate works and services, and enter into any contracts necessary for the delivery of the projects without the need for further approval from any other committee of the Council subject to due diligence, consistency with the financial model and affordability.
- 3.2 Wellheads Road will be the first developer led scheme undertaken to contribute to the Council's new build housing programme, providing an enhanced living environment and improved choice for local people. It was also a significant demonstration of the Council's intent to partner with the private sector to contribute to the delivery of 2000 new homes.

Procurement

- 3.3 Planning permission was granted for the site in February 2019
- 3.4 A Development Agreement was subsequently agreed between Aberdeen City Council and Ogilvie Group Developments Ltd. (Principal Contractor) who will provide a development comprising of four blocks of flats offering 283 units, with a mix of one, two and three bedroom flats.
- 3.5 The Principal Contractor took possession of the site in September 2019.

Current Status

- 3.6 Construction activities have commenced on site with the site setup and bulk earthworks predominantly complete, substructure works have commenced.
- 3.7 The construction programme incorporated within the Development Agreement details target start dates, however final stage completion dates cannot be confirmed because the council will have to ensure these dates are staggered to avoid a large volume of properties coming on to the council tax register at one time. Phased delivery plan as outlined below:

Activity	Target Start Date
Execution of Contract	Completed
Mobilisation	Ongoing
Block 4	Autumn 2019
Block 3	Autumn 2019
Block 2	Winter 2019
Block 1	Winter 2020

- 3.7 The construction programme incorporates four Sectional Completion dates which will provide a phased release of housing units. Sectional Completion dates are as follows, see table below:

Block 4	Spring 2021	67 Units
Block 3	Autumn 2021	83 units
Block 2	Winter 2021	77 units
Block 1	TBC	56 units

Headlines/Key issues of the moment

- 3.8 During the procurement process an opportunity was identified with Aberdeen Heat and Power to incorporate a Combined Heat & Power (CHP) system in lieu of individual domestic gas boilers. A cost estimate is awaited.
- 3.9 The inclusion of this proposal will make a major contribution to carbon reductions and additional savings in terms of life cycle costs, whilst supporting the Council's drive to reduce fuel poverty across the city and minimise carbon footprint in line with the Strategic Housing Investment Plan.
- 3.10 A Business Case has been developed based on the gross project costs which demonstrates viability of the project. An approach will be made to the Scottish Government for Housing Association Grant (HAG) funding to support with overall costs in due course.
- 3.11 An expression of interest form has been submitted to the Scottish Government as part of the application process to obtain grants from the Housing Infrastructure Fund. These funds would contribute to infrastructure costs within the project to assist with the development of infrastructure on and around the site.
- 3.12 The Development Agreement was signed in July 2019, a Design & Build contract was entered into, limiting the risk held by the Council.

Interdependencies Update

- 3.13 The contract parties will discuss and work closely with the heating contractor to ensure work does not impinge on overall project delivery.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the recommendations of this report.
- 4.2 The total project cost is supported by funding from the following sources:
 - (a) Public Works Loan Board borrowing
 - (b) Second homes Council tax discount
 - (c) Developer contributions for affordable housing
 - (d) Scottish Government funding (to be applied for)

Gross Budget	Spend to date
£44.2m	£8.04m

- 4.3 The spend to date includes land acquisition, development fees, legal costs, design development fees, site investigations.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

Key Risks for Initial Construction Activities

	Risk	Low (L), Medium (M), High (H)	Mitigation
Programme	Unidentified site constraints encountered	M	F&G will monitor site activities and highlight any issues.
Time	Delay to Statutory Approvals	M	F&G monitoring progress and liaising with parties
Design	Combined Heating & Power Design/Programme	M	F&G monitoring progress and liaising with parties.
Programme	Inclement weather	M	Monitor and plan the works taking cognisance of the likelihood of bad weather, especially during the winter months.
Programme	Supply chain insolvency/liquidation	M	Building Contractor to ensure financial checks of supply chain.

7. OUTCOMES

Local Outcome Improvement Plan Themes	Impact of Report
Prosperous Economy	The construction programme for new Council housing will support the local economy, employment and training during a period of relative subdued construction activity, especially in the housing and commercial sectors.
Prosperous People	The Council is committed to improving the key life outcomes of all people in Aberdeen City. The availability of affordable housing contributes to this objective by providing choice and

	opportunities which would otherwise not be available.
Prosperous Place	The Council is committed to ensuring that Aberdeen is a welcoming place to invest, live and visit and operate to the highest environmental standards. The availability of affordable housing contributes to this objective.

Design Principles of Target Operating Model	
	Impact of Report
Customer Service Design	Tenant consultation does align to networking, communication and learning opportunities that support customer service design e.g. early intervention and prevention, data management and are aligned to good customer service.
Organisational Design	This promotes quality relationships between tenants and the Council - a landlord. 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 HRA account.
Workforce	Housing Revenue Account should align with workforce principles e.g. flexibility and empowerment.
Process Design	Housing Revenue Account should be effective in enabling the most efficient method to provide housing to the 22,000 tenancies.
Technology	Housing Revenue Account priorities should maximise effective use of technology.
Partnerships and Alliances	Housing Revenue Account priorities should maximise the opportunity benefit of partnering e.g. rapid rehousing.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	An <u>Equality and Human Rights Impact Assessment (EHRIA)</u> in connection with the Council housing building programme has been carried out on 11.4.2018 based on report no RES/18/006.
Data Protection Impact Assessment	Privacy impact assessment (PIA) screening has been undertaken and a PIA is not necessary.
Duty of Due Regard / Fairer Scotland Duty	The new Council House Building Programme will improve and increase choices for households in meeting their housing needs in this sector of the housing market.

9. BACKGROUND PAPERS

- 9.1 Council 6 March 2018: Draft Housing Revenue Account Budget and Housing Capital Budget 2018/19 to 2022/23: report no CG/18/030.
- 9.2 Capital Programme 23 May 2018: Shaping Aberdeen Housing LLP – Referral from City Growth and Resources: report no RES/18/006.
- 9.3 Council 5 March 2019: Housing Revenue Account Budget 2019/20: report no RES/19/202.

10. APPENDICES (if applicable)

- 10.1 Appendix 1: Location Map
- 10.2 Appendix 2: Site Map

11. REPORT AUTHOR CONTACT DETAILS

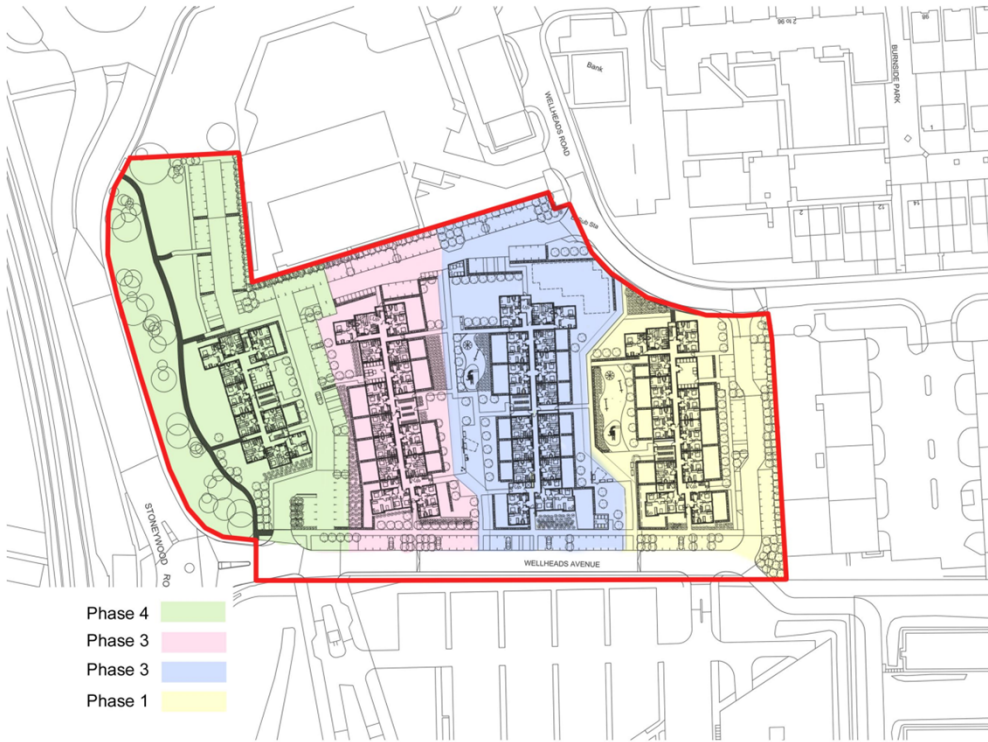
Name John Wilson
Title Chief Officer, Capital
Email Address JohnW@aberdeencity.gov.uk
Tel 01224 523629

Appendix 1 – Location Map



Appendix 2 Site Layout





- Phase 4
- Phase 3
- Phase 3
- Phase 1

HALLIDAY FRASER MUNRO
 CONSULTING ARCHITECTS PLANNERS ENGINEERS LANDSCAPE ARCHITECTS
 1000111 1000112 1000113 1000114 1000115 1000116 1000117 1000118 1000119 1000120



Residential Development, Wellheads Drive, Aberdeen
 Planning Plan
 Scale: 1:500 @A1
 Date: January 2019
 Dwg No: 10811-060208_A

This page is intentionally left blank

ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme Committee
DATE	14 November 2019
EXEMPT	No
CONFIDENTIAL	TBC
REPORT TITLE	The Event Complex Aberdeen Project Update
REPORT NUMBER	RES/19/277
DIRECTOR	Steve Whyte
CHIEF OFFICER	John Wilson
REPORT AUTHOR	Scott Ramsay
TERMS OF REFERENCE	1.1

1. PURPOSE OF REPORT

- 1.1 To report the progress of The Event Complex Aberdeen (TECA) project, including milestones achieved to date, next steps and to summarise risks associated with the project.

2. RECOMMENDATIONS

That Committee: -

- 2.1 note the milestones achieved to date for the project;
- 2.2 note the financial update for the project; and
- 2.3 note the risks associated with the project

3. BACKGROUND

- 3.1 TECA is a key element of business infrastructure needed to promote Aberdeen as a World Energy City and the Energy Capital of Europe. The development has been identified as a key project in the Regional Economic Strategy.
- 3.2 The TECA development provides: -
 - A new exhibition and conference centre that consist of a 12,500 capacity Arena, 6000 square metres (sq.m) of conferencing and meeting room

space, 48,000 sq.m of flexible exhibition space, restaurant, 7 food and beverage outlets and 16 VIP boxes;

- A 200 bed 4-star Hilton hotel;
- A 150 bed 3½ -star Aloft by Marriot hotel;
- An Onsite Energy Centre;
- An Anaerobic Digestion Gas to Grid facility

3.4 The TECA construction works began on 4th July 2016, with a build programme of three years, and was completed on 2nd August 2019. During this period HBD and Robertson were contractually obligated to deliver the development's sections to the following dates: -

- Hotel One, Burn Corridor and Associated Infrastructure by 22 May 2019;
- Hotel B and Car Park by 29 May 2019;
- the Sub-T and Road Network by 20 May 2019;
- the P&J Live building by 30 June 2019; and
- the Above Ground Car Park Section by 2 August 2019.

3.5 In August 2019 a number of test events were successfully carried out at P&J Live which permitted the public to test the facilities. In September 2019 there has been numerous events held at P&J Live covering a number of genres including entertainment, banqueting, exhibitions and conferences. One of the events was SPE Offshore Europe 2019 which has been classed as the best attended OE event since 2013.

3.6 Overall all the events have been received positively by the general public, event organisers, operators, sponsors and the press. A full programme of upcoming events can be found at www.teca.co.uk

3.7 The Anaerobic Digestion Gas to Grid Facility (AD Plant) is being built by Thöni Industriebetriebe. Works started in March 2019 and is scheduled to be completed in December 2019 to ensure commissioning and gas injection into the grid by the end of January 2020.

4. FINANCIAL IMPLICATIONS

4.1 The financial profile for the TECA project has been reviewed to recognise the overall gross expenditure for the project. The net funding was within the financial commitment approved by the Council, and updated in the Council Financial Performance – Quarter 2 2019/20 Report to City Growth & Resources Committee.

4.2 The final expenditure can only be confirmed once all the project works are complete and the Chief Officer Capital shall provide a full financial outturn as part of the post project evaluation.

Gross Budget	Spend to date
£424.64m	£390.85m

5. LEGAL IMPLICATIONS

- 5.1 The Council has entered into two hotel franchise agreements with Hilton and Marriot, as well as a hotel management agreement with Redefine BDL. The Council has also agreed a concession contract with SMG Europe to operate the P&J Live building management and an operation and management contract with FES FM to run the site's energy centre. These contracts place obligations on the Council regarding contract notification, insurance provision and pre-opening activities, which are dependent on the completion dates as described in paragraph 3.4. Officers with legal and commercial and procurement services are supporting to ensure that these obligations are managed.
- 5.2 Offshore Europe was held at the new venue between the 3-6 September 2019. SMG Europe and REED International have entered into a long-term agreement to continue holding the event in Aberdeen.

6. MANAGEMENT OF RISK (Applicable to AD Plant)

	Risk	Low (L), Medium (M), High (H)	Mitigation
Financial	Delay in construction programme	M	Penalty clauses are installed in the fixed price construction contract which will incentivise the contractor to remain on time.
Legal	Delay in contraction programme impacting on operation dates	L	Officer's actively monitor the programme and communicate project updates to the board.
Employee	None		
Customer	Poor communications internally and externally	L	Regular updates and meetings carried out with appropriate officers with monthly programme status reports provided to the Strategic Asset and Capital Board. A communication project team has been established to keep partners and stakeholders informed of key milestones and decisions.

Environment	None		
Technology	None		
Reputational	None		

7. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous Economy	The TECA development is a key part of the Regional Economic Strategy and forms part of the objective to help diversify the economy in North east Scotland and promote a prosperous economy.
Prosperous People	The variety of new events and conferences which the TECA development will attract will benefit the people that live in Aberdeen.
Prosperous Place	Creating a place in which people like to live and work is key to a prosperous place. The TECA development will enable a variety of new events and conferences and will promote Aberdeen internationally as a destination for business visitors and tourists.

Design Principles of Target Operating Model	
	Impact of Report
Partnerships and Alliances	Positive – strengthening partnerships with key stakeholders to deliver services forms part of delivering the TOM.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	A full EHRIA is not required
Data Protection Impact Assessment	Not Required
Duty of Due Regard / Fairer Scotland Duty	Not Applicable

9. BACKGROUND PAPERS

Full Council (October 2013) - EPI/13/365

Full Council (May 2014) – EPI/14/077

Full Council (March 2015) – CHI/14/045

Full Council (May 2016) - CHI/16/106

Finance, Policy & Resources (September 2017) - CHI/17/228

Capital Programme Committee (June 2019) - RES/19/277

10. REPORT AUTHOR CONTACT DETAILS

Scott Ramsay

Senior Project Officer

sramsay@aberdeencity.gov.uk

01224 523463

This page is intentionally left blank