

# Public Document Pack



To: Councillor Boulton, Convener; Councillor Lumsden, Vice-Convener; and Councillors Graham, Laing, MacKenzie, McLellan, McRae, Audrey Nicoll and Yuill.

Town House,  
ABERDEEN 9 November 2020

## **CAPITAL PROGRAMME COMMITTEE**

The Members of the **CAPITAL PROGRAMME COMMITTEE** are requested to meet in **Council Chamber, Town House** on **WEDNESDAY, 18 NOVEMBER 2020 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 5 - 6)

#### **DEPUTATIONS**

4.1 Deputations where requested

## **MINUTES OF PREVIOUS MEETING**

- 5.1 Minute of Previous Meeting of 23 September 2020 (Pages 7 - 10)

## **COMMITTEE BUSINESS PLANNER**

- 6.1 Committee Planner (Pages 11 - 12)

## **NOTICES OF MOTION**

- 7.1 Notices of Motion

## **COMMITTEE BUSINESS**

### **Councils Capital Programme**

- 8.1 NESS Energy Project - RES/20/192 (Pages 13 - 18)
- 8.2 South College Street Junction Improvements Project Progress Report - RES/20/195 (Pages 19 - 28)
- 8.3 Union Terrace Gardens - RES/20/206 (Pages 29 - 40)
- 8.4 Provost Skene's House Progress Report - RES/20/207 (Pages 41 - 46)
- 8.5 Replacement Riverbank Primary School - Progress Report - RES/20/202  
(Pages 47 - 54)
- 8.6 Replacement Milltimber Primary School- Progress Report - RES/20/205  
(Pages 55 - 62)
- 8.7 Torry Community Hub and Primary School - Progress Report - RES/20/203  
(Pages 63 - 70)
- 8.8 ELC Programme Expansion Project - RES/20/208 (Pages 71 - 82)

## **EXEMPT / CONFIDENTIAL BUSINESS**

- 9.1 If required

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

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

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## **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, 23 September 2020. Minute of Meeting of the CAPITAL PROGRAMME COMMITTEE. Present:- Councillor Boulton, Convener; Councillor Lumsden, Vice-Convener; and Councillors Graham, Laing, MacKenzie, McLellan, McRae, Audrey Nicoll and Yuill.

### DECLARATIONS OF INTEREST

1. Members were requested to intimate any declarations of interest in respect of the items on the agenda.

#### **The Committee resolved:-**

to note that no declarations of interest were intimated.

### MINUTE OF PREVIOUS MEETING OF 22 JANUARY 2020 FOR APPROVAL

2. The Committee had before it the minute of its previous meeting of 22 January 2020.

#### **The Committee resolved:-**

- (i) in relation to item 6, resolution (i) to note that the Director of Resources would confirm via email whether a meeting with the Torry Locality Partnership had taken place; and
- (ii) to otherwise approve the minute as a correct record.

### COMMITTEE PLANNER

3. The Committee had before it the Committee Business Planner as prepared by the Chief Officer – Governance.

#### **The Committee resolved:-**

- (i) to request the Clerk to re-issue the business planner ensuring all text was readable;
- (ii) in relation to the Torry Heat Network project, to note that the delay was due to confirmation awaited from the Scottish Government on the grant funding that had been offered in principle and that the Director of Resources would liaise with the Scottish Government to determine the reason for the delay; and
- (ii) to otherwise note the content of the business planner.

### COVID19 PANDEMIC IMPACT ON THE CAPITAL PROGRAMME - RES/20/134

4. The Committee had before it a report by the Director of Resources which outlined the COVID-19 pandemic implications for all projects within the Capital Programme which

## **CAPITAL PROGRAMME COMMITTEE**

23 September 2020

included the impact on current projects under construction and those at the early stages of evolution.

### **The report recommended:-**

That the Committee –

- (a) note in general terms the reasoning why individual project delay and additional costs are expected, across the delivery of capital projects in terms of their full project life cycle;
- (b) note that officers continued to work with contractors on the financial implications of the programme delay and implications for future works, as a result of the COVID-19 virus requiring changing work practices across the full programme of projects;
- (c) to note the implications of what this means for future consideration within project Outline Business Cases of any new projects;
- (d) to note the actions which Officers are carrying out to mitigate the expected impacts; and
- (e) to instruct the Chief Officer Capital to report any significant progress, in regard to the above, for each Capital Project reported to the Capital Programme Committee.

### **The Committee resolved:-**

to approve the recommendations contained in the report.

## **NEW HOUSING PROGRAMME DELIVERY UPDATE - RES/20/132**

5. The Committee had before it a report by the Director of Resources which provided an update 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 to meet the political commitment of 2000 new homes.

### **The report recommended:-**

That the Committee note the progress achieved in the delivery of the social housing programme.

### **The Committee resolved:-**

- (i) to request the Director of Resources to circulate via email a response relating to the comparison figures between the Council and other Local Authorities for house building; and
- (ii) to otherwise approve the recommendation contained in the report.



## **CAPITAL PROGRAMME COMMITTEE**

23 September 2020

### **SUMMERHILL NEW BUILD HOUSING PROGRESS REPORT - RES/20/131**

6. The Committee had before it a report by the Director of Resources which provided an update on the progress of works being undertaken at Summerhill new build Council housing project.

**The report recommended:-**

That the Committee note the progress achieved in the housing project at Summerhill.

**The Committee resolved:-**

to approve the recommendation contained in the report.

### **WELLHEADS ROAD NEW BUILD HOUSING PROGRESS REPORT - RES/20/130**

7. The Committee had before it a report by the Director of Resources which provided an update on the progress of the Wellheads Road new build Council housing project.

**The report recommended:-**

That the Committee note the progress achieved in the procurement of new build Council housing project at Wellheads Road.

**The Committee resolved:-**

to approve the recommendation contained in the report.

### **ELC PROGRAMME PROGRESS REPORT - RES/20/133**

8. The Committee had before it a report by the Director of Resources which provided an update on the progress of the ELC Capital Projects which would help meet Aberdeen City Council's Early Learning and Childcare Delivery Plan objectives by working with the Education Operations teams 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) to note the updated figure of £1.1m for the Tillydrone Nursery Project under the budget variation column;
- (b) to note that the Early Learning and Childcare Expansion Programme of works forms part of the overall Aberdeen City Council Capital Plan; and
- (c) to note the progress made with the overall delivery of projects in lieu of the Covid-19 pandemic impact.

**CAPITAL PROGRAMME COMMITTEE**  
23 September 2020

**The Committee resolved:-**

to approve the recommendations contained in the report.

**CAPITAL PROGRAMME COMMITTEE ANNUAL EFFECTIVENESS REPORT -  
COM/20/123**

9. The Committee had before it a report by the Chief Officer – Governance which presented the annual report of the Capital Programme Committee.

**The report recommended:-**

That the Committee –

- (a) provide comments and observations on the data contained within the annual report; and
- (b) note the annual report of the Capital Programme Committee.

**The Committee resolved:-**

- (i) to note that the last entry in the table at 6.7 within the Appendix would be updated to include the following information, missed from the report circulated:
  - Meeting every four weeks with Chief Officer of Capital, Chief Officer Corporate Landlord and Director of Resources
  - Weekly meetings with Conveners of Strategic Commissioning Committee and City Growth and Resources Committee; and
- (ii) to otherwise note the annual report of the Capital Programme Committee.

- **MARIE BOULTON, Convener**

	A	B	C	D	E	F	G	H	I
1	<b>CAPITAL PROGRAMME COMMITTEE BUSINESS PLANNER</b>								
2	<b>Report Title</b>	<b>Minute Reference/Committee Decision or Purpose of Report</b>	<b>Update</b>	<b>Report Author</b>	<b>Chief Officer</b>	<b>Directorate</b>	<b>Terms of Reference</b>	<b>Delayed or Recommended for removal or transfer, enter either D, R, or T</b>	<b>Explanation if delayed, removed or transferred</b>
3	<b>18 November 2020</b>								
4	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	1.2	D	The Post Project Evaluation would in normal circumstances be submitted for review 12 months after practical completion. At that stage the building would have a full years operation and making good on any defects would have been completed. Given the circumstances around Covid-19 and the temporary closure of the gallery it is difficult to evaluate the project against the business plan outcomes at this time. It is suggested that the Post Project Evaluation is delayed until the building has been properly tested in operation. This is suggested as Autumn 2021.
5	Energy From Waste	To report on the progress of the delivery of the Energy from Waste Project.	On agenda	John Wilson	Capital	Resources	1.1		
6	South College Street	To report on the progress of the delivery of the South College Street Corridor Improvement Project.	On agenda	Alan McKay	Capital	Resources	1.1		
7	Tillydrone (Riverbank Replacement) Primary School	to provide an update on the progress on the delivery of the school	on agenda	Neil Esslemont	Capital	Resources	1.1		
8	Torry Primary School (including Community Hub)	to provide an update on the progress on the delivery of the school	on agenda	Bill Watson	Capital	Resources	1.1		
9	Milltimber Primary School	to provide an update on the progress on the delivery of the school	on agenda	Neil Esslemont	Capital	Resources	1.1		
10	ELC Expansion Update Report	to provide an update on the progress of all of the ELC projects	on agenda	Colin Kemp	Capital	Resources	1.1		
11	Union Terrace Gardens	to provide an update on progress on the delivery of the project.	on agenda	Tara Gavan	Capital	Resources	1.1		
12	Provost Skene's House`	to provide an update on progress on the delivery of the project.	on agenda	Colin Doig	Capital	Resources	1.1		
13	<b>28 January 2021</b>								
14	New Housing Programme Delivery	To provide an update to Committee in relation to th Housing Development Programme		John Wilson	Capital	Resources	1.1		

	A	B	C	D	E	F	G	H	I
15	Summerhill New Build Housing Project Update	To provide an update to Committee in relation to the Summerhill Housing Development		John Wilson	Capital	Resources	1.1		
16	Wellheads New Build Housing Project Update	To provide an update to Committee in relation to the Wellheads Housing Development		John Wilson	Capital	Resources	1.1		
17	ELC Expansion Update Report	to provide an update on the progress of all of the ELC projects		Colin Kemp	Capital	Resources	1.1		
18	Countesswells Primary School?	to provide an update on the progress on the delivery of the school			Capital	Resources	1.1		
19	<b>24 March 2021</b>								
20	Energy From Waste	To report on the progress of the delivery of the Energy from Waste Project.		John Wilson	Capital	Resources	1.1		
21	South College Street	To report on the progress of the delivery of the South College Street Corridor Improvement Project.		Alan McKay	Capital	Resources	1.1		
22	Tillydrone (Riverbank Replacement) Primary School	to provide an update on the progress on the delivery of the school		Neil Esslemont	Capital	Resources	1.1		
23	Torry Primary School (including Community Hub)	to provide an update on the progress on the delivery of the school		Bill Watson	Capital	Resources	1.1		
24	Milltimber Primary School	to provide an update on the progress on the delivery of the school		Neil Esslemont	Capital	Resources	1.1		
25	ELC Expansion Update Report	to provide an update on the progress of all of the ELC projects		Colin Kemp	Capital	Resources	1.1		
26	Union Terrace Gardens	to provide an update on progress on the delivery of the project.		Tara Gavan	Capital	Resources	1.1		
27	Provost Skene's House`	to provide an update on progress on the delivery of the project		Colin Doig	Capital	Resources	1.1		
28	<b>26 May 2021</b>								
29	New Housing Programme Delivery	To provide an update to Committee in relation to th Housing Development		John Wilson	Capital	Resources	1.1		
30	Summerhill New Build Housing Project Update	To provide an update to Committee in relation to the Summerhill Housing Development		John Wilson	Capital	Resources	1.1		
31	Wellheads New Build Housing Project Update	To provide an update to Committee in relation to the Wellheads Housing Development		John Wilson	Capital	Resources	1.1		
32	ELC Expansion Update Report	to provide an update on the progress of all of the ELC projects		Colin Kemp	Capital	Resources	1.1		
33	Countesswells Primary School?	to provide an update on the progress on the delivery of the school			Capital	Resources	1.1		
34									
35	<b>TBC</b>								
36	Torry Heat Network	To report on the progress of the delivery of the Torry Heat Network Project.		Bill Watson	Capital	Resources	1.1		

## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Capital Programme Committee
<b>DATE</b>	18 November 2020
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Ness Energy Project
<b>REPORT NUMBER</b>	RES/20/192
<b>DIRECTOR</b>	Steve Whyte
<b>CHIEF OFFICER</b>	John Wilson
<b>REPORT AUTHOR</b>	Pete Lawrence
<b>TERMS OF REFERENCE</b>	1.1

### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update the Committee on progress made with regards to the procurement/construction/operation of the Ness Energy Project. This requirement was a recommendation approved at Full Council on the 4 March 2019.

### 2. RECOMMENDATION(S)

That the Committee:

- 2.1 Notes the progress achieved to date;
- 2.2 Notes the financial position for the project; and
- 2.3 Instructs the Chief Officer Capital to provide a further update on progress to the March 2021 Capital Programme Committee.

### 3. BACKGROUND

- 3.1 On 4<sup>th</sup> March 2019, the Council approved the award of the Ness Energy Project Residual Waste Treatment contract for the implementation of the Project to a consortium led by Acciona Industrial and Acciona Servicios Urbanos and an

Inter-Authority Agreement, IAA3. Similar approvals were given by Moray Council and Aberdeenshire Council on 4<sup>th</sup> March and 7<sup>th</sup> March respectively.

- 3.2 The contract was signed on 8 August 2019 with work starting immediately to prepare the site, activate the planning permission and commence engineering design and procurement.
- 3.3 An update on progress with the project was provided to committee in January 2020.

### **Update Since January 2020**

#### **COVID-19**

- 3.4 The COVID-19 pandemic resulted in the cessation of all construction activities from 25 March until 15 June 2020. Since then, construction works have resumed taking into account all government guidance with additional hygiene and operating measures introduced as a result of COVID-19 Risk Assessments undertaken to ensure the health of all staff and to minimise the risk of spread of the virus. The site closure has had an impact on the project and the implications have been discussed with the contractor over the summer. The process for implementing a variation of contract terms is now underway. At this stage, there is no indication that there will be budget implications.

#### **Engineering Design and Procurement**

- 3.5 One of the major areas of activity throughout 2020 has been the development of the detailed design of the facility and subsequent procurement of sub-contractors to undertake the construction, manufacture and installation of plant components. The contractor has reported some additional difficulties caused by COVID-19, however, overall progress in this area has been satisfactory and is currently not affecting the programme completion date.

#### **Off-site Manufacturing**

- 3.6 Manufacture of many components of the boiler, turbine, generator and flue gas treatment systems continued largely unaffected during the worst of the COVID-19 pandemic. At the current time, these tasks are not having an adverse effect on programme completion. Latterly, significant elements of the boiler have been delivered to storage areas in Aberdeen ready for installation.

#### **On Site Works**

- 3.7 COVID-19 impacts aside, progress on site has been broadly on programme. Extensive concrete piling has now been completed and the main foundations for the boiler house is now being laid. The formation of the waste bunker is underway. The first major above ground structure, the bunker wall, will commence in November 2020.

#### **Pollution Prevention and Control (PPC) Permit**

- 3.8 The contractor continues to provide additional information and clarifications to SEPA in relation to the PPC Permit application. Progress has been hindered by COVID-19, however there is no indication that the application will not be successful or that delay will hinder project completion.

## **Programme**

- 3.9 As indicated above, the COVID-19 site closure aside, works are proceeding as anticipated. Commissioning is anticipated to commence in Spring 2022 with the facility fully operational by the end of 2022.

## **Project Team**

- 3.10 The Project Team is now well established led by the Northeast Waste Contracts Manager who joined the team in February 2020.

## **Inter-Authority activity**

- 3.11 In accordance with the Inter Authority Agreement, the Project Team has reported to the Project Board frequently this year. The consequences of COVID-19 have required greater Project Board input than normal. The Project Board, acting within powers defined in IAA3, has approved the terms of a contract variation to deal with COVID-19 impacts. The Elected Member Engagement Group has met via Microsoft Teams and will continue to be updated every 6 months on the project.

## **Community Liaison**

- 3.12 The contractor has established a Community Liaison Group including south of the River Dee Community Councils and elected representatives. This group met in January 2020. COVID-19 restrictions have prevented further meetings. The contractor has continued to update the project website and provided updates to 'Torry Vision' (local news and events). Additional electronic means of communication are being developed to ensure community engagement is enhanced.

## **Community Benefits**

- 3.13 COVID-19 has hampered efforts to develop community benefits, however, engagement with local schools has now restarted and work is underway to fulfil requirements to provide apprenticeships, work placements and training as set out within the contract.

## **4. FINANCIAL IMPLICATIONS**

- 4.1 Payments are being made to the contractor in line with Milestones set out in the contract. At this stage, there is no indication that there are budget implications albeit that Milestone payments have been slowed to some degree as a result of COVID-19 impacts on the construction works.

- 4.2 The table below shows the project budget share for the Aberdeen City Council.

<b>Gross Budget</b>	<b>Spend to date</b>
<b>£70.0m</b>	<b>£ 20.75m</b>

## **5. LEGAL IMPLICATIONS**

- 5.1 Three minor contract variations have been agreed with the contractor since the last report. All are technical in nature and have no notable financial or risk implications for the project.

5.2 As indicated above, the impacts of COVID-19 are being addressed through a contract variation.

## 6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
<b>Strategic Risk</b>	Contractor termination	L	Extensive procurement work undertaken to select proven and financially stable contractor. Strong contractual controls in place
<b>Compliance</b>	Health and Safety breaches during construction	L	Strong contractual obligations to use best Health and Safety practice monitored on site daily by Authority Technical representative
	Failure to obtain Permit to operate from SEPA	L	Proven technology already consented elsewhere in Scotland
<b>Operational</b>	Delay in Construction Programme	M	Consequences of delay managed through contract conditions. Effective communication with three authorities' waste teams to manage consequences should they arise
<b>Financial</b>	Project costs increase as a result of Contractor Claims	M	Contract conditions define claims management processes
<b>Reputational</b>	Construction delay and cost overspend	L	Contract obligations deemed sufficient to minimise risk to the Authority
<b>Environment / Climate</b>	Failure to operate facility within authorised emission levels	L	EfW is best available technology for management of mixed municipal waste. Established and proven process selected during procurement provides strong confidence that plant will operate well within acceptable standards. Low carbon heat and power from this facility will displace fossil fuel thereby reducing net carbon emissions



## 7. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN</u></b>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>	<p>Unleashing the non-oil and gas economic potential of the city: The construction of the energy from waste facility will create over 200 jobs many using skills transferable from the oil and gas sector. Furthermore, during the 20 years of operation, highly 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 obligation 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>
<b>Aberdeen City Local Outcome Improvement Plan</b>	
Prosperous Economy Stretch Outcomes	<p>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 energy from waste facility will create over 200 jobs. Furthermore, during the 20 years of operation, highly skilled, engineering based staff will be required.</p> <p>Greater than 90% employed on the project will be paid the Living Wage as a minimum.</p>
Prosperous People Stretch Outcomes	<p>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.</p>
Prosperous Place Stretch Outcomes	<p>14.1 Reducing emissions across the city through delivery of Aberdeen’s Sustainable Energy Action Plan ‘Powering Aberdeen’. Construction of the Ness Energy EfW facility will significantly reduce carbon emissions from the disposal of non-recyclable waste. The facility also provides the opportunity to develop low carbon heat supplies to local housing and businesses thereby offsetting fuel poverty.</p>

<b>Regional and City Strategies</b>	Strategic Development Plan: Sustainable Development and Climate Change. This facility will increase the supply of renewable energy in the region and diversify the mix of renewable sources. The facility enables the objective to meet our waste management needs locally and promote the development of the Circular Economy. The facility is specifically identified at paragraph 6.18 as an objective of the Plan.
<b>UK and Scottish Legislative and Policy Programmes</b>	The Waste (Scotland) Regulations 2012 introduced a ban on the landfilling of biodegradable waste. This ban will now come into force in 2025. The facility enables the three authorities in the Northeast to comply with that regulation 3 years in advance.

## 8. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Equality &amp; Human Rights Impact Assessment</b>	Full EHRIA not required. Evidence submitted to Equalities Team.
<b>Data Protection Impact Assessment</b>	Screening questions completed – not required

## 9. BACKGROUND PAPERS

None.

## 10. REPORT AUTHOR CONTACT DETAILS

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## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Capital Programme
<b>DATE</b>	18th November 2020
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	South College Street Junction Improvements Project Progress Report
<b>REPORT NUMBER</b>	RES/20/195
<b>DIRECTOR</b>	Steven Whyte
<b>CHIEF OFFICER</b>	John Wilson
<b>REPORT AUTHOR</b>	Suzanne Duncan
<b>TERMS OF REFERENCE</b>	1.1

### 1. PURPOSE OF REPORT

- 1.1 This report is to update the Committee on the progress of the South College Street Junction Improvements project.

### 2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Note the updates to the programme milestones and the associated financial implications.

### 3. BACKGROUND

- 3.1 The City Centre Masterplan Station Gateway intervention area requires the removal of cars on Guild Street and sections of Carmelite Street creating the opportunity to expand pedestrian footways and Union Square as a pedestrian friendly space and form a seamless pedestrian route through the Merchant Quarter. This removal of traffic will facilitate a high-quality public realm scheme on Guild Street with quality materials that can create comfortable places for people to linger and enjoy.
- 3.2 Following the adoption of the City Centre Masterplan (CCMP), the impact of the proposed changes on the city's road network were assessed. This work identified the South College Street Junction Improvements (Phase 1) project as an enabling measure, highlighting that its associated capacity improvements are essential prior to implementation of the east-west routes interventions namely Guild St (EN02) & Union St (EN05). On 8th November 2017 the Communities, Housing and Infrastructure Committee instructed that Option 1 should be progressed as the preferred option. Both interventions support the delivery of the CCMP public realm and streetscape outcomes to improve public spaces, providing improved links

between Masterplan projects and city centre assets. Delivery of the CCMP, will bring substantial economic benefits to the region, while interventions EN02 and EN05 have the potential to improve investor perception & confidence, increase footfall, visitor numbers and spend. Further work has confirmed that the previously approved project (Option 1) should be developed as a first phase solution with a second phase to follow. Phase 1 of the project involves the creation of:

- (i) an additional traffic lane along South College Street between Bank Street and Wellington Place;
- (ii) an additional lane on Palmerston Place;
- (iii) a new traffic signal-controlled junction at Palmerston Place/North Esplanade West;
- (iv) new and altered walking and cycling infrastructure; and
- (v) the alteration of the existing traffic signal-controlled junctions at South College Street/Wellington Place and South College Street/Millburn Street/Palmerston Place to provide additional capacity.

3.3 Subsequently a revised Outline Business Case (OBC) inclusive of an updated cost estimate was prepared for the project and at its meeting of 26<sup>th</sup> September 2019 the City Growth and Resources Committee resolved to:-

- (i) note the contents of the revised business case for the Project;
- (ii) agree the recommendations within the revised business case for the Project appended to the report;
- (iii) instruct the Chief Officer - Capital to progress all necessary approvals, permissions, licenses, agreements and consents required to develop and implement the Project;
- (iv) delegate authority to the Chief Officer - Capital, following consultation with the Chief Officer - Finance, to vire funds between transportation project budgets in the General Fund Capital Programme to a level required to ensure the Project can proceed to implementation; and
- (v) delegate authority to the Chief Officer - Capital, following consultation with the Chief Officer - Commercial and Procurement Services, to consider and approve business cases (including estimated expenditures) for the Project for the purposes of Procurement Regulation 4.1.1.2 and 4.1.1.4; thereafter to procure appropriate works and services, and enter into any contracts necessary for the delivery of the project.

3.4 Thereafter, Officers continued to progress the detailed design for the project and secure all land required for its implementation. Due to the lack of constructive engagement from the owners of two plots regarding voluntary acquisition; on 6 May 2020 Urgent Business Committee considered the making of a Compulsory Purchase Order (CPO). At its meeting the committee resolved to:

“to make a Compulsory Purchase Order in respect of the land identified in the CPO Map (comprising 3 sheets) contained in Appendix 1 and instructs the Chief Officer - Governance to implement the statutory procedures following on from the making of the Order.”

## **Progress**

- 3.5 At the start of 2020, the development of the detailed design and land identification for the project was progressing well and on target to meet the milestone timeline specified within the OBC and approved by Committee in September 2019. From end of March 2020 progress has been hindered by two issues, the COVID-19 pandemic and the acquisition of land, which occurred simultaneously. The pandemic was not foreseen as a risk, however, the risk of land purchase delay was recorded within the OBC and now became an issue.

### **COVID-19 Pandemic**

- 3.6 The COVID-19 pandemic has had a significant impact on project progress. When the initial nationwide lockdown was instructed by national government at the end of March 2020, it took the project team time to adjust to working from home and manage the IT challenges experienced. This inevitably impacted on productivity. Although systems of work have now been adapted the requirement for the project team to continue to work from home still has inefficiencies but to a lesser degree compared to what was first experienced.
- 3.7 Due to the COVID-19 restrictions a number of work packages have been significantly delayed. This is mainly as a result of being unable to obtain vital data and inputs within the last six months to inform the design. As COVID-19 restrictions remain in force further delay continues to be incurred. Many of the external organisations the project team were engaging with prior to lockdown such as the public utility companies and regulators, had either furloughed staff or were working with skeleton staff. A contract for topographical survey work, secured immediately before lockdown, could not proceed due to restrictions and the furlough scheme. Additional contracted design consultancy support has also delayed issuing of deliverables as they too adapted with the challenges of remote working.
- 3.8 In May 2020, the *Spaces for People* Programme commenced which involves a number of projects that require the adaption of the Public Road to enable users to adhere to Scottish Government physical distancing guidance. This became an urgent priority for all Road Service Teams and resources from the South College Street Project were temporarily reallocated to work on these projects. The removal of this resource has impacted significantly on the South College Street project with tasks on the critical path not progressed.

### **Compulsory Purchase Order**

- 3.9 At the time of OBC approval it was considered unlikely that a Compulsory Purchase Order (CPO) would be required to secure the outstanding plots of land and that agreements could be reached with landowners, however this has not transpired. The CPO was made, advertised, and served on the 13 May 2020 and lasted a period of over 8 weeks until 10 July 2020. Two objections were received for the same plot subsequently, negotiations with one of the objectors have been successful and their objection has been withdrawn.

- 3.10 Positive negotiations are still ongoing in respect of the remaining objector and it is believed that an agreement can be reached by way of voluntary acquisition. To protect the Councils interests, alongside the negotiations to seek voluntary acquisition, the next stage of the CPO process has been instigated. A request was issued to Transport Scotland on 18 September 2020 to transfer the case to the Scottish Governments' Planning and Environmental Appeals Division (DPEA) to allow arrangements to be put in place for a Public Local Inquiry (PLI).
- 3.11 A definitive timescale for a PLI cannot be provided, although as indicted in the previous report to Urgent Business Committee the CPO process can typically take 12 to 18 months for the inquiry to be held. At the time the report was written, the timescale of 12 to 18 months took some account of the uncertainties relating to COVID-19, however the absolute impact is unknown and therefore there is a risk that the PLI process could take longer. At this stage of project delivery, the current estimated time range to conclude the CPO process is between 14 and 22 months. Given the importance of this project and the compelling need to deliver it as close to the original timeframe as possible to support the CCMP outcomes, every effort is continuing to be made to reach an agreement with the objector. Discussions are moving in a positive direction.
- 3.12 Progressing the CPO to this stage has absorbed significant staff resource at a time when resources were already very limited due to the urgent need to deliver of the *Spaces for People* project as discussed earlier. COVID-19 and its associated restrictions, has further compounded matters. Each stage of the design process has taken longer than first envisaged and the objection period was extended to double the statutory minimum of 21 days to allow additional time to receive objections.

### **Programme Milestones**

- 3.13 As the project team are adjusting to the “new normal” whereby working from home is the default position, productivity has significantly increased since the start of lockdown in March and good progress is now being made on the Project. It is unfortunate that as a result of the delays associated with the prioritisation of Spaces for People design work and the other project direct delays from the COVID-19 pandemic such as impact on sub-contractors, their furloughed staff, and the associated timing impact of critical path tasks along with progressing the CPO process, a programme slippage of approximately 8 months has occurred to date. This has been unavoidable and where the pandemic is concerned, not something that could have been mitigated through the risk management process.
- 3.14 The updated projected programme milestones are shown in the table below for the two scenarios, depending if the CPO progresses to a public inquiry:-

<b>MILESTONES</b>	<b>CPO PROCESS NO ENQUIRY</b>	<b>CPO PROCESS WITH ENQUIRY</b>
Design and Prep	Spring 2021	Spring 2021
Tender Award	Summer 2021	Winter 2021/22
Full Opening	Summer 2022	Winter 2022/23

Project Close	Autumn 2023	Spring 2024
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3.15 Going forward, it should be noted that the timescales above do not take any account of any future uncertainties relating to COVID-19 restrictions.

#### 4. FINANCIAL IMPLICATIONS

4.1 The financial implications are continuing to be managed through detailed budget monitoring.

4.2 The current spend for the project is as follows;

<b>Budget</b>	<b>Spend to date</b>
<b>£10.7m</b>	<b>£0.38m</b>

4.3 Should progression of a CPO to inquiry become necessary, the business case will be refreshed with the additional costings, and any virement of budgets required to progress this will be made in line with the delegations to officers outlined in section 3.3 above.

#### 5. LEGAL IMPLICATIONS

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

#### 6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
<b>Strategic Risk</b>	Until land required for the project is secured it cannot proceed to construction. The Project is a key dependency of phase 2 of the CCMP and aspects of the Sustainable Urban Mobility Plan. Any delay to the project will impact on these wider programmes.	H	Continue the positive engagement with objector to reach agreement without the requirement for a public local inquiry (PLI). Ensure evidence and methodology is robust and all potential evidence is recorded.

<b>Compliance</b>	Failure to follow statutory procedures or Scottish Government good practice guidance.	L	This will be mitigated through ensuring sufficient time is given to checking documents and eradicating any potential errors.
<b>Operational</b>	<p>There is a risk that the objector maintains their objection and the CPO progresses to a public local inquiry (PLI) delaying its delivery.</p> <p>There is a risk associated with not providing an improved transport network which does not reflect the needs of the economy and society.</p> <p>Should a PLI be required, there could be potential delays in third party processes such as DPEA/inquiry due to the impact of COVID-19 pandemic</p>	<p>H</p> <p>H</p> <p>H</p>	<p>This will be mitigated by continuing positive dialogue with objector in attempt to secure land through voluntary acquisition. Be open to compromise.</p> <p>This will be mitigated by progressing the project.</p> <p>Monitor approach being taken in other relevant cases. Highlight urgency in this case and suggest workarounds where possible, such as electronic and written processes.</p>
<b>Financial</b>	<p>The costs associated with the CPO process may have a potential impact on the budget.</p> <p>The Council is not in control of the requirement for a PLI, the timing or the length of time the CPO process may take.</p> <p>The compensation values as agreed or determined by the Lands Tribunal in due course may exceed the estimate and that</p>	<p>M</p> <p>M</p> <p>L</p>	<p>The potential impact will be managed through the ongoing assessment of risks and cost monitoring.</p> <p>The potential impact will be managed through the ongoing assessment of risks, objector management and programme monitoring.</p> <p>Given the nature of the plots included within the CPO the level of variance is likely to be low and will be managed through ongoing cost monitoring.</p>



	of the budget set aside for the acquisition.		
<b>Reputational</b>	There is a risk that Aberdeen City Council will experience reputational damage from supporters of the Project and the CCMP if it does not proceed.	H	This will be mitigated by progressing the Project.
	There is a risk that Aberdeen City Council will experience reputational damage from objectors to the Project if it proceeds.	M	This will be mitigated by trying to address issues raised by objectors but this may not be achievable in all instances.
<b>Environment / Climate</b>	It is likely that the proposals will lead to some detrimental impacts in the locality of the corridor while providing the opportunity for improvement along other routes.	L	Impacts are likely to be acceptable against the relevant standards and commensurate wider area improvements.

## 7. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN</u></b>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>	
<b>Economy</b> <b>3. Increase city centre footfall through delivery of the City Centre Masterplan</b>	The proposals within this report form a key enabler for phase 2 of the CCMP. Principally the project will enable the removal of cars on Guild Street and sections of Carmelite Street creating the opportunity to expand pedestrian footways and Union Square as a pedestrian friendly space and form a seamless pedestrian

	<p>route through the Merchant Quarter (CCMP IA5). The Project's associated capacity improvements are essential prior to implementation of the east-west routes interventions namely Guild St (EN02) &amp; Union St (EN05).</p>
<p><b>Aberdeen City Local Outcome Plan</b></p> <p>Prosperous Place Stretch Outcomes</p>	<p>The project is a stated Commissioning Intention in support of LOIP Stretch Outcome 14, Key Driver 14.1 - Reducing emissions across the city.</p> <p>The proposals within this report support the delivery of LOIP Stretch Outcome 15 – 38% of people walking and 5% of people cycling as main mode of travel by 2026; through enabling the Key Improvement Measures in the City Centre.</p> <p>Principally the project will enable the removal of cars on Guild Street and sections of Carmelite Street creating the opportunity to expand pedestrian footways and Union Square as a pedestrian friendly space and form a seamless pedestrian route through the Merchant Quarter (CCMP IA5). The Project will also provide additional pedestrian and cycling facilities along the project roads.</p>
<p><b>Regional and City Strategies</b></p> <p>The Local Transport Strategy and City Centre Masterplan form parts of the Council Delivery Plan Strategy Framework.</p>	<p>The proposals within this report form a key enabler for phase 2 of the CCMP and directly contribute to meeting the LTS's objective to Implement a Programme of Road Improvement Schemes, building on the opening of the Third Don crossing, the Airport Link Road and ongoing work for the Berryden Corridor Improvement project.</p>

<b>UK and Scottish Legislative and Policy Programmes</b> N/A	N/A
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## 8. IMPACT ASSESSMENTS

Assessment	Outcome
<b>Impact Assessment</b>	EHRIA required
<b>Data Protection Impact Assessment</b>	Not required

## 9. BACKGROUND PAPERS

RES/19/271 - City Growth and Resources Committee - South College Street Junction Improvements Business Case Update – 26<sup>th</sup> September 2019

RES/20/090 – Urgent Business Committee – South College Street Junction Improvements (Phase 1) – Compulsory Purchase Order – 6th May 2020

Compulsory purchase in Scotland; A guide for property owners and occupiers  
<https://www.gov.scot/publications/compulsory-purchase-scotland-guide-property-owners-occupiers/>

## 10. APPENDICES

There are no appendices to this report.

## 11. REPORT AUTHOR CONTACT DETAILS

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## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Capital Programme Committee
<b>DATE</b>	18 November 2020
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Union Terrace Gardens: Project Update
<b>REPORT NUMBER</b>	RES/20/206
<b>DIRECTOR</b>	Steve Whyte, Director Resources
<b>CHIEF OFFICER</b>	John Wilson, Chief Officer Capital
<b>REPORT AUTHOR</b>	Tara Gavan,
<b>TERMS OF REFERENCE</b>	1.1

### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update the committee on progress of the delivery of Union Terrace Gardens project which has an anticipated completion date Autumn/ Winter 2021.

### 2. RECOMMENDATION(S)

That the Committee :-

- 2.1 Notes the progress achieved to deliver the Union Terrace Gardens redevelopment.
- 2.2 Instruct the Chief Officer Capital to provide a further update on progress at the next Capital Programme Committee in March 2021.

### 3. BACKGROUND

- 3.1 Reference is made to report RES/19/259 submitted to the Capital Programme Committee January 2020, which considered the progress of the project's delivery at that time.
- 3.2 In line with the Scottish Government's guidance issued for construction projects during the national lockdown, Balfour Beatty suspended works on site on 28th March and personnel returned to site as of Monday 1 June 2020.
- 3.3 The Scottish Government has set out a road map for construction projects which identifies a phased approach:
- Phase 0: Planning
  - Phase 1: Covid-19 Pre-start Prep
  - Phase 2: Soft start to works
  - Phase 3: Steady State (no use of additional PPE)

- Phase 4: Steady State (additional PPE may be introduced)
- Phase 5: Increasing density

In line with the Scottish Government's guidance, Balfour Beatty personnel returned to site as of Monday 1 June 2020.

As of 22 June 2020, Balfour Beatty commenced with Phase 2 of the road map, which allowed substantive works to be progressed. Phase 3 of the road map now remains in operation.

Balfour Beatty has successfully implemented new on-site working procedures to align with the Scottish Government Guidance. Both the Site Operating Procedures and the Construction Phase Health and Safety Plan have been updated accordingly.

- 3.4 Given the impact of COVID-19 on the construction programme, and specifically the requirement to close the site for a period of time, Balfour Beatty issued an Extension of Time Application to Aberdeen City Council on 22 July 2020. This application has since been reviewed by Ryden Project Management and Brodies LLP. A formal award of an extension, under a Force Majeure Relevant Event, was granted on 12th August 2020.
- 3.5 The programme incorporates the period of time that site works were suspended, giving a new provisional completion date of Autumn/ Winter 2021. Balfour Beatty has advised that there remain some unknowns, thus the programme remains caveated at this time. These specifically relate to the ability of their supply chain to meet design / manufacturing dates and on-site requirements, in light of COVID-19.
- 3.6 Balfour Beatty is continuing to develop the technical design in collaboration with the novated Design Team. In light of the COVID-19 outbreak, design workshops are continuing to be undertaken via video conferencing.
- 3.7 Good progress has been made in respect of the on-site construction works within the period, with a number of critical elements noted below now well underway.
- 3.8 The piling works associated with the 3 pavilion buildings have now been successfully completed. The erection of the buildings is currently programmed to start in Winter 2020.
- 3.9 The down taking of the granite balustrade to facilitate the works at Rosemount Plaza has now commenced with earthworks also underway within the area.
- 3.10 The works to strengthen the existing jack arches along Union Terrace have started. These works will be completed in individual sections and anticipated to last until Spring 2021.

- 3.11 The purification process in relation to the conditions associated to both the Planning and Listed Building Consents respectively continues to progress to ensure construction timelines can be achieved.
- 3.12 Union Bridge: Following the Scottish Government Guidelines in March 2020, the sub-contractor closed their site and staff were furloughed, which inevitably caused delay in finalising the new fencing sample panel.
- Following return to work, the bending tolerances for the new metal fence proved challenging due to its intricate nature. To ensure an acceptable finish which met planning conditions and met the quality finish required at completion, the sub-contractor acquired additional machinery to achieve the desired result. This created a delay in completing the sample panel for review by ACC, however the panel has now been approved.
- 3.13 The new fence panels for Union Bridge are now in the process of being fabricated, with anticipated completion of February 2021. This work package remains a priority for the project, with officers working closely and transparently with the contractor to achieve a successful result.
- 3.14 In conjunction with ACC officers, Arup is finalising the design package for the Union Terrace Improvements. Following completion and sign off, a Roads Construction Consent will be submitted to ACC for approval.
- 3.15 The building warrant application process is a staged procedure within the Balfour Beatty construction programme. To date, all applications associated with Building Warrant No.01 have been submitted. Balfour Beatty's focus will now turn to the warrant applications associated with the listed structures.
- 3.16 A procurement exercise was undertaken to appoint the Marketing of the three commercial leisure spaces. This has now been awarded, with the contract being executed imminently.
- 3.17 The look ahead for the programme is noted below within Table 1.

**Table 1: Key Milestones 20/21**

<b>Milestone</b>	<b>Anticipated Completion</b>
Union Terrace Balustrades and Jack Arch Replacement	Underway, completion Spring 2021
Piling to Walkway 1	December 2020
Union Bridge	February 2021
Lighting Feature	Spring 2021
Burns Pavilion	Summer 2021
Rosemount Pavilion	Summer 2021
Union Terrace Improvements	Autumn 2021
Union Street Pavilion Inc Victorian Toilets	Autumn 2021
Arches	Autumn 2021

Site Wide Landscaping + Lighting	Autumn 2021*
Walkways	Autumn/ Winter 2021
Demobilisation + Handover	Autumn/ Winter 2021
Soft Landings Period	Autumn/ Winter 2021
Construction End	Autumn/ Winter 2021

\* It is important to note that due to the impacts of Covid-19, officers are continuing to assess the impact on the planting season for completing the landscaping. This is currently indicative; however the contractor may be required to return to site to complete aspects of the landscaping in 2022.

### 3.18 Communication & Community Engagement

The project e-newsletter is being updated regularly to include community updates for UTG – to view online please visit:

<https://spark.adobe.com/page/2d616dac-6ab8-4d25-884b-f52386322fe0>

A visual timeline will be displayed along the Union Street hoarding to represent the transformation of the gardens over the years. The design is currently being finalised and is anticipated to be installed in Winter 2020, coordinating with the works to Union Bridge.

The contractor is continuing to progress with community engagement activities with a key focus being on young people within the city and shire. Further details can be viewed in Appendix 1.

## 4. FINANCIAL IMPLICATIONS

### Capital Costs

- 4.1 The UTG project will see the development of three new buildings and walkway structures, path network, improved events space and landscaping and restoration of Union Terrace arches and Victorian toilets.
- 4.2 The capital cost for the construction phase of the scheme is £25.7m.
- 4.3 As agreed by Council in March 2019, the project will be funded by the City Centre Masterplan, Non-Housing Capital budget.

<b>Gross Budget</b>	<b>Spend to date</b>
<b>£28.3m</b>	<b>£7.63m</b>

## 5. LEGAL IMPLICATIONS

### Network Rail

- 5.1 The legal agreements between Aberdeen City Council and Network Rail for a lease of the land concerning the Community Garden and air rights for the area



above the existing turntable pit are still awaiting execution. The terms have been agreed and both should be signed off imminently.

## 6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
<b>Strategic Risk</b>	N/A		
<b>Compliance</b>	N/A		
<b>Operational</b>	<p>Legal Challenge</p> <p>Failure to reach agreement with Network Rail in respect of land acquisition/ title boundary</p> <p>Failure to reach agreement with the planning authority in respect to Listed Building Consent conditions</p> <p>COVID-19</p>	<p>L</p> <p>M</p> <p>M</p> <p>H</p>	<p>The construction contractor tender has been undertaken with procurement and legal support.</p> <p>Regular meetings have been held with Network Rail and a draft agreement has been prepared and in the process of formal agreement with legal teams.</p> <p>The contractor has identified this work package and will be responsible for concluding listed building consent with support from the novated design team. A dedicated weekly workshop alongside additional resource from the contractor is currently supporting this process.</p> <p>The Construction Programme has been updated accordingly to reflect the Extension of Time application pertaining to the period of suspension.</p> <p>This programme remains caveated at this time due to</p>

			the current number of unknowns.
<b>Financial</b>	Final cost of the project exceeds project budgets	M	A detailed cost plan with bill of quantities has been prepared by the project's quantity surveyors (McLeod & Aitken). Development costs have been tested with key suppliers for robustness and confirmed through the tender process. External funding will be sought to support any overspend. To mitigate cost to the council.
	Revenue income assumptions are not achieved and there is a revenue cost pressure	M	Cautious assumptions have been made to date and a further market testing on the commercial space was undertaken by CBRE in March 2018 to get an independent assessment of the leisure, restaurant and cafe market and potential rental income in Aberdeen. The commercial marketing of the buildings has now been awarded to mitigate the risk.
<b>Reputational</b>	Poor communications with stakeholders and users of UTG	L	A detailed communication protocol is established to keep stakeholders and users informed during the construction period.
<b>Environment / Climate</b>	Unexpected site and ground conditions	L	Following extensive site investigations, additional Pre-construction surveys were carried out by the contractor with no issues raised.

## 7. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN</u></b>	
<b>Impact of Report</b>	
<b>Aberdeen City Council Policy Statement</b>	Completion of the project will support increasing the city centre footfall through the delivery of the City Centre Masterplan / Union Terrace Gardens.
<b>Aberdeen City Local Outcome Improvement Plan</b>	
Prosperous Economy Stretch Outcomes	<p>. By providing a more pleasant environment, this could have a commensurate benefit on footfall and spend in the city centre. The Council has a key role in delivering specific projects that will deliver economic impacts in their own right; and the Council's corporate role in delivering wider 'business facing' activity in supporting the competitiveness of the business environment. Supporting the implementation of the City Centre Masterplan and tourism, events and culture support are key elements of the Regional Economic Strategy.</p> <p>The project will also have a positive impact on city centre employers themselves, and those operating in the retail, tourism and leisure sector. Developers and subsequent occupants / employers base their location decisions on being able to attract the best talent and skills to work in their businesses, and they recognise the positive correlation between their business competitiveness and the quality of the public realm.</p> <p>Through the investment in UTG, School hill and the Art Gallery, as well as considering the HMT and the Music Hall, the city centre will have a vibrant cultural quarter that will promote footfall and spend within the city centre.</p>
Prosperous People Stretch Outcomes	The project will create a safer and attractive environment for all people living in and visiting Aberdeen. Residents, workers and visitors increasingly demand a high standard for the places they are in. Under the proposals, they could feel more content in a more attractive and vibrant environment; as reported in other competing cities with similar projects.

	<p>With more people walking and cycling in the area there could be a reduction in inactivity-related illness.</p> <p>Through the community benefit requirements of the Council's procurement process, the Council has established improved supplier access to public contracts, particularly for SMEs; maximising efficiency and collaboration; and placing the local, social and economic aspects of sustainability for the UTG project.</p>
Prosperous Place Stretch Outcomes	<p>For Aberdeen to be globally competitive, the quality of the 'place', the commercial space and the public realm around it all have a role. Stakeholder engagement revealed that the 'poor state' of the City Centre is one of a number of issues identified as a common theme 'In terms of the attractiveness and marketing of the city to attract workers, visitors and investment...' and 'A high quality of life is integral to attracting and retaining the talent and investment needed to grow the economy. This sense of place, with a key emphasis on the city centre, is crucial in underpinning economic growth and essential in underpinning the necessary infrastructure requirements.'</p> <p>One of the key goals of the project is to contribute to the improvement of the city centre and improved safety, access and atmosphere.</p>

## 8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	Full impact assessment not required
Data Protection Impact Assessment	Not required

## 9. BACKGROUND PAPERS

CHI/17/048 - City Centre Masterplan Project EN10: Union Terrace Gardens – Outline Design, Business Case, Development Costs and Procurement Strategy

OCE/15/021 - Aberdeen City Centre Masterplan and Delivery Programme

CCMP and Delivery Plan

[http://www.aberdeencity.gov.uk/council\\_government/shaping\\_aberdeencity/City\\_Centre\\_Masterplan.asp](http://www.aberdeencity.gov.uk/council_government/shaping_aberdeencity/City_Centre_Masterplan.asp)

## 10. APPENDICES

Appendix 1: Community Benefits Update

## 11. REPORT AUTHOR CONTACT DETAILS

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## **APPENDIX 1: Contractor Community Engagement**

### **SUPPORT FOR SCHOOLS VIA DEVELOPING THE YOUNG WORKFORCE (DYW) NORTH EAST– 23 SEPTEMBER 2020**

Balfour Beatty arranged for a live virtual site visit of one of their large construction sites in Philadelphia for pupils at local secondary schools in North East region as part of ongoing supports for local DYW North East group. Pupils from Lochside Academy, Westhill Academy & Portlethen Academy.

### **SUPPORT FOR GRADUATE APPRENTICESHIPS - SEPTEMBER 2020**

A Balfour Beatty Site Engineer has recently completed his 4-year civil engineering modern apprenticeship and has now progressed onto a new Graduate Apprenticeship Civil Engineering programme.

### **SUPPORT FOR FOUNDATION APPRENTICESHIP PLACEMENTS VIA NORTH EAST SCOTLAND COLLEGE**

Due to current Covid-19 crisis, the initial introduction meeting with Foundation Apprenticeship pupils has been rescheduled. UTG project has committed to supporting two pupils from the local college foundation apprenticeship civil engineering programme on work placement. Placements were originally scheduled for one week in July, October and Easter 2021 but will now change and we will be working towards virtual work placement during October 2020.

### **THE DEPARTMENT FOR WORK AND PENSIONS (DWP) MENTORING CIRCLES PROGRAMME**

Timings of programme will now move due to ongoing Covid-19 crisis, if this can be supported in 2020 it is likely to be completed virtually. DWP's Mentoring Circle programme involves group of around 10 x 16-24yrs that are unemployed.

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## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Capital Programme
<b>DATE</b>	18 November 2020
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Provost Skene's House progress report
<b>REPORT NUMBER</b>	RES/20/207
<b>DIRECTOR</b>	Steven Whyte, Director of Resources
<b>CHIEF OFFICER</b>	John Wilson, Chief Officer, Capital
<b>REPORT AUTHOR</b>	Colin Doig, Senior Architect
<b>TERMS OF REFERENCE</b>	1.1

### 1. PURPOSE OF REPORT

To update the Committee on the progress of works to refurbish Provost Skene's House following the last update report of 22 January 2020.

### 2. RECOMMENDATION(S)

That the Committee:

- 2.1 Notes the progress achieved in the procurement of Provost Skene's House refurbishment and the various unforeseeable challenges which are being addressed,
- 2.2 Instruct the Chief Officer Capital to provide a further update on progress at the next Capital Programme Committee in March 2021.

### 3. BACKGROUND

- 3.1 Council approved the budget of £3.8 million on the upgrade/ refurbishment of Provost Skene's House which is inclusive of design and construction (including fit-out). The works include repairs to the building fabric to ensure it is wind and watertight, repair/replace roofs as necessary, carry out structural repairs, and install new mechanical and electrical systems for the proposed fit-out of the 'Hall for Heroes'.
- 3.2 Listed Building Consent was granted on 24<sup>th</sup> December 2018
- 3.3 Building Warrant was granted on 10<sup>th</sup> September 2018

### Current Status

- 3.4 Works commenced on the 22<sup>nd</sup> July 2019.
- 3.5 The main contractor is Aberdeen City Councils Building Services with specialist sub-contractors appointed as necessary.
- 3.6 Work was halted on 24<sup>th</sup> March 2020 for 15 weeks and re-commenced 22<sup>nd</sup> June 2020 due to the COVID-19 pandemic.
- 3.7 Due to the necessity for additional cleansing and social distancing caused by COVID-19 pandemic the site is currently running at reduced productivity.

**Programme Milestones**

- 3.8 Commencement of works on 22<sup>nd</sup> July 2019
- 3.9 Hard and soft strip/ dountakings completed.
- 3.10 Erection of scaffolding commenced 8<sup>th</sup> August 2019.
- 3.11 Structural works are complete.
- 3.12 Specialist masonry contractors are re-pointing the house with lime-based mortar and stone pinning's. This is nearing completion.
- 3.13 Known rot works are complete.
- 3.14 Turrets have been stripped and have been re-slatted with new lead gutters attached.
- 3.15 Lead roof is currently being replaced. This is nearing completion.
- 3.16 Internal works progressing.
- 3.17 The temporary roof is now fitted and shall allow works to the existing roof to commence whilst protecting the existing fabric from the weather.
- 3.18 Internal fit-out is expected to commence in Spring 2021 with an opening date in Summer 2021.
- 3.19 Existing slate roof to Flourmill Lane stripped and repairs commenced.

**4. FINANCIAL IMPLICATIONS**

- 4.1 There are no direct financial implications arising from the recommendations of this report.

<b>Budget</b>	<b>Spend to date</b>
<b>£3.8m</b>	<b>£2.05m</b>

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**5. LEGAL IMPLICATIONS**

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

**6. MANAGEMENT OF RISK**

6.1 Financial risks, project overspend: additional unforeseen issues.

6.2 Legal risk, statutory requirement to maintain grade A listed building. Carry out works as necessary.

6.3 Fire in historic building: reduce temperature slowly in order to negate the requirement for temporary heaters during the construction phase, reduces the risk of fire. Adequate fire precautions and fire plan put in place during the construction period, along with hot works permits being in place.

6.4 Programme over-run: There have been a number of factors impacting on the construction works, such as;

1. Additional rot works (An original floor which was infested was discovered beneath a newer floor)
2. Additional pointing generally (Large pockets of mortar have been discovered in the walls)
3. The condition of the East gable is in a poor condition compared to other elevations.
4. Additional stonework to the chimney's is required.
5. Additional rot works have been recently discovered on the existing roof to Flourmill Lane, this requires specialist treatment due to the proximity of the painted ceiling.

6.5 The COVID-19 pandemic is having an impact on the progress of the works. The cost/delay impact is currently being quantified by the contract parties.

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
<b>Strategic Risk</b>	Credibility of delivery within the city centre setting, disruption to Marischal Square development and any impact on supplier contractors for fit out.	L	Extensive procurement work undertaken to select proven and financially stable contractor.  Discussions and agreements with CBRE on access/egress, site area.
<b>Compliance</b>	Health and Safety breaches during construction	L	Strong contractual obligations to use best Health and Safety practice.

			Follow Government guidelines in dealing with the COVID-19 pandemic
<b>Operational</b>	Delay in Construction Programme	M	Consequences of delay managed through contract conditions. Effective communication between contract to manage consequences should they arise
<b>Financial</b>	Project costs increase as a result of Contractor Claims	M	Contract conditions define claims management processes
<b>Reputational</b>	Overrun of project, disruption to stake holders	M	Manage communications effectively with reasons.
<b>Environment / Climate</b>	Noise/dust during the construction phase	L	Keep use of power tools to a minimum/use suitable dust suppression systems as necessary

## 7. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN</u></b>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>	We will increase city centre footfall through delivery of the City Centre Masterplan, Complete the refurbished Provost Skene's House
<b>Aberdeen City Local Outcome Improvement Plan</b>	
Prosperous Economy Stretch Outcomes	<p>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.</p> <p>Greater than 90% employed on the project will be paid the Living Wage as a minimum.</p> <p>The refurbishment of Provost Skene's House shall provide another City Centre visitor attraction which shall increase footfall of the City Centre thereby supporting the local economy.</p>
Prosperous People Stretch Outcomes	<p>2.1 Child Friendly City which supports all children to prosper and engage actively with their communities by 2026.</p> <p>The Council is committed to improving the key life outcomes of all people in Aberdeen City. The re-opening of Provost Skene's House shall provide</p>

	Aberdeen with another important, historical and educational facility.
Prosperous Place Stretch Outcomes	The Council is committed to ensuring Aberdeen is a welcoming place to invest, live and visit. The re-opening of Provost Skene's House contributes to this objective.
<b>Regional and City Strategies</b>	The delivery of the refurbished Provost Skene's house aligns with the City Centre Masterplan and delivery programme by creating a cleaner, greener, better-connected, more vibrant and dynamic city centre, one that conserves heritage while embracing the new.
<b>UK and Scottish Legislative and Policy Programmes</b>	Compliance with all current construction legislation and policy related to the construction industry.

## 8. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Equality &amp; Human Rights Impact Assessment</b>	An Equality and Human Rights Impact Assessment (EHRIA) screening has been carried out and an EHRIA is not required.
<b>Data Protection Impact Assessment</b>	Privacy impact assessment (PIA) screening has been undertaken and a PIA is not necessary.
<b>Duty of Due Regard / Fairer Scotland Duty</b>	The refurbishment of Provost Skene's House shall increase the viability of Aberdeen as a vibrant, prosperous place to live, work, visit and invest.

## 9. BACKGROUND PAPERS

9.1 Council 20 September 2016: Finance, policy and resource committee: report ECS/16/058.

## 10. APPENDICES (if applicable)

None.

## 11. REPORT AUTHOR CONTACT DETAILS

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## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Capital Programme Committee
<b>DATE</b>	18 November 2020
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Replacement Riverbank Primary School – Progress Report
<b>REPORT NUMBER</b>	RES/20/202
<b>DIRECTOR</b>	Steve Whyte
<b>CHIEF OFFICER</b>	John Wilson
<b>REPORT AUTHOR</b>	Neil Esslemont
<b>TERMS OF REFERENCE</b>	1.1

### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update the Committee on the progress of the Replacement Riverbank Primary School.

### 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 completion of the construction of the Replacement Riverbank Primary School in Spring 2023.
- 2.3 Instruct the Chief Officer Capital to provide a further update on progress at the Capital Programme Committee in March 2021.

### 3. BACKGROUND

- 3.1 Following a special Committee meeting of Education & Children's Services on 1 March 2017, a decision to implement the proposal for a new 3 stream non-denominational school building with early learning and childcare provision and to relocate Riverbank School to this new building was ratified by Members.
- 3.2 The new school will provide Early Learning and Childcare provision that meets our expansion programme requirements. The design of the new school will be flexible to respond to any possible changes in the needs of the pupils, community or in the local demographic profile.
- 3.3 The new school will provide:
- A capacity for 650 pupils
  - Early Learning & Childcare (ELC) provision for 100 pupils
  - 3G 7 a-side-pitch
  - External outdoor play and learning

The new primary school has been designed to ensure connections with the newly constructed Tillydrone Community Campus are formed and allows access by the community out with school core times

- 3.4 The new school offers an opportunity within Aberdeen City to create a state of the art, future proofed school that provides a comprehensive and "whole community" approach to learning which is underpinned in the Tillydrone Locality Plan. The vision is to create a replacement building for Riverbank School with a unique character that lies at the heart of Tillydrone, which meets the community's expectations and overall needs for the future. Creating this identity and vision for learning will ultimately provide a focus and heart to Tillydrone which will be key to the existing communities success and attracting future population.
- 3.5 Aberdeen City Council's Early Learning and Childcare Programme is to expand the current offer of 600 hours to 1,140 hours for vulnerable two year olds, three and four year olds. The policy intention is to ensure we deliver high quality Early Learning and Childcare services to improve outcomes for children and to remove barriers for working parents to support economic growth in Scotland. It is estimated that to compliment the Early learning and Childcare expansion programme, 100 additional nursery and early years places would need to be provided for the Tillydrone community.
- 3.6 Decisions were made by the Capital Programme, Strategic Commissioning and City Growth and Resources Committees in September 2018 to progress with the design, development, and procurement of a new school to replace the existing Riverbank School.
- 3.7 A proportion of the adjoining former St. Machar Primary School site is being used to accommodate the 3G pitch thus freeing up additional playground space which will maximise opportunities for outdoor learning and physical exercise for all school pupils. The importance of good quality outdoor space helps develop physical skills, boosts creative thinking, improves behavior and social skills,



provides Teacher free learning, encourages physical activity and provides positive emotional wellbeing

## **TIMESCALE**

3.8 Due to the lockdown instructed by the UK Government on 23<sup>rd</sup> March 2020, consultants and suppliers placed staff on furlough meaning that the development of the design has been challenging. This has meant that the period to produce the tender documentation has taken longer than would normally be the case.

3.9 The Chartered Institute of Building published the following on 23<sup>rd</sup> June 2020;

*“The virus has triggered programme delays and spiralling costs that have aggravated the sector’s underlying performance problems, according to consultancy Suiko, part of Turner & Townsend.*

*Using data from 70 medium-sized UK construction projects, Suiko modelled that a £20m project with an 81-week programme before the pandemic would typically suffer productivity losses of 20%.*

*Now, a project of this scale is seeing this rise to 35% productivity losses with project completion delays of up to 32 weeks and increases of around £600,000 in preliminary costs alone.”*

3.10 The proposed construction period has been extended to accommodate the reduction in productivity that is being highlighted throughout the construction industry.

<b>Milestone</b>	<b>Indicative Timescale</b>
Tender Documentation	Autumn/Winter 2020
Tender Period	Winter 2020/21
Tender Award	Early 2021
Contractor to take possession of the site	Summer 2021
Construction Complete	Spring 2023
School Operational	Summer 2023

## **4. FINANCIAL IMPLICATIONS**

4.1 The Riverbank Replacement School forms part of the General Fund Capital Programme approved by Council on 3<sup>rd</sup> March 2020.

- 4.2 The cost of the purchase of the required land has been factored into the overall capital development cost of the project.

Gross Budget	Spend to date
£25.0m	£1.1m

## 5. LEGAL IMPLICATIONS

- 5.1 None currently.

## 6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
<b>Strategic Risk</b>	Late delivery will impact on the level of learning provision which can be provided.	L	This is being mitigated through early planning, clear governance arrangements and close working between teams across Aberdeen City Council.
<b>Compliance</b>	Late delivery will impact on the level of learning provision which can be provided.	L	This is being mitigated through early planning, clear governance arrangements and close working between teams across Aberdeen City Council.
<b>Operational</b>	Covid-19 pandemic restrictions impacting on work practices.	H	All teams are working towards delivering the projects as soon as possible taking cognisance of work restrictions regarding the Covid-19 pandemic.
<b>Financial</b>	Inability to deliver the Council's desired outcomes within the approved budget.	L	The estimated spend profile has been constantly updated as the design of the project has progressed. Take immediate action if the anticipated final cost

			exceeds the approved budget.
<b>Reputational</b>	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.
<b>Environment / Climate</b>	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	H	In response to the invitation to tender documents the contractor will be required to provide detailed proposals showing how they intend to engage with local residents and the wider community. Post contract award there will be constant liaison with the contractor to ensure that appropriate measures are in place and constantly monitored to ensure inconvenience and disruption is kept to an absolute minimum.

## 7. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN</u></b>	
	<b>Impact of Report</b>
<p><b>Aberdeen City Council Policy Statement</b></p> <p>Programmes in the Policy Statement include working with our partners to ensure the city has the required infrastructure; completion of school estate review (P1)</p>	<p>The project outlined in this report is part of Aberdeen City Council's Education New Build Programme and supports the Early Learning and Childcare (ELC) Expansion Programme. The Education New Build Programme and expansion of ELC requires an investment in our Education 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. To this end, the proposals</p>

<p>and development of estate strategy for next 5-10 years (P2); work with the Scottish Government to provide flexible and affordable childcare for working families on the lowest incomes; commit to closing the attainment gap in education while working with partners across the city;</p>	<p>within the report support the delivery of childcare education learning targets.</p>
<p><b>Aberdeen City Local Outcome Improvement Plan</b></p>	
<p>Prosperous Economy Stretch Outcomes</p>	<p>The delivery of the new Riverbank 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>
<p>Prosperous People Stretch Outcomes</p>	<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. Outdoor learning will significantly contribute to a child’s development and wellbeing.</p>
<p>Prosperous Place Stretch Outcomes</p>	<p>The Council is committed to ensuring that Aberdeen is a welcoming place to invest, live and visit and</p>

	<p>operate to the highest environmental standards. The new replacement Riverbank School contributes 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>
<p><b>Regional and City Strategies</b> Strategic Development Plan; Local Development Plan</p>	<p>The proposals in this report will impact on the consideration of future regional and city strategies with respect to education and learning.</p>
<p><b>UK and Scottish Legislative and Policy Programmes</b> Legislation which places a range of statutory duties on the Council, the Children and Young People (Scotland) Act 2014.</p>	<p>The statutory duty for local authorities to provide 1140 hours by August 2020 has been revoked by the Scottish Parliament, however at this time no new date has been provided for the statutory duty to provide 1140 hours.</p>

## 8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	Full impact assessment not required
Data Protection Impact Assessment	Not required

## 9. BACKGROUND PAPERS

Item 4 Statutory Consultation – Consultation Report on the Proposals to Develop New Primary School Provision with Early Education and Childcare Facilities in Tillydrone – ECS/17/015; Education and Children’s Services Committee; 1<sup>st</sup> March 2017

Item 8 Education New Build Programme 2018; Capital Programme Committee; 12<sup>th</sup> September 2018

Item 14 New Schools Development Programme 2018; Strategic Commissioning Committee; 13<sup>th</sup> September 2018

Item 21 New Schools Development Programme 2018; City Growth and Resources Committee; 18<sup>th</sup> 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; 5<sup>th</sup> March 2019

Item 10 Tillydrone Primary School – RES/19/362; Capital Programme Committee; 12<sup>th</sup> September 2019

## 10. APPENDICES

None

## 11. REPORT AUTHOR CONTACT DETAILS

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## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Capital Programme Committee
<b>DATE</b>	18 November 2020
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Replacement Milltimber Primary School– Progress Report
<b>REPORT NUMBER</b>	RES/20/205
<b>DIRECTOR</b>	Steve Whyte
<b>CHIEF OFFICER</b>	John Wilson
<b>REPORT AUTHOR</b>	Neil Esslemont
<b>TERMS OF REFERENCE</b>	1.1

### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update the Committee on the progress of the Milltimber Replacement School.

### 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 completion of the construction of the replacement Milltimber School in winter 2021/22.
- 2.3 Instruct the Chief Officer Capital to provide a further update on progress at the Capital Programme Committee in March 2021.

### 3. BACKGROUND

- 3.1 The development at Oldfold Farm is shown as OP48 in the Local Development Plan. CALA Homes were granted planning permission in principle for 550 homes in February 2015.
- 3.2 The detailed layouts for the first phase of 60 homes was approved in August 2015 and is now largely complete. The second phase of 166 homes was approved in November 2017 and work is progressing.
- 3.3 The 550 homes planned for Milltimber indicates that the development will generate around 248 pupils which will be incremental over the period of the build out rate.
- 3.4 A Section 75 agreement sets out the developer contributions for the delivery of education within the Oldfold development, all payments for contributions are quarterly in arrears based on the number of completions.
- 3.5 The existing Milltimber School currently has a capacity of 267pupils (including the onsite modular accommodation) and 40 part time nursery places and is operating almost at capacity. The current Milltimber school does not have the capacity to accommodate the additional children generated by the ongoing development, so demand for available places is likely to be exceeded by 2022.
- 3.6 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
- 3.7 Aberdeen City Council's Early Learning and Childcare Programme is to expand the current offer of 600 hours to 1,140 hours for vulnerable two year olds, three and four year olds. The policy intention is to ensure we deliver high quality Early Learning and Childcare services to improve outcomes for children and to remove barriers for working parents to support economic growth in Scotland. To compliment the Early Learning and Childcare expansion programme 60 early years places will be provided for the Milltimber community which can deliver a minimum of 1140 hours funded care per year, per child.
- 3.8 Decisions were made by the Capital Programme, Strategic Commissioning and City Growth and Resources Committees in September 2018 to progress with the design, development and procurement of a replacement school in Milltimber.

### **TIMESCALE**

- 3.9 Four tenders were returned on 27<sup>th</sup> March 2020, 4 days after the UK Government announced Covid-19 lockdown measures. The assessment of the quality submissions was completed on 14<sup>th</sup> April 2020 and the commercial assessment a week later. Due to the lockdown, consultants, contractors, sub-contractors and supplier's staff had placed staff on furlough meaning that the evaluation and clarification of the submitted tenders proved challenging. This



meant that the period to evaluate the tenders was longer than would normally be the case.

3.10 The tender documents could not anticipate the working practices that are now required as a consequence of Covid-19. The Scottish Government has agreed a 6 point construction re-start model with the construction industry in Scotland. The industry is currently in stage 5 of that re-start model. The implications of new health and safety measures that must be implemented on site, set out in this re-start model, are only now starting to become clear as contractors restart works on sites. These measures are having an impact on productivity. The time and financial implications of these new working practices needed to be determined, understood and the risks associated with “the new normal” - including the implications should there be a resurgence of the virus resulting in a new lockdown; needed to be appropriately allocated between the Council and the Contractor.

3.11 The Chartered Institute of Building published the following on 23<sup>rd</sup> June 2020;

*“The virus has triggered programme delays and spiralling costs that have aggravated the sector’s underlying performance problems, according to consultancy Suiko, part of Turner & Townsend.*

*Using data from 70 medium-sized UK construction projects, Suiko modelled that a £20m project with an 81-week programme before the pandemic would typically suffer productivity losses of 20%.*

*Now, a project of this scale is seeing this rise to 35% productivity losses with project completion delays of up to 32 weeks and increases of around £600,000 in preliminary costs alone.”*

3.12 Officers had to ensure that decisions taken now did not expose the Council to un-necessary risk and financial exposure in the coming months. Following consultation with colleagues in Procurement and Legal a process of discussion with the preferred contractor was undertaken.

3.13 This period of discussion was concluded and the letter awarding the contract to Robertsons Construction Tayside Ltd. was issued on 24<sup>th</sup> July 2020.

3.14 Works commenced on site on 24<sup>th</sup> August 2020 and are progressing on programme.

<b>Milestone</b>	<b>Indicative Timescale</b>
Contract Award	24 <sup>th</sup> July 2020
Contractor took possession of the site	24 <sup>th</sup> August 2020
Construction Complete	Winter 2021/22

School Operational	Spring 2022
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#### 4. FINANCIAL IMPLICATIONS

- 4.1 The Replacement Milltimber Primary School forms part of the General Fund Capital Programme approved by Council on 3<sup>rd</sup> March 2020.#

<b>Budget</b>	
General Fund Capital Programme 2018/19 – 2013/24	£25,000,000
Developer Contributions	£2,421,000
<b>Developers Contributions utilised by the project to date</b>	£551,790
<b>Spend to date</b>	
Total to end of Q2 2020/21	£4,646,190

The cost of the purchase of the required land has been factored into the overall capital development cost of the project.

#### 5. LEGAL IMPLICATIONS

- 5.1 Within the Section 75 agreement (see item 3.4 above), an area of land was identified for the provision of a new Milltimber school. Negotiations with the landowners and developers were concluded and the land transferred to the City Council to meet the overall project timescales.

#### 6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
<b>Strategic Risk</b>	Late delivery will impact on the level of learning provision which can be provided.	L	This is being mitigated through early planning, clear governance arrangements and close working between teams across Aberdeen City Council.

<b>Compliance</b>	Late delivery will impact on the level of learning provision which can be provided.	L	This is being mitigated through early planning, clear governance arrangements and close working between teams across Aberdeen City Council.
<b>Operational</b>	Covid-19 pandemic restrictions impacting on work practices.	H	All teams are working towards delivering the projects as soon as possible taking cognisance of work restrictions regarding the Covid-19 pandemic.
<b>Financial</b>	Inability to deliver the Council's desired outcomes within the approved budget.	L	The estimated spend profile was constantly updated as the design of the project progressed and has been further updated following the issue of the letter of contract award. Take immediate action if the anticipated final cost exceeds the approved budget.
<b>Reputational</b>	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.
<b>Environment / Climate</b>	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	H	In response to the invitation to tender documents the contractor has provided detailed proposals showing how they intend to engage with local residents and the wider community. Constant liaison with the contractor to ensure that

			appropriate measures are in place and constantly monitored to ensure inconvenience and disruption is kept to an absolute minimum.
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## 7. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN</u></b>	
	<b>Impact of Report</b>
<p><b>Aberdeen City Council Policy Statement</b></p> <p>Programmes in the Policy Statement include working with our partners to ensure the city has the required infrastructure; completion of school estate review (P1) and development of estate strategy for next 5-10 years (P2); work with the Scottish Government to provide flexible and affordable childcare for working families on the lowest incomes; commit to closing the attainment gap in education while working with partners across the city;</p>	<p>The project outlined in this report is part of Aberdeen City Council's Education New Build Programme and supports the Early Learning and Childcare (ELC) Expansion Programme. The Education New Build Programme and expansion of ELC requires an investment in our Education 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. To this end, the proposals within the report support the delivery of childcare education learning targets.</p>
<b>Aberdeen City Local Outcome Improvement Plan</b>	
<p>Prosperous Economy Stretch Outcomes</p>	<p>The delivery of the new Milltimber 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</p>

	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.
Prosperous People Stretch Outcomes	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. Outdoor learning will significantly contribute to a child’s development and wellbeing.
Prosperous Place Stretch Outcomes	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 new replacement Milltimber School contributes to this objective. 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.
<b>Regional and City Strategies</b> Strategic Development Plan; Local Development Plan	The proposals in this report will impact on the consideration of future regional and city strategies with respect to education and learning.
<b>UK and Scottish Legislative and Policy Programmes</b> Legislation which places a range of statutory duties on the Council, the Children and Young People (Scotland) Act 2014.	The statutory duty for local authorities to provide 1140 hours by August 2020 has been revoked by the Scottish Parliament, however at this time no new date has been provided for the statutory duty to provide 1140 hours.

## 8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	Full impact assessment not required
Data Protection Impact Assessment	Not required

## 9. BACKGROUND PAPERS

Item 8 Education New Build Programme 2018; Capital Programme Committee; 12<sup>th</sup> September 2018

Item 14 New Schools Development Programme 2018; Strategic Commissioning Committee; 13<sup>th</sup> September 2018

Item 21 New Schools Development Programme 2018; City Growth and Resources Committee; 18<sup>th</sup> 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; 5<sup>th</sup> March 2019

Item 9 Milltimber Primary School – RES/19/361; Capital Programme Committee; 12<sup>th</sup> September 2019

Item 7 Statutory Consultation Reports: Proposed New School at Countesswells and Proposed Relocation of Milltimber School and St Peter's RC School – RES/19/339; 17<sup>th</sup> September 2012

## 10. APPENDICES

None

## 11. REPORT AUTHOR CONTACT DETAILS

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## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Capital Programme Committee
<b>DATE</b>	18 November 2020
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Torry Community Hub and Primary School – Progress Report
<b>REPORT NUMBER</b>	RES/20/203
<b>DIRECTOR</b>	Steve Whyte
<b>CHIEF OFFICER</b>	John Wilson
<b>REPORT AUTHOR</b>	Bill Watson
<b>TERMS OF REFERENCE</b>	1.1

### 1. PURPOSE OF REPORT

The purpose of this report is to update the Committee on the progress of the Torry Community Hub and Primary School.

### 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 completion of the construction of the Torry Community Hub and Primary School in Winter 2022/23.
- 2.3 Instruct the Chief Officer Capital to provide a further update on progress at the Capital Programme Committee in March 2021.

### 3. BACKGROUND

- 3.1 The Education & Children's Services Committee, on 1 March 2017, decided that the Council would construct a new primary school for Torry, to include early learning and childcare provision and a Community Hub, on the site of the existing Old Torry Academy.

3.2 The new Torry Hub will bring together in one place a range of services which will create synergies and a shared purpose to provide an environment where social, economic, educational, recreational and cultural activities can occur, service provision gaps can be closed and new opportunities to address system failures can be designed and implemented.

3.3 The new Community Hub will provide:

- A two-stream primary school with a capacity for 434 pupils
- Early Learning & Childcare (ELC) provision for 100 pupils
- A community cafe, library, multi-purpose rooms
- Offices and meeting spaces for service providers
- Recording facilities
- Performance and rehearsal facilities
- 3G, 7 a-side-pitch
- External outdoor play and learning spaces

3.4 The government's Early Learning and Childcare Programme is to expand the current offer of 600 hours to 1,140 hours for vulnerable two year olds, three and four year olds, by 2020. The policy intention is to ensure we deliver high quality Early Learning and Childcare services to improve outcomes for children and to remove barriers for working parents to support economic growth in Scotland.

### **Design Team Procurement**

3.5 The Council have appointed Hub North Scotland to develop the detail and construction costs for this project. Hub North Scotland are due to have completed this commercial proposal by December 2020. Hub North Scotland Ltd is a partnership between public and private organisations aimed at delivering best value infrastructure projects across the north of Scotland.

### **Timescale**

3.6 The current programme envisages that the construction of this project will commence Summer 2021 and be completed Winter 2022/23.

3.7 This programme has met the requirements of the Regeneration Capital Grant Fund.

3.8 Planning approval for this project was granted on 27<sup>th</sup> February 2020.

3.9 The Council appointed contractors to undertake the removal of materials containing asbestos and the demolition of the former Torry Academy. These works are now due to be completed in Summer 2021. As has been verbally reported to Committee previously these works have been significantly delayed as a result of the discovery of additional materials



containing asbestos and have now been further delayed as a result of the COVID-19 pandemic and its impact on the construction industry.

#### 4. TIMESCALE

- 4.1 Due to the lockdown instructed by the UK Government on 23<sup>rd</sup> March 2020, a wide variety of construction works were put on hold. This included the asbestos removal and demolition works at the former Academy. This delay was then further compounded by a reluctance, by the appointed asbestos contractor, to resume works due to difficulty in sourcing suitable accommodation and following the discovery that the required works will take longer than was first predicted. The Council has, as a result, instructed the demolition contractor to remove the remaining asbestos with these works recently resuming. The remaining asbestos is in challenging locations resulting in an extended project duration.
- 4.2 Once the programme to complete the asbestos removal and demolition works is certain, the Council will be in a position to appoint Hub North Scotland to deliver this project. It is anticipated that this appointment will be undertaken in early 2021, with works commencing on site in Summer 2021, and with completion anticipated in Winter of 2022/23.

Milestone	Indicative Timescale
Commercial close	Early 2021
Contractor to take possession of the site	Summer 2021
Construction Complete	Winter 2022/23
School Operational	Spring 2023

#### 5. FINANCIAL IMPLICATIONS

- 5.1 The Torry Community Hub and Primary School forms part of the General Fund Capital Programme approved by Council on 3<sup>rd</sup> March 2020.

<b>Budget</b>	
General Fund Capital Programme	£25m
Scottish Government's Regeneration Capital Grant Fund	£2m
<b>Spend to date</b>	
Total to end of Q2 2020/21	£2.28m

The cost of the asbestos removal and demolition of the existing building have been factored into the overall capital development cost of the project.

#### 6. LEGAL IMPLICATIONS

- 6.1 None currently.

## 7. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
<b>Strategic Risk</b>	Late delivery will impact on the level of learning provision which can be provided.	L	This is being mitigated through early planning, clear governance arrangements and close working between teams across Aberdeen City Council.
<b>Compliance</b>	Late delivery will impact on the level of learning provision which can be provided.	L	This is being mitigated through early planning, clear governance arrangements and close working between teams across Aberdeen City Council.
<b>Operational</b>	Covid-19 pandemic restrictions impacting on work practices.	H	All teams are working towards delivering the projects as soon as possible taking cognisance of work restrictions regarding the Covid-19 pandemic.
<b>Financial</b>	Inability to deliver the Council's desired outcomes within the approved budget.	L	The estimated spend profile was constantly updated as the design of the project progressed and has been further updated following the issue of the letter of contract award. Take immediate action if the anticipated final cost exceeds the approved budget.
<b>Reputational</b>	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.
<b>Environment / Climate</b>	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	H	Constant liaison with the contractor to ensure that

	negative impact on local residents		appropriate measures are in place and constantly monitored to ensure inconvenience and disruption is kept to an absolute minimum.
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## 8.OUTCOMES

<b><u>COUNCIL DELIVERY PLAN</u></b>	
	<b>Impact of Report</b>
<p><b>Aberdeen City Council Policy Statement</b></p> <p>Programmes in the Policy Statement include working with our partners to ensure the city has the required infrastructure; completion of school estate review (P1) and development of estate strategy for next 5-10 years (P2); work with the Scottish Government to provide flexible and affordable childcare for working families on the lowest incomes; commit to closing the attainment gap in education while working with partners across the city;</p>	<p>The project outlined in this report is part of Aberdeen City Council's Education New Build Programme and supports the Early Learning and Childcare (ELC) Expansion Programme. The Education New Build Programme and expansion of ELC requires an investment in our Education 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. To this end, the proposals within the report support the delivery of childcare education learning targets.</p>
<b>Aberdeen City Local Outcome Improvement Plan</b>	
<p>Prosperous Economy Stretch Outcomes</p>	<p>The delivery of the new Torry Community Hub and 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>
<p>Prosperous People Stretch Outcomes</p>	<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</p>

	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. Outdoor learning will significantly contribute to a child's development and wellbeing.
Prosperous Place Stretch Outcomes	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 new Torry Community Hub and Primary School contributes to this objective. 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.
<b>Regional and City Strategies</b> Strategic Development Plan; Local Development Plan	The proposals in this report will impact on the consideration of future regional and city strategies with respect to education and learning.
<b>UK and Scottish Legislative and Policy Programmes</b> Legislation which places a range of statutory duties on the Council, the Children and Young People (Scotland) Act 2014.	The statutory duty for local authorities to provide 1140 hours by August 2020 has been revoked by the Scottish Parliament, however at this time no new date has been provided for the statutory duty to provide 1140 hours.

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
<b>Equality &amp; Human Rights Impact Assessment</b>	No further update required at this juncture.
<b>Data Protection Impact Assessment</b>	No further update required at this juncture.
<b>Duty of Due Regard / Fairer Scotland Duty</b>	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

	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.
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## 10. BACKGROUND PAPERS

Item 8 Education New Build Programme 2018; Capital Programme Committee; 12<sup>th</sup> September 2018

Item 14 New Schools Development Programme 2018; Strategic Commissioning Committee; 13<sup>th</sup> September 2018

Item 21 New Schools Development Programme 2018; City Growth and Resources Committee; 18<sup>th</sup> 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; 5<sup>th</sup> March 2019

## 11. APPENDICES (if applicable)

None

## 12. REPORT AUTHOR CONTACT DETAILS

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## ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme Committee
DATE	18 November 2020
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	ELC Programme Progress Report
REPORT NUMBER	RES/20/208
DIRECTOR	Steve Whyte
CHIEF OFFICER	John Wilson
REPORT AUTHOR	Colin Kemp
TERMS OF REFERENCE	1.1

### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update the committee on the progress of ELC Capital Projects. These projects 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 Councils commitment to expand funded early learning and childcare from 600 hours to 1,140 hours by 2020.

### 2. RECOMMENDATION(S)

That the Committee: -

- 2.1 Note that the Early Learning and Childcare Expansion Programme of works forms part of the overall Aberdeen City Council Capital Plan.
- 2.2 Note the progress made with the overall delivery of projects in lieu of the Covid-19 pandemic impact.

### 3. BACKGROUND

- 3.1 The Council is committed to expanding the provision of funded early learning and childcare from 600 hours to 1140 hours by 2020. The expansion should prioritise a high-quality experience for the child to capitalise on the significant contribution that Early Learning and Childcare can make to a child's development and to closing the poverty related attainment gap.
- 3.2 Local Authorities' duty to provide 1140 hours of Early Learning and Childcare for eligible two-year olds and all three and four year olds by August 2020 has been revoked by the Scottish Parliament. However, it is expected that a new implementation date for delivery of 1140 hours will be agreed following further discussion. The indicative date for the decision is early 2021. This project forms part of the ELC Delivery Plan that will help Aberdeen City Council manage the transformational change necessary to deliver expanded services by 2020.

- 3.3 All Local Authorities were asked to develop an Early Learning and Childcare (ELC) Delivery Plan to guide expansion plans. The Aberdeen City Plan highlights a focus on the provision of outdoor learning to support wellbeing, on accessibility to increase uptake, on delivery of Family Learning to fully capitalise on the expansion programme and on the provision of a 'localised offer' to meet the needs of families within each community.
- 3.4 In September 2017 the Education & Children's Services Committee endorsed a provisional ELC Delivery Plan which detailed three proposed phases of work.

### **Committee Approvals**

- 3.5 Following the ELC Programme Board approval of the preferred options these were referred to elected members for approval at the following meetings:
- Council Budget Meeting 05 March 2019 (Phase 1 projects)
  - City Growth and Resources Committee 26 September 2019 (Phase 2 Projects)
  - City Growth and Resources Committee 05 December 2019 (Phase 3 Projects)

### **Consultation**

- 3.6 Prior to the reports being prepared for the committee meetings consultations were held with stakeholders, as part of the design development further consultation will be carried out with stakeholders.

### **Site Assessments**

- 3.7 Following approval of the delivery plan a review of capacity and demand across the city was carried out and several properties were identified with the potential to deliver the projects objectives and included in the grant submission for ELC funding.
- 3.8 Following confirmation of the Early Learning and Childcare Capital Grant Allocation to Aberdeen City Council the Capital Cluster were appointed to carry out feasibility studies to determine the options available at each site. On completion these were submitted to the Corporate Landlord and Operations Clusters for consultation.
- 3.9 Following a review of the options, including a further review of demand and capacity, the preferred option was presented to the ELC Programme Board for discussion and approval.

### **COVID-19 Impact**

- 3.10 Following the Prime Minister's lockdown instruction on the 23 March 2020, and the subsequent Scottish Government guidance clearly indicating that all non-essential construction work should cease, the main contractor notified Aberdeen City Council they had taken the decision to stop work and close down all ELC construction sites with immediate effect.



This action, together with the stay at home advice, had a direct impact of the ability of the majority of the external consultants to maintain a continuity of service and their ability to provide a full service supporting the ELC programme of work.

3.11 The Scottish Government wrote to all Local Authorities on the 30 March 2020 advising them the Scottish Parliament had revoked the Children and Young People (Scotland) Act 2014 (Modification) (No. 2) Order 2019. This removed the statutory duty to make 1140 hours of early learning and childcare available to all eligible children from the 1 August 2020.

3.12 On the 23 June 2020 the Deputy First Minister made a statement to the Scottish Parliament on re-opening of schools. In that statement he confirmed:

*“If we are in a position to ease public health measures in early learning and childcare, particularly small group working, more children and families will be able to benefit from an expand offer in the year ahead. In parallel, we continue to work in partnership with local authorities to agree a new timetable for delivery of the 1140 hours entitlement to all eligible children.”*

3.13 The Scottish Government, in discussions with Construction Scotland, adopted a 5-phase construction re-start plan as part of its Covid-19 route map. In line with this plan and the Scottish Governments decision to move to Phase 2 of the Route Map, ELC construction sites were re-opened on the 22 June 2020.

### **Programme Milestones**

3.14 The design team and main contractor have been evaluating the impact on the programme of Government guidance and the requirement to comply with physical distancing measures.

3.15 Since the update to the committee on 23 September two further projects have been completed bringing the total completed to four. Appendix 2 summarises the current projected programme dates of all 27 No. projects, these are subject to Scottish Government exercising their statutory authority and understanding that there could be further lockdowns or restrictions.

## **4. FINANCIAL IMPLICATIONS**

4.1 The Aberdeen City Council Early Learning and Childcare Expansion Programme of works forms part of the Aberdeen City Councils Capital Programme.

4.2 All staffing and other support costs associated with the ELC Delivery Plan are being funded from the Early Learning and Childcare revenue grant funding allocation.

- 4.3 The introduction of, and the requirement to comply with, Government guidance and statutes has added significant additional costs to both legally committed and future projects. The impact on these were reviewed by the design team and main contractor in June 2020 and a report was submitted to the ELC Project Board at the end of June 2020.

The report highlighted the potential financial impact and made recommendations to keep the overall programme within the approved budget. The recommendations re-profiled the individual projects and suggested potential savings that did not require projects to be cancelled and maintain the additional capacity requested by Education.

- 4.4 Since the update to the committee on 23 September 2020 one project has been accepted and one project has been issued to the contractor for pricing. Appendix 1 has a breakdown of the project allocations and current estimated final account figure. The current estimated costs reflect ongoing design development and discussions with the design teams and main contractor to reduce the Covid-19 impact costs and potential delays while maintaining the quality of the finished designs.

- 4.5 The current budget spend is as follows;

<b>Gross Budget</b>	<b>Spend to date</b>
<b>£23.04m</b>	<b>£ 8.73m</b>

### **Contingency Planning**

- 4.6 There are ongoing discussions with the Early Learning, Corporate Landlord and Capital teams to development options to ensure the 1140 hour entitlement is available in the event a project is delayed or programmed completed beyond any new date the Scottish Government set for Local Authorities to deliver 1140 hours of early learning and childcare.

Where appropriate, contingency planning has been included in the current estimated final account.

## **5. LEGAL IMPLICATIONS**

- 5.1 The legal implications arising out of the recommendations are referred to within the body of the report.

## **6. MANAGEMENT OF RISK**

<b>Category</b>	<b>Risk</b>	<b>Low (L) Medium (M) High (H)</b>	<b>Mitigation</b>
<b>Strategic Risk</b>	Late delivery will impact on the level of		This is being mitigated through early planning, clear

	<p>learning provision which can be provided.</p> <p>The statutory duty for local authorities to provide 1140 hours by August 2020 has been revoked by the Scottish Parliament, however at this time no new date has been provided for the statutory duty to provide 1140 hours. The risk is that the time limit introduced is not met</p>	H	<p>governance arrangements and close working between teams across Aberdeen City Council to ensure that the expansion of Early Learning and Childcare is being planned for across all teams. At the time of writing the Scottish Government have not determined a new target date in lieu of the Covid-19 pandemic.</p>
<b>Compliance</b>	<p>Not meeting the statutory date for delivery.</p>	H	<p>At the time of writing the Scottish Government have not determined a new target date in lieu of the Covid-19 pandemic. All teams are working towards delivering the projects as soon as possible taking cognisance of work restrictions regarding the Covid-19 pandemic.</p>
<b>Operational</b>	<p>Covid-19 pandemic restrictions impacting on work practices.</p>	H	<p>At the time of writing the Scottish Government have not determined a new target date in lieu of the Covid-19 pandemic. All teams are working towards delivering the projects as soon as possible taking cognisance of work restrictions regarding the Covid-19 pandemic.</p>
<b>Financial</b>	<p>The expansion of funded Early Learning and Childcare will require very careful budget monitoring and financial planning to mitigate the risk of funding being insufficient to realise the expansion.</p>	M	<p>Cost checks will be carried out throughout the design stage to monitored estimates against the allocated budget. These will also be reported monthly to the ELC Programme Board.</p> <p>Costs reviewed and adjusted to cover potential</p>

	Government exercising their statutory powers to manage their Covid-19 health response including future lock downs		costs associated with compliance with current Government guidance. VE engineering exercise carried out to keep costs within the approved budget.
<b>Reputational</b>	The reputational risk of not being in a position to offer sufficient 1140 hours places to meet demand from August 2020.	M	This is being mitigated through early planning, clear governance arrangements and close working between teams across Aberdeen City Council to ensure that the expansion of Early Learning and Childcare is being planned for across all teams.
<b>Environment / Climate</b>	Environmental assessments will be considered prior to confirming any sites for expansion or extension and feasibility studies will be undertaken where appropriate	L	This level of scrutiny and by following of Aberdeen City Council's Building Performance Policy will ensure that environmental risks remain low.

## 7. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN</u></b>	
	<b>Impact of Report</b>
<p><b>Aberdeen City Council Policy Statement</b> Programmes in the Policy Statement include working with our partners to ensure the city has the required infrastructure; completion of school estate review (P1) and development of estate strategy for next 5-10 years (P2); work with the Scottish Government to provide flexible and affordable childcare for working families on the lowest incomes; commit to closing the attainment gap in</p>	<p>The projects outlined in this report is part of Aberdeen City Council's Early Learning and Childcare (ELC) Expansion Programme. The expansion of ELC 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. To this end, the proposals within the report support the delivery of childcare education learning targets.</p>

education while working with partners across the city;	
<b>Aberdeen City Local Outcome Improvement Plan</b>	
Prosperous Economy Stretch Outcomes	<p>The project outlined in this report is part of Aberdeen City Council’s Early Learning and Childcare (ELC) Expansion Programme. The expansion of ELC 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. To this end, the proposals within the report support 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 Stretch Outcomes	<p>The proposal within this report 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(s) outlined in this report will be designed to support outdoor learning and the free flow of direct access to the outside environment. Outdoor learning, exercise and play benefits pre-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 as part of their ELC funded offer. Outdoor learning will significantly contribute to a child’s development and wellbeing.</p>
Prosperous Place Stretch Outcomes	<p>The proposals within this report support the delivery of LOIP Stretch Outcome 13 – No one in Aberdeen will go without food due to poverty by 2026. To deliver the 1140 funded hours necessitates the building of several new ELC settings and a reconfiguration and extension of current provision. Increasing the accessibility of provision will contribute to transforming the lives of families across Aberdeen City. There are gaps in the provision in our three Priority Areas, which are home to the highest proportion of pre-school children and the highest concentration of families living in poverty. Every child attending a funded</p>

	early learning and childcare (ELC) session will receive a healthy meal. The accessibility of provision will lead to an increase in the uptake of the ELC funded offer and help ensure that no child in ELC will go hungry.
<b>Regional and City Strategies</b> Strategic Development Plan; Local Development Plan	The proposals in this report will impact on the consideration of future regional and city strategies with respect to education and learning.
<b>UK and Scottish Legislative and Policy Programmes</b> Legislation which places a range of statutory duties on the Council, the Children and Young People (Scotland) Act 2014.	The statutory duty for local authorities to provide 1140 hours by August 2020 has been revoked by the Scottish Parliament, however at this time no new date has been provided for the statutory duty to provide 1140 hours.

## 8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	Full impact assessment required / not required
Data Protection Impact Assessment	Required / not required

## 9. BACKGROUND PAPERS

- 9.1 Item 10.02 Early Learning and Childcare Delivery Plan; Education and Children's Services Committee 14<sup>th</sup> September 2017
- 9.2 Item 4(b) General Fund Revenue Budget - 2.1.3; Council Budget Meeting 5<sup>th</sup> March 2019

## 10. APPENDICES

- Appendix 1 – Project Estimated Final Accounts  
Appendix 2 – Project Milestones

## 11. REPORT AUTHOR CONTACT DETAILS

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## Appendix 1 – Project Estimated Final Accounts

Project	Initial Allocation from the Capital Grant	Re-profiled project costs	Budget Variation	Current Estimated Final Account
Duthie Park	£ 0.65m	£1.10m	£ 0.39m	£1.04m
Seaton Nursery	£ 2.10m	£1.73m	-£ 0.32m	£1.78m
Tillydrone Nursery	£ 1.25m	£2.35m	£ 1.09m	£2.34m
Northfield Cummings Park Nursery	£ 2.40m	£2.65m	£ 0.20m	£2.60m
Quarryhill Nursery	£0.47m	£0.63m	£ 0.12m	£0.59m
Westpark Nursery	£ 0.50m	£0.25m	-£ 0.25m	£0.25m
Kingsford Nursery	£ 1.75m	£1.95m	£ 0.14m	£1.89m
Woodside Nursery	£ 2.00m	£2.17m	£ 0.17m	£2.22m
Tullos Nursery	£ 0.65m	£0.82m	£0.46m	£1.11m
Culter Nursery	£ 1.40m	£1.73m	£ 0.28m	£1.68m
Cults Nursery	£ 1.82m	£1.85m	-£ 0.01m	£1.81m
Hazlehead Park	£ 0.25m	£0.25m	£ 0.00m	£0.25m
Kingswells Nursery	£ 0.05m	£0.09m	£ 0.03m	£0.08m
Kirkhill Nursery	£ 1.75m	£0.73m	-£ 1.20m	£0.55m
Broomhill Nursery	£ 1.61m	£1.90m	£ 0.16m	£1.77m
Charleston Nursery	£ 0.87m	£0.12m	-£ 0.81m	£0.62m
Gilcomstoun Nursery	£ 2.00m	£2.48m	£ 0.30m	£2.30m
Loirston Nursery	£ 0.13m	£0.16m	£ 0.03m	£0.11m
Danestone Nursery	£ 1.67m	£0.70m	-£ 1.12m	£0.55m
Dyce Nursery	£ 0.07m	£0.10m	£ 0.03m	£0.10m
Glashieburn Nursery	£ 0.07m	£0.10m	£ 0.03m	£0.10m
Forehill Nursery	£ 0.07m	£0.10m	£ 0.03m	£0.10m
Fernilea Nursery	£ 0.07m	£0.10m	£ 0.03m	£0.10m
Scotstown Nursery	£ 0.07m	£0.10m	£ 0.03m	£0.10m
Kittybrewster Nursery	£ 0.07m	£0.10m	£ 0.03m	£0.10m
Greenbrae Nursery	£5k	£6.4k	£ 1.4k	£6.4k
Walker Road Nursery	£5k	£11.2k	£ 6.2k	£11.2k

### Note

1. The above figures includes an allowance for contingencies
2. The above figures do not include £1.1m of revenue grant allocation for staffing and support costs

Appendix – 2 Project Milestones



Project Status : October 2020									
			Estimated Site Start	Estimated Practical Completion	Estimated Handover	Tendering Status	Accepted	Works Completed	Comments
Phase 1	7969	Duthie Park	Winter 20	Summer 21	Summer 21	Progressing	No	No	Tender Package Issued to Contractor for pricing
	7974	Seaton Nursery	Winter19/20	Winter 20	Winter 20	Complete	Yes	No	Works progressing onsite
	7975	Tillydrone Nursery	Spring 20	Spring 21	Spring 21	Complete	Yes	No	Works progressing onsite
	7990	Northfield Cummings Park	Spring 20	Spring 21	Spring 21	Complete	Yes	No	Works progressing onsite
	7991	Quarryhill School	Winter19/20	Autumn 20	Autumn 20	Complete	Yes	Yes	Project Completed
	7992	Westpark School	Re-design TBC	Re-design TBC	Re-design TBC	Not Started	No	No	New proposals agreed and being developed
	7993	Kingsfords School	Spring 20	Spring 21	Spring 21	Complete	Yes	No	Works progressing onsite
	7996	Woodside School	Spring 20	Spring 21	Spring 21	Complete	Yes	No	Works progressing onsite
	7997	Tulloch School	Winter19/20	Autumn 20	Autumn 20	Complete	Yes	Yes	Project Completed
Phase 2	8000	Culter School	Autumn 20	Summer 21	Summer 21	Complete	Yes	No	Works progressing onsite
	8001	Cults School	Autumn 20	Summer 21	Summer 21	Complete	Yes	No	Works progressing onsite
	8004	Hazlehead Park	Spring 21	Summer 21	Summer 21	Not Started	No	No	Planning Application being submitted
	8006	Kingswells School	Summer 21	Summer 21	Summer 21	Not Started	No	No	Project scope of work agreed, work planned for Summer 2021
	8007	Kirkhill School	Re-design TBC	Re-design TBC	Re-design TBC	Not Started	No	No	Works to value engineered to reduce cost as part of COVID 19 VE options
	8017	Broomhill School	Winter 20	Summer 21	Summer 21	Complete	Yes	No	Works to start on site in November
	8018	Charleston School	Summer 21	Summer 21	Summer 21	Not Started	No	No	Works to value engineered to reduce cost as part of COVID 19 VE options
	8019	Gilcomstoun School	Autumn 20	Summer 21	Summer 21	Complete	Yes	No	Works progressing onsite
	8020	Loirston School	Summer 21	Summer 21	Summer 21	Not Started	No	No	Works to value engineered to reduce cost as part of COVID 19 VE options
Phase 3	8022	Danestone	Re-design TBC	Re-design TBC	Re-design TBC	Not Started	No	No	Works to value engineered to reduce cost as part of COVID 19 VE options
	8002	Dyce	Summer 21	Summer 21	Summer 21	Not Started	No	No	Project scope of work agreed, work planned for Summer 2021
	8014	Glasheburn	Summer 21	Summer 21	Summer 21	Not Started	No	No	Project scope of work agreed, work planned for Summer 2021
	8015	Forehill	Summer 21	Summer 21	Summer 21	Not Started	No	No	Project scope of work agreed, work planned for Summer 2021
	8016	Fernielea	Summer 21	Summer 21	Summer 21	Not Started	No	No	Project scope of work agreed, work planned for Summer 2021
	8023	Scotsown	Summer 21	Summer 21	Summer 21	Not Started	No	No	Project scope of work agreed, work planned for Summer 2021
	8024	Kittybrewster	Summer 21	Summer 21	Summer 21	Not Started	No	No	Project scope of work agreed, work planned for Summer 2021
	8003	Greenbrae	Summer 20	Summer 20	Summer 20	Complete	Yes	Yes	Project Completed
	8026	Walker Road	Summer 20	Summer 20	Summer 20	Complete	Yes	Yes	Project Completed
		Colour Legend							
		Design Complete							
		Legally Committed							
		VE re-design ongoing							
		Completed							

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