

# Public Document Pack



To: All Members of the Council

Town House,  
ABERDEEN, 4 September 2023

## ADJOURNED COUNCIL

The Members of the **COUNCIL** are requested to meet in Council Chamber - Town House on **MONDAY, 11 SEPTEMBER 2023 at 10.00am**. This is a hybrid meeting therefore attendance via Teams is also available.

JENNI LAWSON  
INTERIM CHIEF OFFICER - GOVERNANCE  
(LEGAL)

### B U S I N E S S

#### GENERAL BUSINESS

- 9.2 Beachfront Public Realm Progress Report - Beach Park, Events Park and Broadhill - COM/23/270 (Pages 3 - 80)
- 9.3 Queen Street Outline Business Case - RES/23/242 (Pages 81 - 178)
- 9.4 City Centre and Beach Masterplan: **GENERATION ABERDEEN** - COM/23/269 (Pages 179 - 190)
- 9.5 Aberdeen Market - August 2023 Update - RES/23/249 (Pages 191 - 204)
- 9.6 Land Options Within the Energy Transition Zone - RES/23/287 (Pages 205 - 218)

## **NOTICES OF MOTION**

### 10.1 Notice of Motion by Councillor Kuszniir

That the Council:

1. Notes the negative impact since 2022 of the South College Street Junction Improvements Project works on the businesses based on and around Palmerston Road, Palmerston Place and The Arches on South College Street;
2. Believes that small and medium-sized enterprises are the backbone of the UK, Scottish and Aberdeen economy; and
3. Therefore, instructs the Chief Officer - Finance to prepare a report outlining the options available to Councillors in encouraging businesses to remain within the area, including but not limited, to Non-Domestic Rate discounts for approval by Council.

(Deferred from Council meeting of 14 June 2023)

Website Address: [www.aberdeencity.gov.uk](http://www.aberdeencity.gov.uk)

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## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Council
<b>DATE</b>	23rd August 2023
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Beachfront Public Realm Progress Report – Beach Park, Events Park and Broadhill
<b>REPORT NUMBER</b>	COM/23/270
<b>DIRECTOR</b>	Steven Whyte/Gale Beattie
<b>CHIEF OFFICER</b>	Craig Innes
<b>REPORT AUTHOR</b>	Craig Innes
<b>TERMS OF REFERENCE</b>	21

### 1. PURPOSE OF REPORT

- 1.1 This report provides Council with updates on delivery of the Beachfront medium-term interventions (Beach Park, Events Park and Broadhill).

### 2. RECOMMENDATIONS

- 2.1 Note the update from the Chief Officer – Commercial & Procurement on progress of the medium-term interventions: Beach Park, Events Park and Broadhill, and approve the Final Business Case in Appendix D.
- 2.2 Instruct the Chief Officer – Commercial & Procurement to proceed with the appointment of Hub North Scotland to deliver the Beachfront medium-term interventions, and to report progress to the Finance and Resources Committee on a 6 monthly basis from the date of this report.
- 2.3 Instruct the Chief Officer - Commercial & Procurement to liaise with Aberdeen Health and Determinants Research Collaboration (AHDRC) to explore possible options for additional evaluation of the social and health and wellbeing impacts of the project and report back to Committee within the first year of the Beach Park, Events Park and Broadhill projects being operational,

### 3. CURRENT SITUATION

- 3.1 An Outline Business Case (OBC) on the medium-term interventions was approved by Council on 14<sup>th</sup> of December 2022, and an instruction given to Officers to progress with the development of a Full Business Case (FBC) for presentation to this Council meeting. A Development Framework for Phase 1 of the Beach area was approved by Council in May 2023 and sets out the Council's Vision to revitalize and renew Aberdeen's beachfront to maximise the potential of this unique space and create an exceptional asset for the city.

#### **Beach Park**

- 3.2 Members should note that the Beach Park was referred to as the “Urban Park” in previous documentation. The name change avoids confusion with other developments within the wider City Centre Masterplan.
- 3.3 The main features of the Beach Park include a Play Park, Sports Area/Pump Track, Gateway Building, Hub Building, and Canopy Features. Visual representations of the main features of the Beach Park are shown in Appendix B.
- 3.4 The Core Play Park will provide a significantly sized outdoor destination within the unique beachfront context. The Core Play Park is part of the wider landscape masterplan and importantly facilitates connections back to the city centre. The Core Play Park will create a focus for activity and will act as a key ‘gateway’ into the wider park and the beach. Focused participative workshops with children and young people have been a key factor in shaping the core play area and defining the activities within. Hundreds of children, including specialist sessions for those with Additional Support Needs (ASN), have taken part to date, and it will be important to maintain this engagement as the project moves from stage to stage. The seaside location and the rope factory that was once located to the south of the site have both been key inspirations that have helped shape the design of the play area. A report on the consultation undertaken with children and young people on the Beach Park / Core Play Park to date is presented at Appendix C.
- 3.5 In conjunction with youth engagement exercises, the core play area has been broken down into four main character or themed areas. These are:
- The Sports Zone
  - The Adventure Zone
  - The Woodland Zone
  - The Coastal Zone
- 3.6 Throughout all these zones the Rope Strands create feature routes which promote exploration and interaction between the core play and the themed zones.
- 3.7 Sitting within the Adventure Zone at the centre of the park is the Rope Factory, a large-scale bespoke play structure which will become an iconic element within the park and an attraction of national significance. The idea for this iconic piece of play has evolved out of workshops with the youth groups and schools.

### **Events Park**

- 3.8 The Events Park is an area of approximately 2.5 hectares and is intended as a flexible space capable of holding events including festivals, larger concerts and gatherings. The Field will be the central focus of this area, semi-enclosed by woodland planting, providing definition and increased shelter. This area will have direct visual and physical links to the main pedestrian spine and the core play area, with other key routes through woodland to surrounding communities and beachfront facilities.
- 3.9 The Field creates a large flexible open space within the park which can be used for events but which also allows day to day use as an informal space. The open character provides a contrast to the more active Core Play area which sits across the Beach Boulevard. The Field covers a total area of 1 Hectare. It is approximately



100m wide and 154m long. Surfacing is intended to withstand events and events traffic. The Field design includes:

- Suitable sub-base to take vehicular traffic
- Adequate drainage
- An advanced reinforced turf system
- Asphalt paths
- Street furniture, bins, benches, power and water

3.10 Planting will comprise advanced reinforced turf for main events field area and pine trees to provide a suitable interface with the Amphitheatre area.

### **Broadhill**

3.11 The Broadhill is approximately 5 hectares of green natural space, and one of the most distinctive landscape features along this stretch of coastline. The vision for Broadhill is to enhance the natural environment of this distinctive feature in the beach area. This will be achieved through additional planting, furthering the diversity of habitat and ecological value. An ecological and arboricultural assessment will be undertaken in order to better understand the existing environment, so that an informed decision can be made on what natural mechanisms and approaches can be utilised to enhance the biodiversity of this special place. Access on Broadhill will be enhanced by upgrading the existing path network through resurfacing and management.

3.12 There is an extensive network of formal and informal paths on Broadhill, and it is not intended to introduce or change this network in any significant way. The aim will be to improve the existing surfaces in an appropriate manner in the first instance and allow careful management thereafter. A number of vantage and key arrival points will be enhanced with viewing platforms, seating areas and enhanced interpretation and wayfinding.

3.13 Geotechnical investigations, including boreholes, trial pits, insitu-testing and laboratory testing have been undertaken across the Beach Park, Events Park and the Broadhill.

### **Selection of the Tier One Contractor**

3.14 It is recommended that Robertson Construction be formally appointed through the Council by Hub North Scotland Ltd to construct the medium-term interventions described herein.

3.15 The procurement of Robertson Construction has been undertaken in accordance with Hub's Ongoing Partnering and Project Development Method Statements.

3.16 Council Officers in conjunction with Hub North Scotland have been responsible for the management of the Tier 1 Building Contractor through a two step tendering process.

3.17 This early procurement was undertaken in order to bring to the project development process the chosen contractors expertise in:

- Construction Methodology and Buildability Analysis.
- Construction Detail and Interface Management.
- Planning and Programming.
- Product and Procurement.
- Pricing and Estimating.
- Value Management and Value Engineering.
- Risk Management.

3.18 The contractor has enhanced the value for money of the projects by improving the design, delivering value-managed cost efficiencies, and potentially reducing the construction programme, allowing attendant preliminaries savings. Furthermore, the early contractor selection has provided its buy-in to the initial cost estimates and affordability envelope.

3.19 To provide transparency on costs, each of the tenderers was required to price its input to separately identify: profit, overheads, risk allowances and preliminaries costs to demonstrate best value for money and the ability to commit to a firm fixed price.

### **Programme**

3.20 The planned programme for construction is to commence works on site in early 2024, with a planned construction duration of under 2 years. A summary of the phasing of the works is included in the table below.

<b>Public Realm Phase A – Construction Phasing/Timeline Summary</b>	<b>Planned Start</b>	<b>Planned Finish</b>
Phase A utility service diversions (Advance Work)	Q4 2023	Q3 2024
Beach park / core play	Q1/Q2 2024	Q4 2025
Events Park	Q2/Q3 2024	Q3 2025
Broadhill Interventions	Q3/Q4 2024	Q3 2025

### **Community Benefits/Local Partnerships**

3.21 A series of SMART Objectives have been developed for the wider programme and include the following criteria which must be met by the Tier 1 Construction Partner:

- 20-30% of the net Construction Costs will be for local materials.
- 50% Local labour will be employed on the project.

### 3.22 Community Benefit Requirements Relating to the Project

<b>Benefit Description</b>	<b>Quantity</b>
<b>1.1</b> Jobs Created by the Project (Apprenticeships)	<b>66+</b> apprentices
<b>1.2</b> Work Experience (Placements) (5 days – 6 weeks)	<b>62+</b> placements
<b>1.3</b> Developing the Workforce	<b>100+</b> outcomes
<b>1.4</b> School Engagement Activities (focus on construction sector, STEM, gender/gender pay gaps and disability)	<b>10+</b> activities
<b>1.5 (a)</b> Further and Higher Education Engagement Activities (focus on construction sector, STEM gender/gender pay gaps and disability)	<b>10+</b> activities
<b>1.5 (b)</b> Graduate/Undergraduate/FE/HE Placement Opportunities	<b>10+</b> placement opportunities
<b>1.6</b> Employability engagement activities	<b>10+</b> activities
<b>1.7</b> Vacancy Sharing (including wider supply chain)	<b>1</b> outcome – all vacancies to be shared
<b>2</b> Communities, Community Groups, and Community Projects <b>(i)</b> hours professional or practical support/general volunteering + <b>ii)</b> donation of new/surplus equipment or materials and/or financial offers) e.g: improve community cohesion or open spaces near to the development, digital inclusion or projects looking to initiate and implement circular economy, fuel poverty or climate literacy initiatives in Aberdeen’s communities	<b>2</b> outcomes, broken down as: <b>i) 400+</b> hours <b>ii)</b> donations

<b>3 Local Economic Development Measures (Duty to Report)</b>  (creative measures to ensure inclusive participation of local SMEs/Local 3 <sup>rd</sup> sector + reporting on work packages awarded locally, Main Contractor + wider supply chain)	<b>1</b> outcome – ongoing reporting throughout the project
<b>4.1 Environmental Wellbeing, Carbon Reduction and Climate Literacy (Annual Report of credentials and improvements Co-operation, collaboration with bodies such as SCARF + exploration of Net Zero Toolkit)</b>	<b>1</b> outcome – ongoing reporting throughout the project
<b>4.2 Environmental Measures (Fuel Poverty &amp; Climate Literacy) – participation in activities concerned with consumer fuel poverty and business climate literacy in Aberdeen...savings to business community + cascade of sustainable good practice)</b>	<b>10+</b> outcomes
<b>5 Duty to report on Fair Work Practices</b>	<b>1</b> outcome
<b>6 Duty to report on prompt payment in the Supply Chain. For example, specify current payment performance and report on annual payment performance</b>	<b>1</b> outcome - ongoing reporting throughout the project.
<b>7 Promotion of Adoption and Fostering (cascade of Council message via payroll, digital etc to reach as many staff as possible)</b>	<b>10+</b> promotional materials to be shared as detailed
<b>8 Case studies demonstrating positive outcomes as a result of the delivery of community benefits</b>	<b>5+</b> case studies
<b>Total Community Benefit Outcomes</b>	<b>300+</b> outcome

- 3.23 In order to create a unique, socially progressive, commercially viable and self-sustaining operating model for the Hub building including café, it is envisaged that the optimum operating model will necessitate the establishment of a consortia of suitable, locally anchored, multi-disciplined social enterprises and 3rd sector organisations. It is thought that the resulting commercial opportunity will be mutually beneficial and complementary to emerging Community Wealth Building strategies and positively impact statutory duties including the Fairer Scotland Duty, Sustainable Procurement Duty and Public Sector Equality Duty.
- 3.24 Although the scope of the opportunity could ultimately become considerably broader, at this initial stage, there are thought to be particular opportunities in the following areas: employability and skills (particularly work experience and individuals furthest from the workplace), fair work, education and science, local

supply chain opportunities (e.g ingredients and services), disability employment gap, equalities/inclusion, circular economy/climate literacy, community cohesion and meaningfully addressing socio-economic challenges and disadvantage at a local level.

- 3.25 Through this initiative, these activities could support and amplify the Council's impact in these areas in conjunction with existing community planning partnerships, anti-poverty initiatives and local employability partnerships (e.g. ABZ Works), potentially reduce/avoid costs and improve the volume and quality of outcomes delivered in Aberdeen's communities.
- 3.26 In exchange for favourable lease terms, the consortia would be expected to assume all reasonable, associated repair and maintenance obligations of the Café/Hub and immediate outdoor vicinity e.g. general cleaning, maintenance, cleaning of public toilets, building maintenance/repairs/facilities management, insurance, utilities, business rates (if applicable), grass cutting, waste management, vandalism, litter etc. Council Officers will support the proposed venture in a variety of ways in addition to existing community benefit requirements e.g. community funds, professional support, extended or enhanced structural warranties, lifecycle costing initiatives etc. The 300+ Community Benefit outcomes relating to the project are summarised at paragraph 3.22.
- 3.27 According to Social Enterprise Scotland, there is firm evidence of interest, capability and capacity at a local level within the social enterprise sector and wider 3rd sector. Utilising community empowerment legislation, the opportunity to have free negotiations outside of a conventional competitive process is very much welcomed by the sector. The broad proposals are considered unique in terms of scale, scope and ambition in Scotland. The sector at a local and national level will potentially be able to leverage new funding from a variety of sources on a phased basis (e.g. National Lottery.) There are a variety of potential viable supplementary income streams aside from the operation of the café. A suitable longer-term lease would potentially allow the consortia to borrow against the asset. At this stage there is an appetite to explore the possibilities locally and Social Enterprise Scotland could begin to seek out interest with reference to ACVO (the local third sector interface) and ASEN (the local social enterprise network) to ensure there is complete inclusion of potential partners and stakeholders at a local level.

### **Planning**

- 3.28 As has previously been reported to Council, whilst the public realm works and works to public roads within Phase A of the Beachfront do not require planning permission, the proposed buildings and architectural interventions will be the subject of future planning applications. There will be three separate Planning applications for the Phase A works: the Beach Park; the Events Park; the Beach Park access (parking). The application boundaries for the Beach Park and the Events Park will encompass the wider sites in question in order to provide design context, but it is only the buildings within that represent 'development' and require planning permission. The works included in all three applications will represent 'local developments' and do not require any formal Pre-Application Consultation; however, the Council will note that concept proposals for these areas are included within the Aberdeen Beachfront Development Framework Phase 1 which was

subject to extensive public consultation in September 2022.

- 3.29 A comprehensive package of design and supporting information to accompany the planning applications has been agreed with Council planning officers. This includes: plans, elevations and sections; Design Statement, providing design context and consistency with the Development Framework; landscape proposals; civil engineering details; Energy Strategy; lighting details; and, ecology/biodiversity information. These planning applications are programmed for submission in August 2023; and while there is a target determination period of two-months for such applications, there may be a requirement for these to be determined by the Planning Development Management Committee which could impact on timescales.

### **Traffic Management**

- 3.30 SYSTRA have been appointed through Hub North and are working with the wider design team and ACC officers in supporting the delivery of the Beachfront Phase A works, ensuring the necessary roads approvals route is followed. This includes working with ACC officers on the approval route in which Beach Boulevard east of Links Road can be closed from Q1 2024 to facilitate Phase A works, while taking cognisance of the longer-term closure required to deliver Phase B. Further work has been progressed on matters relating to new off-street car parks, common requirements to both Phase A and Phase B, and on pedestrian access to the waterfront during Phase A works.
- 3.31 The scope of transport related support now includes the City Beach Connectivity Project (Justice Street, Beach Boulevard and Commerce Street / Beach Boulevard roundabout) as instructed by Council Committee in April 2023, ensuring a holistic approach for transport connections between the city and the beach, prioritising active and sustainable modes over movements by vehicular traffic.
- 3.32 As part of this holistic approach for transport connections, beyond the completion of an initial Inception & Scoping period, three further distinct stages have been identified to allow progression of the required transport measures from concept and strategy through to detailed design and delivery; these being the development of the Access Strategy, the Networks Development Strategy all informing the Detailed Design.

### **Stakeholder Engagement**

- 3.33 An Engagement Strategy for the wider Aberdeen City Centre and Beach Masterplan has been prepared which will support ongoing design development and implementation of the Beachfront Concept Masterplan and Development Framework.
- 3.34 Specific engagement in relation to Beachfront medium-term interventions (Beach Park, Events Park and Broadhill) has been undertaken with a number of organisations and individuals including:
- Technical Stakeholders such as statutory consultees and regulatory bodies
  - Immediate neighbours
  - Accessible City Transport Users Partnership (ACTUP) and Disability Equity

- Partnership (DEP)
      - Children and Young People, specifically in relation to the designs for the Beach Park and core play areas.
- 3.35 Technical engagement has been ongoing with a number of organisations and Council teams. For example discussions with the Environment team has covered an introductory briefing, discussions about existing facilities such as public toilets and wider operations of the beachfront. Design development meetings have enabled input on a wide range of practical points from a maintenance and operations perspective as well as helping the design team better understand a range of historic and contemporary matters. Officer knowledge has been invaluable in relation to wildlife and tree/planting considerations as has micro-climate and planting knowledge from Footdee Garden Committee. This engagement will continue on an iterative basis as designs progress.
- 3.36 In May 2023, stakeholders including Community Councils, key neighbours, Aberdeen Water Safety Group, ACTUP and DEP were contacted. Where requested, follow up meetings were arranged and as designs develop update sessions have been held with ACTUP and DEP. All businesses in the vicinity of the Esplanade have been visited to ensure they are aware of the proposals.
- 3.37 Regular updates on the Beachfront are given to a wide range of stakeholders. For example quarterly briefings to the business community through business networking forums and discussions with groups such as “Lively Minds” which caters for older citizens.
- 3.38 Further commentary on the engagement taken with children and young people is presented in Appendix C, however the following gives a brief summary:
- At the end of June, the design team visited the ASN facilities at both Lochside Academy and Bucksburn Academy to share the latest proposals for the Beachfront in general and the Beach Park in particular. Many of the young people and their support staff involved in the sessions had also contributed during engagement events in Autumn 2022 and were pleased to hear how their ideas had contributed to the accessibility and inclusivity of the designs. Additional thoughts and comments were provided through a creative feedback session following the presentation.
  - During July, two Summer in the City events were dedicated to Beach Park engagement with Children and Young People.
  - From 18th to 20th July, the Project Team welcomed children with additional support needs, plus their families and caregivers, to Orchard Brae School. As well as engaging through play with SoundPlay’s interactive music and light installations, the participants found out more about the detailed plans for the Beach Park and discussed what is important to them in terms of play and learning.
  - From the 24th July, Creative Learning continued the use of applied theatre to explore key themes around the Beach Masterplan. The 5- day workshop at the Beach Ballroom considered how the Beach Park in general, and the Rope

Factory in particular, can provide multiple and progressive levels of play within the new designs that can be challenging and educational but also accessible and fun. The group involved young people that have already provided their input on several occasions as well as newcomers who discovered the satisfaction of having their voices heard in the fine-tuning of the Beach Park proposals.

## **Operation and Maintenance**

- 3.39 The yearly maintenance costs are currently estimated to be between £70,000 and £80,000 per annum.
- 3.40 Council Officers are currently in discussions with local partners and the prime contractor (as per paragraph 3.30) on arrangements to undertake and fund these Operation and Maintenance costs.

## **4. FINANCIAL IMPLICATIONS**

- 4.1. The original funding commitment made by the Council Budget meeting on 10 March 2021 was for £150m from the General Fund Capital Programme over financial years 2021/22 to 2025/26 to ensure the Council transforms the City Centre and the Beach area. This £150m funding commitment was used as match funding to secure the £20m from the UK Government's Levelling Up Fund in 2021.
- 4.2 Updated financial modelling approved by the Council Budget meeting in March 2023 amended the financial envelope for Phase 1 of the City Centre and Beach Masterplans to £143m. Additional budgets for further phases have been modelled into the 15 year long term capital planning up to 2037/38 and will be subject to future Council budget decisions.
- 4.3 The Beachfront medium-term interventions (Beach Park, Events Park and Broadhill) are developed within an affordability cap of £47,736,925.

## **5. LEGAL IMPLICATIONS**

- 5.1. The Beachfront Development Framework will inform planning applications, but each application will be decided on a case-by-case basis by the Planning Authority, with the Phase A statutory approval applications and public utilities applications likely to take place in the next two months.
- 5.2 The Council has commenced extensive title examination of areas covered within the Beach Masterplan to determine if there are any ownership, third-party right, and/or Common Good Land issues affecting the review site. No material issues have been identified as part of this process.
- 5.3 As each project proposal progresses, they will be examined and managed within the professional scope of property / conveyancing industry accepted standards, ensuring all due diligence exercises and pre-contract enquiries are complete and satisfactory.



## **6. ENVIRONMENTAL IMPLICATIONS**

- 6.1. Aberdeen 'Net Zero Aberdeen Routemap: Towards becoming a net zero emissions city by 2045' sets out the approach, pathway, and actions towards net zero and climate resilient Council assets and operations, by 2045.
- 6.2 Energy-efficient design proposals will require to be incorporated within any design proposals and concept masterplan alongside renewable and low carbon energy sources, with consideration necessary to understand how further decarbonisation could be achieved in the future.
- 6.3 In addition to the energy approach the development will seek to promote biodiversity and the protection of the natural assets found within the Beachfront area. Any development will require to be cognisant of the recommendations of the suite of Aberdeen City Council guidance.

### **Beach Park**

- 6.4 The aim is to provide a play environment that not only meets the design requirements on day one but can be effectively managed and maintained into the future through the promotion of longevity, sustainability, and safety. The material selection for the 'Play Factory' and wider Core Play equipment will be responsibly sourced, sustainable, robust, durable, and appropriate to its specific application. The coastal location and climate will be a key factor in the selection of appropriate materials with resistance to factors such as corrosion and rot fully considered. All timber elements will be FSC certified naturally durable hardwood that typically does not require chemical treatment and has a long lifespan. Detailing will ensure timber elements do not come to ground, promoting longevity and reducing the possibility of timber rotting through the use of steel footings. Components such as slides and tubes will be manufactured from stainless steel of an appropriate grade for a coastal environment.

### **Buildings**

- 6.5 When selecting materials for the buildings on the Aberdeen Beachfront Masterplan, sustainability and green construction is always at the forefront of the design team's mind.
- 6.6 The design team will always aim to prioritise ethical and responsible sourcing of all materials throughout the design and construction phases. Priority of low embodied carbon and healthy materials which are durable, sustainable and long lasting has been at the forefront of all design decisions made to date on all building material selection. The use of locally sourced, sustainable timber for the external cladding to all interventions aims to reduce the embodied carbon of material transport to site, provide a local natural material which compliments the natural surrounding of the site, as well as promoting the use of local natural materials and companies where possible. Detailing on all aspects of the built structures will be designed to be long life and robust – to ensure that maintenance and replacement of materials throughout the building's life cycles are kept to a minimum.
- 6.7 Designing with the local environment in mind has been one of the design teams key

challenges, given the harsh natural coastline weather conditions experienced on site. Strong robust material selection has been considered to promote use of materials that can thrive in a marine environment and again, reduce the need for continued management and maintenance costs. skills of the local labour force such as the local timber cladding and the zinc standing seam roof proposed due to its natural anti corrosive and hard-wearing properties.

- 6.8 The MEP services for Aberdeen Beachfront Buildings aim to reduce energy consumption through a combination of sustainable design using our lean, clean, and green approach. Passive measures have been considered initially such as enhanced u-values and improved airtightness.
- 6.9 The heating and cooling strategies for the Phase A buildings utilise a high efficiency Air Source Heat Pump (ASHP) as the primary source for maximum energy efficiency, providing heating or cooling on demand through internal fan coil units.
- 6.10 Ventilation within the buildings is fully mechanical, providing tempered fresh air to the occupants at all times of the year. The mechanical ventilation units will utilise heat recovery which reclaims heat from the exhaust air and uses it to heat the incoming fresh air and reduce energy consumption.
- 6.11 To reduce the building electrical energy consumption and minimise the import of grid electricity, High efficiency LED lighting teamed with occupancy controls and daylight dimming provides an energy efficient and functional lighting solution.
- 6.12 The buildings also have solar panel arrays which provide renewable onsite electricity generation and have the capability to provide any surplus generated electricity back to the national grid to help provide Scotland with cleaner energy.

## 7. RISK

Category	Risks	Primary Controls / Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *Taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic	Failure to proceed with the Beachfront Masterplan impacts on wider City commitments and economic targets.	Continue to work collaboratively to achieve the masterplan delivery and wider advantages.	M	Yes

<b>Category</b>	<b>Risks</b>	<b>Primary Controls / Control Actions to achieve Target Risk Level</b>	<b>*Target Risk Level (L, M or H) *Taking into account controls/control actions</b>	<b>*Does Target Risk Level Match Appetite Set?</b>
<b>Compliance</b>	Council title issues and other competing third- party rights.	The Council has undertaken an extensive title examination and engagement of a Third-Party review	L	Yes
<b>Operational</b>	Beach Boulevard/Beach promenade traffic arrangements	Significant consultation with Council Roads and Planning Teams, Bus companies and Emergency services planned.	M	Yes
<b>Operational</b>	Sufficient capacity of resources with Councils teams to meet programme objectives	Resource review ongoing and augmented support through the PMO	M	Yes
<b>Financial</b>	Budget pressures due to current market volatility.	Robust budgets established. Independent monitoring process established. With PMO early supply chain mitigations action plan established across the programme.	M	Yes
<b>Financial</b>	Removal or reduction in anticipated funding Streams.	Continual engagement and monitor of ongoing funding applications.	M	Yes

Category	Risks	Primary Controls / Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *Taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
<b>Reputational</b>	Failure or delay in proceed with the recommendations	Continue to work collaboratively to achieve the masterplan delivery and wider advantages.	M	Yes
<b>Environmental &amp; Climate</b>	Coastal flooding risk	Engagement with Flooding Team, local community groups and understand that risk exists mitigated by Coastal Defences. Respond to risks identified as part of coastal studies.	M	Yes

## 8. OUTCOMES

<b>COUNCIL DELIVERY PLAN</b>	
Aberdeen City Council Policy Statement	Supports the delivery of Economy Policy Statement 4 – Increase city centre footfall through delivery of the City Centre Masterplan.  1. – Continue to maximise community benefit from major developments.
<b>Aberdeen City Local Outcome Improvement Plan</b>	
Prosperous Economy Stretch Outcomes	Supports Outcome 1 10% increase in employment across priority and volume growth sectors by 2026.
Prosperous People Stretch Outcomes	Supports Outcome 7 Child Friendly City which supports all children to prosper and engage actively with their communities by 2026.
Prosperous Place Stretch Outcomes	Supports Outcome 14 Addressing climate change by reducing Aberdeen's carbon emissions by 42.5% by 2026 and adapting to the impacts of our changing climate  Supports Outcome 15 38% of people walking and 5% of people cycling as main mode of travel by 2026.
Regional and City Strategies	The report supports the priorities in the Regional Economic Strategy (RES) investment in infrastructure, regenerating our city Centre, unlock development potential, improve the deployment of low carbon transport, to enable Aberdeen to realise development opportunities in the City Centre Masterplan.

## 9. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
Integrated Impact Assessment	An IIA has been prepared and is under continuous review
Data Protection Impact Assessment	DPIA Screening Questions completed. Neither a brief DPIA or full DPIA is required at this stage
Other	N/A

## 10. BACKGROUND PAPERS

- Council Decisions 13 December 2021

<https://committees.aberdeencity.gov.uk/documents/g7675/Decisions%2013th-Dec-2021%2010.30%20Council.pdf?T=2>

- Report to Council 28 February 2022  
<https://committees.aberdeencity.gov.uk/documents/s129266/220228%20City%20Centre%20Masterplan%20Update%20Report.pdf>
- Council Decisions 28 February 2022  
<https://committees.aberdeencity.gov.uk/documents/g8184/Decisions%2028th-Feb-2022%2010.30%20Council.pdf?T=2>
- Council Decisions 14 December 2022 [Decisions 14th-Dec-2022 10.30 Council.pdf \(aberdeencity.gov.uk\)](#)
- Council Decisions 26 April 2023 [Decisions 26th-Apr-2023 10.30 Council.pdf \(aberdeencity.gov.uk\)](#)

## 11. APPENDICES

- A. Project Phasing
- B. Project Visualisations
- C. Children and Young People Consultation Report
- D. Final Business Case

## 12. REPORT AUTHOR CONTACT DETAILS

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Appendix A Project Phasing													
Item	RIBA stage 0	HUB STAGE 1	RIBA stage 1 complete	AUGUST 23 COMMITTEE (23rd August)	RIBA stage 2 complete	HUB STAGE 1 COMPLETE	OCT 23 COMMITTEE (11th October)	HUB STAGE 2 COMMENCE	RIBA stage 3 complete	DECEMBER 23 COMMITTEE (13th December)	RIBA stage 4 complete	HUB STAGE 2 COMPLETE	Construction start
Beach Projects													
Beach Park :Play park (A)	Complete	Complete	08/07/2022	RIBA Stage 3 and FBC Complete	10/04/2023	10/04/2023	75% RIBA Stage 4	10/04/2023	21/07/2023	Hub Stage 2	10/11/2023	Q3 2023	Q3 2023
Beach Park: Sports Area(A)	Complete	Complete	08/07/2022	RIBA Stage 3 and FBC Complete	10/04/2023	10/04/2023	75% RIBA Stage 4	10/04/2023	21/07/2023	Hub Stage 2	10/11/2023	Q3 2023	Q3 2023
Beach Park: Pump track (A)	Complete	Complete	08/07/2022	RIBA Stage 3 and FBC Complete	10/04/2023	10/04/2023	75% RIBA Stage 4	10/04/2023	21/07/2023	Hub Stage 2	10/11/2023	Q3 2023	Q3 2023
Events Park: Amphitheatre (A)	Complete	Complete	08/07/2022	RIBA Stage 3 and FBC Complete	10/04/2023	10/04/2023	75% RIBA Stage 4	10/04/2023	21/07/2023	Hub Stage 2	10/11/2023	Q3 2023	Q3 2023
Events Park : Events Field (A)	Complete	Complete	08/07/2022	RIBA Stage 3 and FBC Complete	10/04/2023	10/04/2023	75% RIBA Stage 4	10/04/2023	21/07/2023	Hub Stage 2	10/11/2023	Q3 2023	Q3 2023
Events Park :Gateway Building (A)	Complete	Complete	08/07/2022	RIBA Stage 3 and FBC Complete	10/04/2023	10/04/2023	75% RIBA Stage 4	10/04/2023	21/07/2023	Hub Stage 2	10/11/2023	Q3 2023	Q3 2023
Events Park :Hub Building (B)	Complete	21/01/2024	08/07/2022	50% RIBA Stage 2	21/01/2024	21/01/2024	80% RIBA Stage 2	21/01/2024	15/09/2024	Hub Stage 1 Approval	28/06/2024	Q3 2024	Q3 2023
Landscape Mounding(B)	Complete	21/01/2024	08/07/2022	50% RIBA Stage 2	21/01/2024	21/01/2024	80% RIBA Stage 2	21/01/2024	15/09/2024	Hub Stage 1 Approval	28/06/2024	Q3 2024	Q3 2023
Broadhill : Landscaping (A)	Complete	Complete	08/07/2022	RIBA Stage 3 and FBC Complete	10/04/2023	10/04/2023	75% RIBA Stage 4	10/04/2023	21/07/2023	Hub Stage 2	10/11/2023	Q3 2023	Q3 2023
Beach Landscaping(B)	Complete	21/01/2024	08/07/2022	50% RIBA Stage 2	21/01/2024	21/01/2024	80% RIBA Stage 2	21/01/2024	15/09/2024	Hub Stage 1 Approval	26/01/2024	Q3 2024	Q4 2024
New Canopy Features(A)	Complete	Complete	08/07/2022	RIBA Stage 3 and FBC Complete	10/04/2023	10/04/2023	75% RIBA Stage 4	10/04/2023	21/07/2023	Hub Stage 2	10/11/2023	Q3 2023	Q3 2023
Beach Ballroom Plaza(B)	Complete	21/04/2024	08/07/2022	50% RIBA Stage 2	21/01/2024	21/01/2024	80% RIBA Stage 2	21/01/2024	14/07/2024	Hub Stage 1 Approval	28/06/2024	Q3 2024	Q4 2024
Broadhill :Structures(A)	Complete	Complete	08/07/2022	RIBA Stage 3 and FBC Complete	09/12/2022	10/04/2023	75% RIBA Stage 4	10/04/2023	21/07/2023	Hub Stage 2	10/11/2023	Q3 2023	Q3 2023
Pedestrian Spine (B)	Complete	21/01/2024	08/07/2022	50% RIBA Stage 2	21/01/2024	21/01/2024	80% RIBA Stage 2	21/01/2024	15/09/2024	Hub Stage 1 Approval	28/06/2024	Q3 2024	Q4 2024
Beach Boulevard ( B)	Complete	21/01/2024	08/07/2022	50% RIBA Stage 2	21/01/2024	21/01/2024	80% RIBA Stage 2	21/01/2024	15/09/2024	Hub Stage 1 Approval	28/06/2024	Q3 2024	Q4 2024
Surf Village	Complete	14/07/2023	11/10/2023	RIBA Stage 2 Processing	31/01/2024	31/01/2024							
Beach Ballroom	Complete	09/11/2023	11/10/2023	RIBA Stage 0 Update	02/02/2024	02/02/2024	80% RIBA Stage 1	02/05/2024	28/06/2024	80% RIBA Stage 2	30/8/2024	Q3 2024	Q4 2024
New Leisure Facility	Complete	01/03/2022	30/06/2022	On hold	30/03/2023	07/12/2023		TBC	TBC			TBC	TBC
Boardwalk	Complete	14/07/2023	14/07/2023	RIBA Stage 2 Processing	31/01/2024	31/01/2024							
New Slipway	Complete	14/07/2023	14/07/2023	RIBA Stage 2 Processing	31/01/2024	31/01/2024							
Energy Centre	Complete	01/03/2022	30/06/2022	RIBA Stage 1	30/11/2022	30/11/2022	50% RIBA stage 2	05/12/2022	31/03/2023	Hub stage 1 report	18/08/2023	18/08/2023	Q3 2023
Justice Street Roundabout	Complete	21/01/2024	26/04/2023	50% RIBA Stage 2	21/01/2024	21/01/2024	80%RIBA Stage 2	21/01/2024	15/09/2024	Hub Stage 1 Approval	28/06/2024	Q3 2024	Q3 2024

**RIBA Plan of Work Stages**

- Stage 0- Strategic Definition
- Stage 1 - Preparation & Briefing /Hub Stage 1
- Stage 2 - Concept Design/Hub Stage 1
- Stage 3 - Spacial Coordination/Hub Stage 2
- Stage 4- Technical Design/ Hub Stage 2
- Stage 5- Manufacturing & Construction

Public Realm Phase A - Urban Park, Events Park : Amphitheatre, Events Field, Gateway Building ,Broadhill,

Public Realm Phase B Work -Events Park : Hub Building, Landscape Mounding, Beach Landscaping,New Canopies, Beach Ballroom Plaza, Pedestrian Spine, Beach Boulevard

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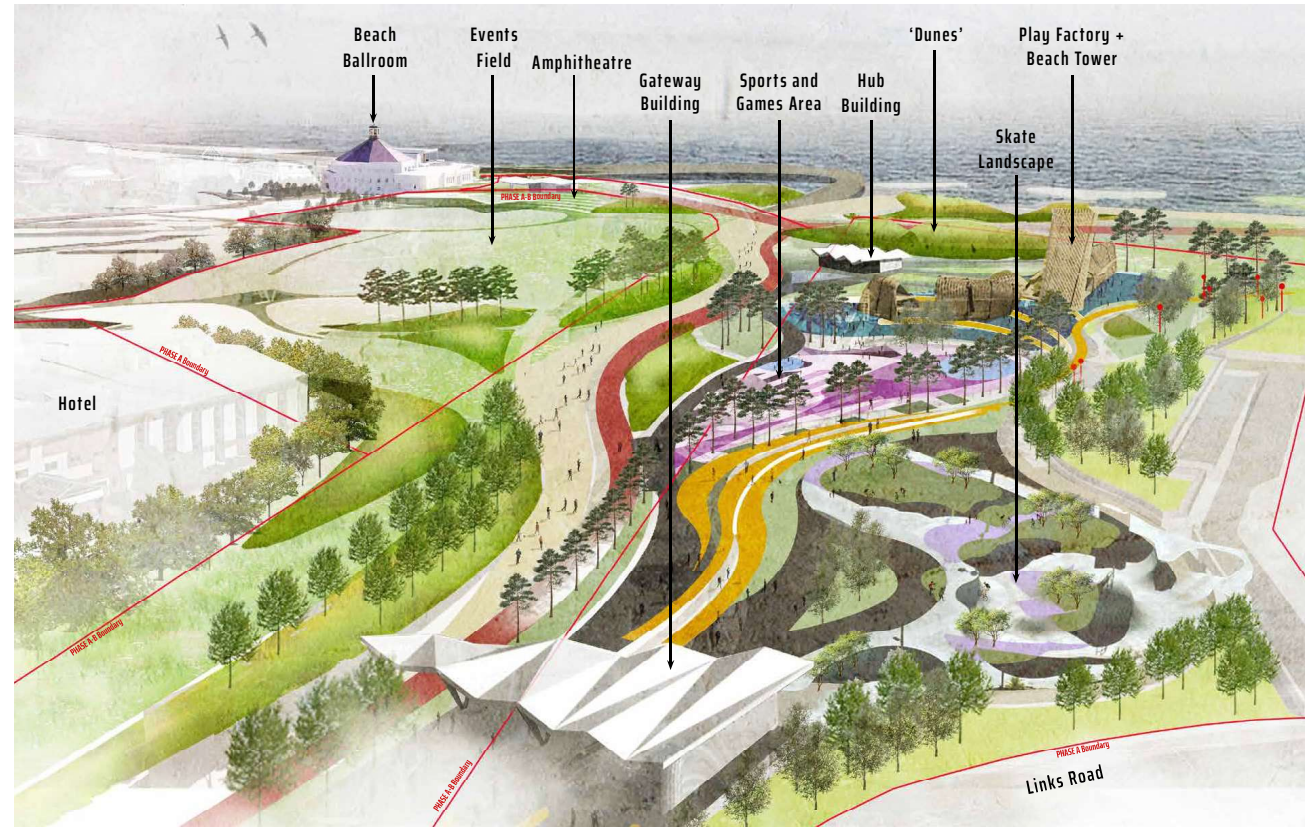








Evolving Detail Beach Park and Events Field



Birds eye illustrative view from Beach Boulevard/Links Road Junction showing Phase A and Phase B Integration





Sports and Games Zone with Play Factory in background



Skate Landscape - Phase A in foreground and elements of Phase B in background



Woodland Zone - showing quieter area behind mound away from core play



Hub Plaza with water feature - with dune landscape in background and play factory to right





Looking out to Beach Park and Play Factory from Hub Plaza



View of Beach Park and Play Factory from proposed beachfront dunes



Play Factory concept lighting





Gateway Building



Hub Building



Amphitheatre



Typical Canopy Structure

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# Beach – Update on Consultation with Children and Young People

AUGUST COMMITTEE 2023 – CYP ENGAGEMENT APPENDIX

Dave Brown

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## **Beach Park, Events Park and Broadhill Development**

### **Engagement with Children and Young People since Councilors approved the next stage of work in the first phase in the transformation of Aberdeen’s beachfront in May 2023**

As outlined in previous reports to Councilors, significant engagement has taken place with children and young people during the development of the proposals over the last 18 months. This engagement helped shape the designs approved for progression in May.

Additional engagement has taken place since then, aimed at both updating young consultees on how their previous involvement has shaped the current plans and to sense-check the detailed proposals in terms of accessibility and inclusion and the role of Young People.

### **14<sup>th</sup> to 19<sup>th</sup> June - Youth Ambassador Development Trip to Regensburg, Germany**

#### **6 young people identified from 56 young people.**

Hub North Scotland’s supply chain involved in the Masterplan funded a trip to Regensburg for 6 young consultees who have been heavily involved in the consultation process. The Aberdeen school pupils, who ranged from 10 to 15 years old, have taken part in applied theatre and film workshops as well as presented at World Children’s Day and deputations to full Committee.

The trip allowed them to see how young people influence place-making in a UNESCO World Heritage city as well as how the city transforms for its annual Burgerfest. The busy itinerary included discussions on place-making with pupils at a secondary school, tours of co-designed, inclusive play parks and a youth centre, a briefing session on ‘mini’ Regensburg – a 3-week ‘city’ run by children, and a workshop with members of the local youth parliament.

The children gained a huge amount from the trip.

“I think the streets would feel a lot safer if there was more youth and teens involved in city planning. I have learned that the environment impacts a lot on young peoples growth and development, because safer streets, cleaner environment and colour helps create safe and positive feelings in young people.” Agnes Brock participant

“Tobechi came back from the trip buzzing with enthusiasm, the trip had a positive impact on her confidence, broadened her horizons. The visit has enabled Tobechi to envisage new possibilities to empower young people to be heard that result in positive change to their communities.” Esther Legunsen parent

This knowledge and enthusiasm is to be put to good use as the young people are aiming to become ambassadors for place-making in the City, ‘Young Creative Consultants’, encouraging their peers to engage with the issues affecting them in the city planning process. The young people felt the trip had helped develop the skills, knowledge and confidence they need to support future planning and place-making exercises.





### **28<sup>th</sup> June - Lochside Academy Nurture Room – 13 students**

Op-en gave a presentation, 'Our Journey to the Beach', updating the students previously involved on where things have got to in terms of the detailed layout of the Park and the increased detail around the play factory.

The students in the Nurture Room then had a 1-hour creative feedback session led by Creative Learning. The session started with questions around 'Are you happy with the plans overall?', 'Do you think everyone should be able to get everywhere?', 'Is there anything you think isn't so great about the design?' and 'Do you think the Park has everything you need?'.

Feedback – There were several repeated points made;

Getting about – safety, treasure trail, bike lanes, bike hire, little river and bridge

Facilities – more toilets, multiple quiet places, stepping stones, art areas and drawing, area for dogs and pets, reading area

Play Factory – slides seem scary, hidden things, rope floor, a lift, ball pit, music buttons

### **28<sup>th</sup> June - Bucksburn Academy ASN Wing – 15 students and support staff**

Due to limited time available, this session was restricted to the presentation from Op-en and streets-UK, 'Our Journey to the Beach', as detailed above.

The subsequent conversation with the students, most of whom had taken part in previous consultation exercises in Autumn 2022, highlighted the excitement around the proposals and also raised issues around overall safety, availability of quieter, calmer spaces and opportunity for projected artwork.

### **18<sup>th</sup> to 20<sup>th</sup> July - Orchard Brae ASN, Summer in the City**

#### **107 families/caregivers and children over 3 days**

Creative Learning, Streets UK and Soundplay Project welcomed children with additional support needs, plus their families and caregivers, to Orchard Brae School. As well as engaging through play with SoundPlay's interactive music and light installations, the participants found out more about the

detailed plans for the Beach Park and discussed what is important to them in terms of play and learning.

Detailed feedback is provided as footnote, however key themes that emerged from the conversations included;

- Adequate changing facilities in size and number
- Extended opening times to allow visits when quieter
- Wheelchair accessibility through paths and to play activities but also seating and picnic benches and the beach
- Sensory play and water play
- Play equipment big enough for large children (and adults!)

The families really appreciated the SoundPlay offer, which greatly engaged the young people and allowed the adults/carers time to reflect and discuss what would work best for them.



SOundplay video  
clip 1.mp4

**24<sup>th</sup> to 28<sup>th</sup> July**

**Beach Ballroom, Summer in the City**

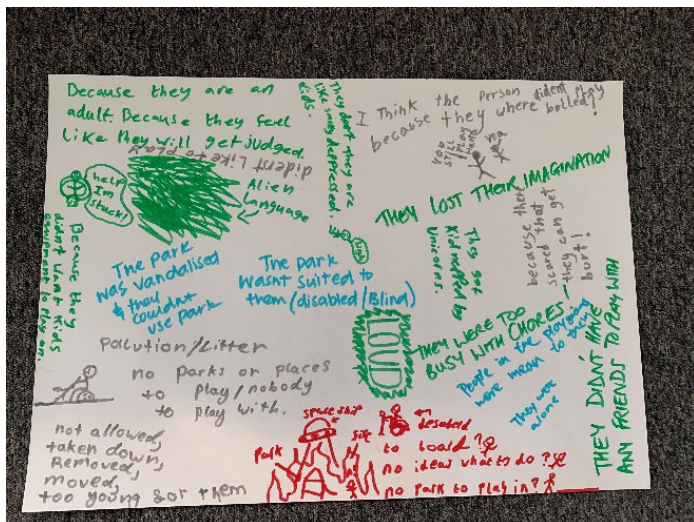
**Average 20 children each day**

Creative Learning and streets-UK continued the use of applied theatre and film-making techniques to explore key themes around the Beach Masterplan. The 5- day workshop at the Beach Ballroom considered how the Beach Park in general, and the Rope Factory in particular, can provide multiple and progressive levels of play within the new designs that can be challenging and educational but also accessible and fun. The group involved young people that have already provided their input on several occasions as well as newcomers who discovered the satisfaction of having their voices heard in the fine-tuning of the Beach Park proposals.



Detailed feedback is provided as footnote, however key themes that emerged from the workshop included;

- Ability to explore and play without adult supervision
- Barriers to play that may be circumstantial and/or societal
- The relevance (or otherwise) of local history to play
- Importance to everyone of accessibility and inclusivity, including ability and age
- Desire for different levels of risk but also areas for quiet and imagination



**Footnote 1 Orchard Brae ASN Feedback**

Tuesday AM	Comments	Key themes
1	<p>Mentally fully capable – wants to do same stuff as pals but needs more room for chair, extendable materials to reach chair etc.</p> <p>Big changing area needed for full family, especially if only one parent/carer there. Also needs a lot of time so several areas a benefit.</p> <p>Beach wheel chairs a big plus</p>	<p>Full access to able-bodied materials</p> <p>Good changing facilities</p> <p>Access to beach and sand</p>
2	<p>Interactive and sensory is great – tubular, spin, light,, art installations, sculpture, colour. Also historical, previous generations use of beach (planes and easter egg rolling!)</p> <p>Plenty areas for short walks and picnics for families</p> <p>Night-time access, winter access – views of sea from sheltered/protected/more private spots.</p> <p>Encourage positive risk-taking – could be challenged this enables, empowers and is hopeful.</p>	<p>Interactive &amp; sensory</p> <p>Picnic spaces</p> <p>Wider access times</p> <p>Protected viewpoints</p> <p>Positive risk taking</p>
3	<p>Family with 3 children all autistic, fully mobile. We go to the beach about 3 times a week. We enjoy playing in water.</p>	<p>Interactive water play, sensory play</p> <p>Safe spaces</p> <p>Lots of room to play</p>
4	<p>Parent with Child in Powerchair.</p> <p>Room for powerchair to turn on ramps pass another chair on path,</p> <p>How do you get on and off ramped access, pavement, walkways. Not all chairs work the same way.</p> <p>Child is harnessed into chair so cannot reach and touch things. Picnic benches don't allow for chair to fit, things need to be movable different heights.</p> <p>Why only roundabouts- every park has roundabouts not all roundabouts are chair safe. Child can't do spinning or bouncing due to medical condition.</p> <p>Some equipment can exasperate conditions. Child is an active and intelligent young boy who happens to be in a chair and wants to play like all children his age.</p> <p>No Latex</p> <p>SITC- is it accessible – activities for able children in wheelchairs. Not all children need specialist care and equipment access and space to move around. Family 2 children one in motorised chair. Access and travel can be difficult not all taxis accommodate motorised chairs need a ramp not 2 wheel tracks. Stupid bark stuff don't use it! Chairs don't work on this surface.</p>	<p>Beach chairs – Balmedie chairs are good.</p> <p>Ramps with space for motorised chairs to turn.</p> <p>Accessible surfaces.</p> <p>Access for 2 powerchairs to pass each other or travel together on path.</p> <p>Ramps without steps!</p> <p>Beach access ramps eg Australia</p> <p>NO Latex.</p> <p>Adjustable picnic benches – height and moving parts.</p> <p>Consult with Charlies house</p> <p>SITC - is it accessible for able children in chairs?</p>

Cate staff	Relative providing care for 3months to support sister. This has been fantastic – “ I feel nurtured by this event today.”	
Tuesday PM		
5	Interactive is good. They want to explore and learn at their own pace Balance between safety and independent play	Interactive Explore and learn Safety and independence
6	Like playing on own or with a familiar group. Could sessions be given over to specific groups such as LSN dance group?	Private sessions
7	Young boy– severe autistic profile has technology preference (enjoyed LEGOLAND tech elements Different hours would be good. Set up ‘early intervention charity’ – would be keen to continue dialogue. Loves big chute, monkey bard, water spraying	Technology  Wider access times  Active play
8	Good changing facilities Walkway deep onto beach Keep in touch with wider user group (Charlie House)	Good changing facilities Walkway onto sand
9	Play parks often very busy lots of equipment in one place attracting a lot of people. Good if there is a sheltered area to go to for picnic no matter of the weather. Covered areas	Space out equipment to avoid crowding in one place.
10	Changing facilities shouldn’t be unwelcoming – not at the back of building. Welcoming, clean – safe – changing facilities for older kids and adults,	Welcoming changing facilities for families,
11	Montrose Splash Park – really good -sprinklers. More gentle play areas, good toilet facilities and good snacks that are not expensive. Enclosed parks worry about running away, don’t like enclosed by shrubs and trees.	Shallow pools, benches, soft flooring sprinklers, water pistols. More gentle play. Affordable good snacks. Enclosed areas.
12	Montrose Splash Park is brilliant! Not always accessible. Park at Balmedie is good instruments and accessible Accessibility to Balmedie- wheelchair accessible walkways are important. Accessible play equipment Hospital park at children’s hospital is excellent , accessibility is key Wheelchair friendly trampoline (non Motorised) Option to include everyone in play facilities Smooth ground spongy and safe	Montrose splash park. Marischal college water fountains in pavement fantastic. Balmedie park is good Musical instruments Top priority changing places Hospital Park @ children’s hospital excellent Smooth ground

Wednesday AM		
13	Loves climbing frames but wants whole frame to be accessible – alternative route if difficult bit e.g. monkey bars Plenty space Bigger play kit – suitable for older kids with lower mental age Sunken trampolines Mindful of mobility issues e.g., height restriction bars on a chute Lady who works at Bucksburn ASN – happy to contribute and stay in touch	Whole circuit accessible  Space Bigger versions of play kit  Active play Avoid restrictive barriers etc
14	Love a splash park (Montrose is great although changing facilities poor) Cleanliness and upkeep of materials eg tunnels important for some ASN kids	Splash Park  Cleanliness
15	Activities build into trail would be good. Need to consider deaf signage – not just BSN but maybe Makaton. Kensington Gardens were great. Trust at Seaton Park also looking to install ASN play equipment – should coordinate.	Trail activities Deaf signage   Seaton Park
16	Likes relaxed pace, less noise. Longer hours so could go when quiet Variety important – enjoys physical and tactile & music but at different times dependant on mood	Quiet spaces Wider access times  Variety
17	Variety as easily bored Likes a wide range of materials and finishes to experience	Variety  Tactile range
18	Lots of benches needed Need attractions but also need quiet spaces	Benches Quiet spaces
19	Spread out facilities, Circular play system Sensory garden . Water fountains – gentle and can be small and fall into small ponds to touch. Need for rubbish bins	Spread out facilities Art gallery has sensory spaces + touch Water play Rubbish bins
20	Too busy is not good, struggle with sand texture. Swings are really popular. Slides are really popular. Chair swings are good and ring swings .	Quiet spaces Variety of swings
21	Organise online meeting with parents to discuss Accessible surfacing at Lossiemouth – Moray Coast park – can we do this in Aberdeen. PAMIS- fully registered on app – For changing facilities – help to design changing facilities, Moray Sports Centre have one, Christies, Sports Village. Changing facilities problem for older kids – in Aberdeen Union Square – Art Gallery (Not Great) –	Follow up Lossiemouth play park surfacing Registered changing facilities Changing facilities for older children/ adults



	Science Centre – Rosemount Community Centre. All closed in the evening so cant go out	Changing facilities open in the evening.
22	Waterplay in ground. Don't put everything in the same place spread it out Reason to go out – walk to shop – if on walks there were activities to do, it would be better than all in one place.	Spread out play, interactive play e.g. for when on walks
Wednesday PM		
23	Mother, grandmother and child - has complex multiple support need. Child has 2 older teenage brothers one with ASN. Has trouble with breathing so cannot go out in windy weather. Changing facilities are important and need to be maintained. Sensory glow in the dark spaces sensory lights at night time- I take my boys out in the evening. Impact of vandalism on accessible play equipment. Vandalised play equipment is not replaced Child needs 1:1 care 24/7 Child needs meds administered so picnic benches that are in sheltered private area with seating and picnic benches that can fit wheelchair. Secluded private and sheltered area with seating close to parking and emergency vehicle access are very important.	Sensory – glow in the dark. Interactive lights for night time. More accessible play equipment Vandalism of accessible play equipment – maintaining equipment Tarlair in McDuff sheltered, scenic view, picnic areas, grass Sheltered areas near car parking. Picnic benches for administering meds. Emergency vehicle access for site. Enclosed shelter for privacy. Adjustable picnic benches. Moving parts for trays.
24	Safe enclosed spaces my sons are flight risks, runners. Space where children can be watched and monitored – safety boundary. Natural space – made with natural products. My home is restricted by space this is large open space but needs to be safe and enclosed to support parents. Public transport needs to be close not miles from place to play Beech wheelchairs, ramps that are moveable to create paths and walkways Motorised wheelchairs struggle with dropped kerbs. Equipment attractions for Very able and very unable but nothing in between	Safe enclosed space with room to run safely. Good public transport close to attractions Beech wheelchairs Moveable ramps
25	Family 3 children all autistic – we go to Footdee park. Walk along beach. Love going in sand and water. More interactive music things on beach from walk. A trail eg. Bunny, oor wullie etc.	Interactive things for walk along sea front. Sensory touch small colours Walking trails Way markers – trail maps Footdee park

Thursday AM		
26	Calm peaceful. And natural place to play. Trees to look up at. Sand, sea and beach accessible for wheelchairs with accessible changing areas for families with space for equipment and seating. Picnic tables that can fit wheelchairs	Safe space Accessible changing areas Picnic tables that fit wheelchairs under
27	Space to walk in a calm environment, Splash park sensory sand play, sensory and inclusive space Swings- disability swings, wheelchair accessible swings like at ARI. Swimming pool – we need one at the beach with facilities waves, rapids/ slides	Splash park Sensory and interactive play
28	Sand should be more accessible totally wheelchair accessible. Accessible changing spaces positive experience/ rooms. Small paddling pool without sand. Wheelchair accessible roundabouts and swings	Water play Clean accessible changing areas with space.
29	Can be stressful for families to go out on a visit. Stress involved in planning a trip and a visit somewhere. Don't get a disabled plan, will a child be able to access this plan. Attendee – vision sensory support services – part time ACC education 38years of experience she should be consulted. Sick kids waiting area in Edinburgh is great Glasgow cant access stuff as its on the walls and child in a chair. Cost of café's for families.	Emergency vehicle access. Sick kids Edinburgh waiting areas good. Affordable cafes for families.
Thursday PM		
30	Wave machine – miss the beach pool used to go every Saturday. No jaggy surfaces especially for feet Make sure sensory (stand on things) work for lighter smaller children. Union Terrace gardens one don't work for my larger child. Need for lifts, safe climbing things, wheel chair swing same as the one next to Alford Ski Slope. 1 Billion likes to Soundplay and today	Union Terrace interactive play
31	Parent with 17yr old boy with Downs Syndrome with 13 year old sibling. Relaxed sessions in spaces to avoid other families stares and expectations. I need parking close by my son doesn't like walking, needs visual attractions at intervals to support walking. what can I gain from visiting beach? If he has to walk far I wont get very far. He will just stop other families stop and stare. He needs distractions. Cant read so signposts waste of time. Kinetic things visual signs.	Kinetic things Visual attractions Access to climbing for those older children less able with steps.



	At 17 not much for him to play on but he wants to play. Not a good climber, steps are difficult. 13 yr old brother is very able and can support but sometimes they need to play on their own. 17 yr old shouldn't always need help to access equipment that is suitable for his size/age, as this brings embarrassment for him as he gets older.	
32	Parent of 14yr old child and siblings . Water play paddling pools a lido? Fountains with shallow water. Montrose splash pool interactive water park. Play equipment in parks too small, larger versions and adult versions of play equipment so we can all play. Changing places/ spaces- maintenance- out of order hoists equipment seating. Sensory spaces in nature should be different to inside spaces, outside should be natural, with natural tactile things	Montrose splash park Natural non manufactured tactile/ sensory things outdoors. Union terrace gardens low maintenance play equipment
33	Changing areas don't need to cater for everyone so keep some simple for those who just need a little bit more space. Ramps in Union Terrace gardens are fantastic. I used to have access Union Terrace gardens via HMT. Great that I can access the park now. It's maintaining the space and keeping it safe.	Changing areas.
34	Mum from Wee Too with sons both autistic, The beach is my favourite place. It is nice to come( to this event) somewhere that I feel listened to . Planting and trees- be more natural using natural not imported. Natural species and wildflowers. Surface for Longboards and safe spaces to do longboarding – Victoria park is favourite at the moment for this activity. Cove and Cults skate parks- small space and not much else there. Natural Soundplay- park in Altens has big tubes Smugglers cove can't always keep a track on where children are. Giant "pop it" walls sensory Blowing into tubes, sound play and stretchy things and sand play	Enclosed areas within large areas. Longboarding- Victoria Park Interactive play things Altens big tubes for sound play "Pop It" walls sensory play Stretchy things Sound play Sand play

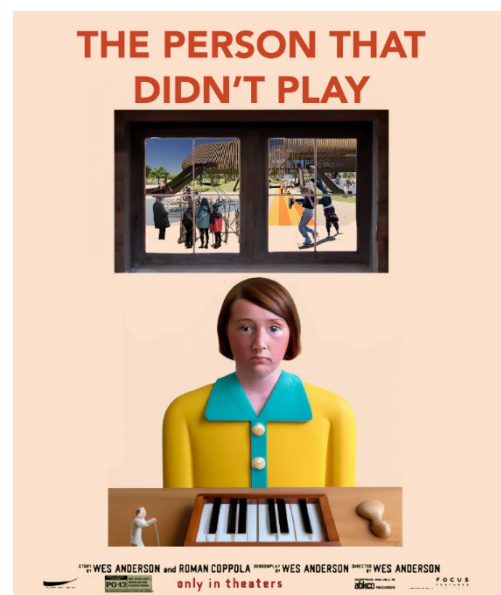
## Footnote 2 Beach Ballroom Summer in the City Feedback

Over 5 days young people explored the Play Factory designs using a range of different exploration techniques. Young people were asked to consider the importance of history, accessibility, playfulness and risk in regard to the structure they were presented with.



During the first session participants were invited to explore the idea of play as work through the visual metaphor of a factory setting. Through doing so and via the construction of a Ru-Goldberg inspired machine (comparing and contrasting “machinery” and items found in a play park) they highlighted that play should be something that they should be able to concentrate on and get on without being interrupted by adult intervention. It was “their time to use” and it didn't always require an outcome and output, it was more an exploration until “boredom” set in. Through this exercise the young people were also able to articulate that through play they should be able to use their energy up, sometimes physical and sometimes mental and creative energy.

Beyond this through a narrative based exercise on “The Person That Didn't Play”. In which the young people were asked to create film suggestions for a film based on play. The young people were able to articulate a broad range of suggestions over “Why someone didn't play?” which included money, time, space and fear. As well as suggestions to “what would happen if the person didn't play” this included idea's of “not making friends”, “not learning how to partake in sports and group activities”, “achy and stiff bodies” as well as fear of injuring themselves. What was interesting from a facilitation perspective was the initial challenge too enable young people to reflect from an external perspective on the concept of play and playing, this potential due to its often child led nature and rareness for it to be reflected upon or for adults to give attention to it or indeed take their activity seriously.





Conversations were sparked around how much impact the history of rope making in Aberdeen will have on playing within the new structure ideas. The majority of the young people did not feel that the history behind the new structure was important or had an impact on them playing or learning. “I think young people of Aberdeen don’t really know about the history of Aberdeen and I think changing parks to relate to the history is pointless. It’s hard to imagine something that one might not know. It limits the possibilities of imagination sparking and growing whilst interacting with the thing you are playing with.” (Child, age 12).

During the consultation it became evident that the young people want a space that is inclusive and accessible to everyone of all ages and abilities. After spending time exploring and examining the play equipment at the beach it was noted that the current design is targeted towards young children and that the new equipment needs to have areas specially for a younger and older audience. Although the ideas of risk and playing were explored continually throughout the week the young people felt it was important to ensure that there is an area away from all of the noise and energy for people to relax whilst still engaging with the park. They want a space that allows risks to be taken (however thorough a scaffolded approach) and explored within the Rope Factory that also allows people to use their imagination.

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# Outline/Full Business Case

<b>Project Name</b>	City Vision Public Realm FBC		
<b>Author</b>	Hub North Scotland Ltd	<b>Date</b>	July 2023
<b>Sponsoring Cluster</b>	Aberdeen City Council (ACC)	<b>Version</b>	1

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## 1. Introduction and Project Overview

Briefly describe the basic project concept. Describe the current business situation as it relates to the problem or opportunity that gave rise to the idea, including any other drivers such as regulatory or legal compliance requirements

If taking no action may have a negative effect on the organisation, then also describe what will happen if the project is **not** undertaken.

This paper sets out a Full Business Case (FBC) for Phase A of the Aberdeen City Vision Beach Public Realm Project.

These public realm improvements will complement and be delivered alongside the city centre streetscaping improvements and support the delivery of the Aberdeen City Centre & Beachfront Masterplan. The proposals offer a unique opportunity to create a transformational new waterfront destination for the City of Aberdeen.

Phase A of the project (for which funding is sought through this business case) will include the following investments:

- **Beach Park:** a new anchor attraction children's outdoor play destination at Queens Links. It will create a focus for activity and will act as a key 'gateway' into the wider park and the beach.
- **Events Park:** The Events Park + Field is an area of approximately 2.5ha and is intended as a flexible space capable of holding events, festivals, larger concerts etc. but also to provide a large, grassed area for day-to-day use including informal sports and games such as football, touch rugby, ultimate frisbee, and passive recreation such as picnicking.
- **Broad Hill:** Broad Hill is approximately 5ha of green natural space, and one of the most distinctive landscape features along this stretch of coastline. The vision for Broad Hill is to enhance the natural environment of this distinctive feature in the beach area through additional planting, furthering the diversity of habitat and ecological value.

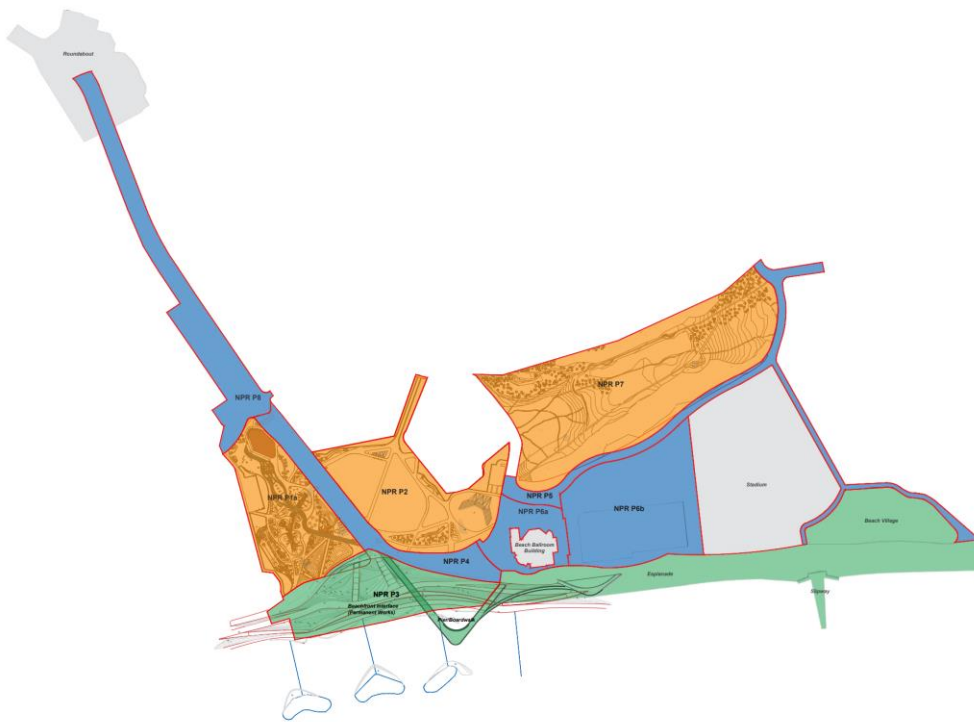
Future phases of investment, to be covered by separate business cases, will include:

- **Public Realm Phase B:** including investments in the redevelopment of Beach Boulevard; a pedestrian spine route; Ballroom externals; road infrastructure; and beach interface improvements (former temporary landscape)
- **Public Realm Phase C:** including the Esplanade and boardwalk; a beach village and slipway
- **Refurbishment of the Beach Ballroom**
- **Redevelopment of the Beach Leisure Centre and Linx Ice Arena**





**Figure 1: Beachfront Concept Masterplan**



NPR Projects Phasing Plan (Phase A, B & C)

**Figure 2: Project Phasing Plan**

Above is the phasing plan for development. The orange areas are Phase A projects, the blue areas are Phase B, and the green areas are Phase C.

These proposals will reshape public perceptions of the city centre and beachfront, attract private investment to the area; and position the city as an attractive place to live, work, study, visit and invest.

## 2. Executive Summary

Provide a clear, concise summary of the key features of the business case, briefly describing what the project will deliver, any key decisions associated with it, the expected costs and the funding position (showing any budgets already identified/ expected and the ask of Capital). Include an outline of the benefits, and any dis-benefits, what risks and assumptions are associated with the project, and summarise planned or agreed dates and time constraints. Indicate who is the project sponsor and how the project will be owned and governed and what form the project board will take.

### Purpose

This paper sets out the Full Business Case for Phase A of the proposed public realm improvements at Aberdeen Beachfront and explains how these will contribute towards the delivery of the Aberdeen City Centre & Beach Masterplan.

### Strategic Fit

The project will contribute to the Prosperous Economy and Prosperous Place objectives of the city's Local Outcome Improvement Plan (LOIP), and to the 'Changing Perceptions', 'Growing the City Centre Employment Base', 'A Metropolitan Outlook', 'A Living City for Everyone', 'Technologically Advanced', 'Environmentally Responsible', and 'Culturally Distinctive' objectives of the City Centre and Beach Masterplan.

### Project Objectives and Community Benefit Targets

The objectives of the beach element of the Aberdeen City Centre Masterplan include:

OBJECTIVE	WHAT DOES SUCCESS LOOK LIKE?	MEASUREMENT
<b>BEACH</b>		
Increased footfall and revenue at the Beach Ballroom and other Beach Leisure Facilities	Facilities are more popular, have greater footfall and generate more profits	100% Footfall and 100% revenue increases (Leisure and Ballroom only)
Creation of free public realm and open park/play space, leading to increased satisfaction with the Beach area	Improved perception of Beach from residents and visitors	2,000 m <sup>2</sup> - Decrease in the average distance (m) for city centre Residents to nearest Park, Garden or Playing Field.
Reduction in car journeys at the Beachfront	Less cars in the Beach front area	20% (12,552 -> 10,042) reduction in all vehicle journeys at the beachfront
Creation of new jobs directly associated with new Leisure offering at the Beach	Increase in jobs in Aberdeen	30 new Leisure Jobs by 2025
Materials sourced from the local area	Greater use of locally sourced materials such as granite	20 to 30% of net Construction Costs to be local materials
Contractor's labour from the local area	Greater use of local labour pool	50% Local labour employed



This project will support the delivery of each of these objectives.

As part of 'City Vision Bundle C' (a schedule of works that include each of the three phases of public realm improvements, and the integrated leisure & activity centre); Hub North Scotland has committed to deliver a range of community benefits including:

- 66 apprenticeships
- 62 work experience placements
- 100 new jobs
- 1 vacancy sharing
- 400 hours of community support activity

### **Project Benefits**

In Summer 2023, Hub North Scotland Ltd commissioned Stantec UK Ltd to undertake an economic impact appraisal of the proposed Aberdeen Beachfront Masterplan investments.

This study found that the proposed masterplan developments would together generate a contribution of £562 million (Present Value, PV) of net additional gross value added (GVA) to the Aberdeen economy over a 30-year appraisal period.

The total cost of delivering the full masterplan was estimated as £441 million (PV).

This equates to a net present social value (i.e. benefit minus cost figure) of £121 million and to a benefit cost ratio of 1.27 (i.e. £1.27 return for every £1.00 invested).

Wider non-monetisable benefits were also identified, including improvements to air quality, public health and wellbeing.

### **Project Costs**

Currie & Brown developed project construction costs for phase A, and these are estimated at £48m. This includes inflation and contingency but exclude VAT.

Annual maintenance costs average £75k for maintenance of roads and landscaping. Lifecycle costs were produced by Mott McDonald for future renewal including resurfacing of the play surface and replacement of sports and playground equipment which comes to approximately £6.6m over the 25 year appraisal period.

### **Project Delivery**

The project will be procured through the Hub model as this will accelerate the procurement process and help to secure best value by providing access to Hub North Scotland Limited's supply chain network and project management resources. Robertson Construction has been identified as the preferred lead construction partner for the project.

### **Risks and Assumptions**

Key risks facing the project include a general lack of material and resource availability and costs/inflation escalating over and above available funding. A full breakdown of risks is provided in Section 10.

The economic modelling was informed using various industry standard sources/tools including Scottish Annual Business Statistics and the Department for Transport's Active Mode Appraisal Toolkit (AMAT).

Aberdeen City Council is the sponsoring organisation for this project. Aberdeen City Council will deliver the projects through their delivery partner Hub North. The project team will report to the ACC/Hub North Programme Board, which will meet monthly to provide governance and oversee each of the projects.

### 3. Strategic Fit

This section will consider how the project fits with the list of projects identified in the Local Outcome Improvement Plan). Firstly, state if the project is identified within the LOIP. If it is not, how does it work with the Council's strategic objectives such as:

- Prosperous Economy
- Prosperous People (Children & Young People)
- /Prosperous People (Adults)
- Prosperous Place

The regeneration proposals for Aberdeen's beachfront have the potential to contribute strongly to ACC and its partners' planning, economic and tourism strategy, and policy objectives.

The principles of redevelopment and regeneration of the beachfront were developed through Aberdeen City Council's Aberdeen City Centre and Beachfront Masterplan, and its recommendations for a reimagined beach parkland setting, creating a transformational and vibrant new beachfront destination for Aberdeen. This Masterplan is supported by the Aberdeen Local Development Plan, which supports leisure development at the beachfront area and the retention of greenspaces. At a regional level, the objectives of the Aberdeen City and Shire Strategic Development Plan include reconnecting the city centre with the beach.

The proposals also have an important role in supporting economic diversification by increasing tourism and creating jobs in associated sectors. Economic diversification and job creation is critical to the performance of the region in a period of continued decline of the oil and gas industry, which has been at the heart of the north-east economy for decades, and on the city's post Covid-19 recovery, and in supporting resilience against the current economic downturn.

The proposals therefore support the aims of the Aberdeen Local Outcome Improvement Plan by contributing to a prosperous economy and helping reduce unemployment. They will also directly achieve one of the goals of the Regional Economic Strategy: to "develop iconic tourism attractions to capitalise on non-business tourism and leisure markets and stimulate diverse culture, creative offerings of a national and international standard." Furthermore, by helping create a high-quality leisure attraction in the city, the project will enhance activity, footfall and associated visitor spend and will help meet the aims of the region's tourism strategy, Destination Aberdeen & Aberdeenshire.

The interventions also support the delivery of several UK and Scottish government strategies.

The proposals align with many of the spatial principles in **National Planning Framework 4** including 'local living', by providing free access to greenspace and opportunities for exercise; 'compact urban growth', by encouraging development of vacant urban sites; and 'rebalanced development' by encouraging sustainable development in an area of past decline.

It also supports the Pride of Place mission in the **Levelling Up White Paper** that by 2030, pride in place, such as people’s satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between top performing and other areas closing.

The investment in the beach park, events park and pedestrian spine elements of the beachfront will support the delivery of the remainder of the **City Centre & Beachfront Masterplan**, including ice rink and pier.

The proposed development area is also linked to the site of the proposed city centre investments via Beach Boulevard, and the two proposals come together to support a holistic regeneration proposition for the entire city. This masterplan includes a new Aberdeen International Food & Drink Market, the pedestrianisation of Union Street, the redevelopment of the former Police Scotland building on Queen Street, the creation of a new event space on Castlegate, and an al fresco food and drink quarter at Belmont Street.

### **Event Strategy**

The Council will both use the beachfront for their own programme of free and inclusive events, including its annual Firework display and circus; and to help the city bid for the rights to host future major cultural & sporting events.

## **4. Business Aims, Needs & Constraints**

Provide an overview of the sponsoring organisation and explain how the project supports the existing policies and strategies, and how it will assist in achieving the business goals, aims and business plans of the organisation. Include any relevant information about the current business situation, such as the organisational structures, business model, buildings, processes, teams and technology currently in place.

Aberdeen City Council is the sponsoring organisation for this project. The project’s contribution to the Council’s aims and objectives are set out in Section 3, and details of the current business situation are set out below.

The project supports the following existing policies and strategies:

- **City Centre and Beach Masterplan 2022** – the vision for the masterplan is “to create a world class city centre and beach that respects and enhances Aberdeen’s unique qualities and characteristics and puts people at its heart”.
- **Aberdeen Local Development Plan 2022 (ALDP)** aims that, by 2035, Aberdeen will be an even more attractive, prosperous, and sustainable European city region and an excellent place to live, visit and do business. We will be recognised for:
  - our enterprise and inventiveness, particularly in the knowledge economy and in high value markets;
  - the unique qualities of our environment; and
  - our high quality of life
- **Regional Transport Strategy** – the vision is to provide a safer, cleaner, more inclusive, accessible, and resilient transport system in the Northeast, which protects the natural

and built environment and contributes to healthier, more prosperous and fairer communities.

- **LOIP** - the vision set out in the LOIP is that Aberdeen will be ‘a place where all people can prosper by 2026. By this we mean that we want everyone in the city to have the same opportunities, regardless of their background or circumstances.’

Other policies and strategies that the project supports includes Strategic Development Plan (SDP), Economic Policy Statement, Local Development Plan 2020, City Living Report 2017 (and its 2022 update).

Also, the project is designed to ensure alignment with a set of SMART Objectives developed by HNSL and signed off by ACC.

Describe the purpose of the project, why it is needed, establishing a compelling case for change based on business needs, e.g. demand for services, deficiencies in existing provision etc. Where are we now and where do we need to get to.

The beachfront is closely linked to the city centre and is one of the most iconic and recognisable parts of Aberdeen. However, the environment is car-focussed, and the site contains large areas of empty space which lack a clearly defined purpose. The quality of the cultural offer, including the Beach Ballroom, which is one of the primary areas of focus for the masterplan, has also declined over recent years. Major public investment is required to create an environment built around people rather than vehicles and with an improved leisure offer, enhancing engagement with the beach and creating an attractive destination for city residents, visitors, and investors.

Aberdeen’s economy is undergoing a period of transition, with traditionally important oil & gas and retail sectors declining, but with new opportunities emerging in green energy and tourism.

This transition requires a change in people’s perceptions about the city and its identity, new private sector investment, the development and retention of skilled local residents, and the attraction of new talent to the city. All of this in turn requires actions to effectively position Aberdeen as an attractive place to live, work, study, visit and invest. ACC considers the redevelopment of Aberdeen Beachfront as critical to delivering this change in perception.

The project will also contribute to Aberdeen City Council’s ambitions to transition to a net zero carbon economy and to its biodiversity goals, by removing vehicles from the beach area, and through an increase in woodland and grassland coverage.

The proposed investments also create an opportunity to bring leisure, tourism, and hospitality, and construction employment to the city both by making the area more attractive to domestic and overseas visitors; and by helping the city to attract large scale events and conferences; all contributing to the city’s ambition to grow visitor spend to £1bn per annum. The investments will also create opportunities to address the pockets of deprivation and unemployment that exist around the beach area, including at nearby Regents Walk in Seaton which ranked in the 10% most deprived areas of Scotland in the 2020 Scottish Index of Multiple Deprivation.

The rationale for investment is driven by long standing market failures. The beachfront has experienced years of underinvestment. Existing facilities have a tired and outdated appearance and do not reflect the ambitious visions for the future put forward in the Aberdeen Beachfront Development Framework. Consequently, the spaces and features are

underutilised, do not fulfil the city's aspirations, and do not contribute to the city's economic growth and cultural identity by matching their potential.

Public sector investment is required to redevelop and reconfigure primary access routes which connect the city centre to the beachfront, as well as regenerate and re-imagine key cultural assets to create a vibrant destination and hub of economic activity in the city. Development of the scale and nature required is unlikely to be delivered by the private sector alone due to cost, complexity, and risk.

Furthermore, while the scheme will deliver significant external benefits for the city economy, it may not provide the direct returns sought by individual investors. Directing funds into the beachfront projects will stimulate new economic activity and attract further private sector investment which will be leveraged to deliver new development for Aberdeen

Identify any constraints, e.g. timing issues, legal requirements, professional standards, planning constraints. What assumptions have been made, and any linkages and interdependencies with other programmes and projects should be explained, especially where the proposed project is intended to contribute to shared outcomes across multiple Clusters.

While the project has the potential to benefit the city if pursued as a stand-alone project, it will only be able to support the ambition to transform the way people perceive the city's beach if it is taken forward in parallel with other proposed interventions, including the improvements to the Beach Boulevard and the construction of the proposed esplanade and boardwalk.

The area contains a small number of residential properties. Any development will need to be sensitive to residential amenity including noise, vehicular access, and parking.

The project will need to be delivered in a way that addresses adverse impacts on traffic movements, and consideration needs to be given to its impact on access to private car parks and blue badge parking spaces.

The project will need to be delivered in a way that does not interfere with wayleaves, rights of way, services below ground, utilities, or drainage.

State what impact the project will have on business as usual, e.g. temporarily reduce capacity or divert resources.

The project will lead to some temporary disruption during the construction process. It will have implications for traffic movement generally. It may lead to further restrictions around periods of access for delivery vehicles and reduced traffic capacity when events are held at the beachfront. However, the project will not lead to any permanent loss of business or resident parking. The CCMP Traffic Management Plan sets out mitigation measures to address the traffic implications of the project and the wider City Centre and Beach Masterplan.

## 5. Objectives

List the project's objectives. Make these tangible and clear as they will influence which option is recommended and will be used to monitor project progress and success.



The objectives of the beach element of the Aberdeen City Centre Masterplan are shown below:

<b>OBJECTIVE</b>	<b>WHAT DOES SUCCESS LOOK LIKE?</b>	<b>MEASUREMENT</b>
<b>BEACH</b>		
Increased footfall and revenue at the Beach Ballroom and other Beach Leisure Facilities	Facilities are more popular, have greater footfall and generate more profits	100% Footfall and 100% revenue increases (Leisure and Ballroom only)
Creation of free public realm and open park/play space, leading to increased satisfaction with the Beach area	Improved perception of Beach from residents and visitors	2,000 m <sup>2</sup> - Decrease in the average distance (m) for city centre Residents to nearest Park, Garden or Playing Field.
Reduction in car journeys at the Beachfront	Less cars in the Beach front area	20% (12,552 -> 10,042) reduction in all vehicle journeys at the beachfront
Creation of new jobs directly associated with new Leisure offering at the Beach	Increase in jobs in Aberdeen	30 new Leisure Jobs by 2025
Materials sourced from the local area	Greater use of locally sourced materials such as granite	20 to 30% of net Construction Costs to be local materials
Contractor's labour from the local area	Greater use of local labour pool	50% Local labour employed

This project will support the delivery of each of these objectives.

As part of 'City Vision Bundle C' (a schedule of works that include each of the three phases of public realm improvements, and the integrated leisure & activity centre); Hub North Scotland has committed to deliver a range of community benefits including:

- 66 apprenticeships
- 62 work experience placements
- 100 new jobs
- 1 vacancy sharing
- 400 hours of community support activity

## 6. Scope

What will the project produce? What are its outputs?

Consider what business services, processes, people and environments will be delivered, affected or changed by the project.

Also define the work the project will carry out to make the transition from the project to 'business as usual' – the handover period.

State the project success criteria.

The proposed interventions in Aberdeen's City Centre and Beachfront have the potential to change the way that current and potential future residents and visitors experience and view the city. They can deliver a series of event and experience spaces that can give people reasons to visit the areas, and to stay in the area for longer than they would otherwise. This in turn can serve as a catalyst to increase visitor spend in the City Centre's existing retail, leisure, and hospitality businesses, and could encourage more people to live in and invest in the city.

Capital investment to deliver the infrastructure will also support short-term construction employment and associated gross value added (GVA), while the enhancements made to the public realm will support increased levels of active travel, such as walking and cycling, which promote healthier lifestyles and lower levels of emissions. These will have health and wellbeing benefits to those who choose active travel but will also benefit the entire community through the overall reduction in pollution and emissions.

A more granular description of the projects is detailed below:

- **Beach Park:** a new anchor attraction children's outdoor play destination at Queens Links. It will create a focus for activity and will act as a key 'gateway' into the wider park and the beach. The concentration of elements of play and child / youth focused spaces will assist to provide a public space worthy of Aberdeen's ambition..
- **Events park:** The Events Park + Field is an area of approximately 2.5ha and is intended as a flexible space capable of holding events, festivals, larger concerts etc. but also to provide a large, grassed area for day-to-day use including informal sports and games such as football, touch rugby, ultimate frisbee, and passive recreation such as picnicking. The Field will be the central focus of this area, semi-enclosed by woodland planting, providing definition and increased shelter. This area will have direct visual and physical links to the main pedestrian spine and the Beach Park area, with other key routes through woodland to surrounding communities and beachfront facilities.
- **Broad hill:** Broad Hill is approximately 5ha of green natural space, and one of the most distinctive landscape features along this stretch of coastline. The vision for Broad Hill is to enhance the natural environment of this distinctive feature in the beach area. This is to be done through additional planting, furthering the diversity of habitat and ecological value. Access on Broad Hill will also be enhanced through the upgrading of the existing path network through resurfacing and management where appropriate. There is an extensive network of formal and informal paths on Broad Hill, and it is not intended to introduce or change this network in any large way. The aim will be to improve the existing surfaces in an appropriate manner in the first instance and allow the careful management thereafter. A number of vantage and key arrival points will be enhanced with viewing platforms, seating areas along with enhanced interpretation and wayfinding.

## 6.1 Out of Scope

List any notable exclusions, those areas that may be viewed as associated with the project or the affected business area, but which are excluded from the scope of the project.

Phase B & C projects are currently out of scope. This includes the following:

- Esplanade and boardwalk
- Beach village
- Slipway
- Beachfront interface
- Beach Boulevard
- Pedestrian spine route
- Ballroom externals
- Road infrastructure
- Beach interface (former temporary landscape)

The proposed new pier, the proposed refurbishments of the Beach Ballroom and Leisure Centre and the proposals for a new potential Stadium are also out of scope.

## 7. Options Appraisal

### 7.1 Option 1 – Do Nothing

<b>Description</b>	Continue to manage and maintain site for remainder of asset lifetime.
<b>Expected Costs</b>	£0 additional cost. Continued road maintenance cost, costs associated with eventual demolition of leisure centre and ice rink
<b>Expected Benefits</b>	No anticipated benefit
<b>Risks Specific to this Option</b>	Continued deterioration of buildings, future investments not stimulated, continued decline of beachfront area.
<b>Advantages &amp; Disadvantages</b>	Whilst there is a significant cost avoidance, this options acts against aspirations to develop beachfront and is a missed opportunity to support the achievement of the City Centre and Beach Masterplan objectives of creating accessible exceptional public realm space and attracting business and anchoring growth in Aberdeen.
<b>Viability</b>	No viability issues
<b>Other Points</b>	Reputational damage to ACC

### 7.2 Option 2 – Development of Masterplan

<b>Description</b>	Deliver the proposed phase A investments as part of the wider Aberdeen Beach masterplan
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<b>Expected Costs</b>	<p>Currie &amp; Brown estimate the capital costs for the A works as £48m based on current designs by OPEN and Currie &amp; Brown costings.</p> <p>Annual maintenance costs are £75k for landscaping and road maintenance costs. There is also a £6.6m allowance for replacement of play equipment over a 25-year cycle.</p> <p>The total present value cost of the full Masterplan for Aberdeen Beach is currently estimated at £441.7 million (including Optimism Bias).</p>												
<b>Expected Benefits</b>	<p>In Summer 2023, Hub North Scotland Ltd commissioned Stantec UK Ltd to undertake an economic impact appraisal of the proposed Aberdeen Beachfront Masterplan investments.</p> <p>These figures relate to the full package of investments, including the three phases of public realm works, the Pier and the redevelopment of the Beach Ballroom, Leisure Centre and Lin Ice Arena.</p> <p>This study found that the proposed masterplan developments would together generate contribute £562 million (Present Value, PV) of net additional gross value added (GVA) to the Aberdeen economy over a 30-year appraisal period. This is broken down below.</p> <table border="1" data-bbox="411 999 1414 1283"> <thead> <tr> <th>Area of impact</th> <th>Value of impact</th> </tr> </thead> <tbody> <tr> <td colspan="2"><b>Figures included in the economic impact calculation (£m)</b></td> </tr> <tr> <td>Active travel benefit<sup>1</sup></td> <td>12</td> </tr> <tr> <td>Visitor spend</td> <td>455</td> </tr> <tr> <td>Construction spend</td> <td>95</td> </tr> <tr> <td><b>Total economic impact</b></td> <td><b>562</b></td> </tr> </tbody> </table> <p>Based on the above analysis, the project's benefit-cost ratio (i.e. total benefits divided by total cost) is 1.27, or a £1.27 return for every £1.00 invested.</p>	Area of impact	Value of impact	<b>Figures included in the economic impact calculation (£m)</b>		Active travel benefit <sup>1</sup>	12	Visitor spend	455	Construction spend	95	<b>Total economic impact</b>	<b>562</b>
Area of impact	Value of impact												
<b>Figures included in the economic impact calculation (£m)</b>													
Active travel benefit <sup>1</sup>	12												
Visitor spend	455												
Construction spend	95												
<b>Total economic impact</b>	<b>562</b>												
<b>Risks Specific to this Option</b>	Cost over-runs (mitigated through a cautious optimism bias assumption), failure to deliver on future phases)												
<b>Advantages &amp; Disadvantages</b>	Stimulated visitor spending; greater participation in physical activities; Changing perception of Aberdeen as a place to live, work, visit and invest												
<b>Viability</b>	No viability issues identified.												
<b>Other Points</b>	-												

<sup>1</sup> Includes impacts on reducing congestion, reducing infrastructure maintenance costs, reducing accidents, improving local air quality, reducing noise and greenhouse gas emissions, improved health, reduced absenteeism and improved journey ambience, adjusted to account for adverse impact on Government fuel duty receipts.

### 7.3 Scoring of Options Against Objectives

Use the table below to score options against the objectives in order to create a shortlist of options to be considered.

Objectives	Options Scoring Against Objectives	
	1 – No development	2 – development of beach masterplan
Increased visitor footfall	-1	3
Creation of free public realm and open park/play space	0	3
Increased journeys by walking and cycling activity	0	3
Reduction in car journeys per annum	0	3
Reduction in CO2 emissions	0	3
Creation of Construction jobs over the build period	0	3
% of Materials sourced from the local area	0	3
% of Contractors labour from the local area	0	3
<b>Total</b>	<b>-1</b>	<b>24</b>

#### Scoring

Fully Delivers = 3

Mostly Delivers = 2

Delivers to a Limited Extent = 1

Does not Deliver = 0

Will have a negative impact on objective = -1



#### 7.4 Recommendation

Using evidence based on the options appraisal and the objectives scoring, clearly articulate the recommended option, showing the best fit against the project's stated objectives, and balancing cost, benefits and risk. Note, if an option fails to deliver any essential objective then it must be discounted as unsuitable. The recommendation should not be made on objectives scoring alone but the table can be used to eliminate those options that score poorly as a first stage, with the second stage being a more detailed analysis of the remaining options. Bear in mind:

- Investment Appraisal
- Assumptions
- Constraints
- Dependencies

Based on the above scoring criteria and analysis, it is recommended that Option 2 (Masterplan development) be pursued as the preferred way forward.

## 8. Benefits

In the tables below, identify the key benefits the project will deliver.

All benefits need to be measurable, realistic and have a baseline or comparable starting point. These benefits will be monitored during and after the project close to gauge project success and value for money. If a benefit is more subjective, then that should be supported by, for example, staff or customer surveys taken **before and after** the project.

Give an idea of the total financial benefits, if these exist.

List any dis-benefits where appropriate, e.g. the loss of a disposal receipt where it is proposed to utilise a surplus building instead of selling it.

### 8.1 Customer Benefits

Benefit	Measures	Source	Baseline	Expected Benefit	Expected Date	Measure Frequency
Increased footfall and visitor spend at Aberdeen's beachfront. Improvements in health and wellbeing as a result of greater public realm encouraging active travel.	Active travel	Stantec economic modelling	Latest footfall count from ACC is 514,088 at Beach Boulevard North Side and 611,671 at Beach Esplanade. It is assumed that this will rise to 1 million following the investments	£12m	30-year appraisal period	Discounted PV economic impact
	Visitor spend	Stantec economic model	Current annual GVA estimate of visitor spend is £13.4m.	£495m	30-year appraisal period	Discounted PV economic impact
	GVA of construction spend	Stantec economic model	£0	£95m	30-year appraisal period	Discounted PV economic impact
Better place to live, work and invest. Improvements in physical health and wellbeing	Non-monetisable					

8.2 Staff Benefits						
Benefit	Measures	Source	Baseline	Expected Benefit	Expected Date	Measure Frequency
Improvements to quality of surrounding beachfront public realm for Council staff working in Aberdeen.	Non-monetisable					

8.3 Resources Benefits (Financial)							
Benefit	Measures	Source	Capital or Revenue?	Baseline (£'000)	Saving (£'000)	Expected Date	Measure Frequency
Increase in business rate receipts	Not monetised						

## 9. Costs

Use the tables below to provide cost information. Costs must include capital investment and where relevant any ongoing revenue costs incurred by the project or as a result of the project.

The source/basis of any estimates should be clearly identified.

Refer to the Government Green Book and the Supplementary Guidance on Optimism Bias for information on determining costs. Outline any assumptions in estimating costs in Section 17 and confirm in the Checklist that you have followed this guidance.

Green Book Supplementary Guidance Optimism Bias

The Green Book 2022 (HM Treasury Guidance)

To improve the design development process for capital projects there is a need to consider full life cycle costs, including maintenance. Therefore, costs should be considered at least over a 5-year period. It is an estimate of the resources and capabilities (people, physical resources, and funding) needed to deliver the project and sustain the benefits. The estimates need to cover both the direct project costs and the ongoing (business as usual) costs for the lifetime over which the benefits are to be considered.

Include information on where the budget will come from.

Full costs breakdown to be included.

Any impact on business as usual or service delivery.

### 9.1 Project Capital Expenditure & Income

(£'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
<b>Prime costs</b> (including design development)	0	9,563	13,388	15,301	0	0	0	0	0	0	<b>38,252</b>
<b>Additional costs</b> (inc. prof fees, preliminaries, overheads, profits, Hubco fee and construction phase insurance and insurance price adjustment)	0	4,807	6,730	7,692	0	0	0	0	0	0	<b>19,230</b>
<b>Sub-Total</b>	<b>0</b>	<b>14,370</b>	<b>20,119</b>	<b>22,993</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>57,482</b>

<b>9.2 Project Revenue Expenditure &amp; Income</b>											
(£'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
<b>Staffing Resources</b>	0	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>Non-Staffing Resources</b>	0	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>Revenue Receipts and Grants</b>	0	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>9.3 Post- Project Capital Expenditure &amp; Income</b>											
Mott McDonald has provided estimated replacement costs for the first 25 years of the project. Individual costs for years 1-10, and a total cost for the 25 year period are presented below.											
(£'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total (over 25 years)
<b>Replacement costs</b>	0	0	0	0	1,320	0	0	0	0	1,320	<b>6,600</b>
<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,320</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,320</b>	<b>6,600</b>

<b>9.4 Post- Project Revenue Expenditure &amp; Income</b>											
Mott McDonald has provided estimated annual maintenance costs for the full life of the project. The figures for years 1-10 are presented below.											
(£'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
<b>Maintenance costs</b>	0	0	0	75	75	75	75	75	75	75	<b>525</b>
<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>525</b>



## 10. Key Risks

A risk register has been prepared for the project. Key risks and mitigation measures are summarised below.

Description	Mitigation
<p>Fully explain any significant risks to the project that you are aware of, especially those which could affect the decision on whether and in what form the project goes ahead.</p> <p>Append your full Risk Log if available.</p>	<p>Details of any mitigating action already taken or suggested.</p>
<p>Proposals exceed the affordability envelope</p>	<p>If the proposals exceed the affordability envelope, this could result in delays to decision making impacting on programme and cost increases.</p>
<p>Lack of connectivity between projects</p>	<p>A lack of connectivity between projects such as Streetscape and traffic interfaces could result in issues with transportation and traffic management.</p>
<p>Overall project costs</p>	<p>As a result of Project costs/inflation escalating over and above available funding, there is a financial risk to ACC with the possibility of projects being delayed or cancelled.</p>
<p>Poor communication and alignment</p>	<p>Lack of engagement with ACC Transportation team in the delivery phase across all visioning projects, could impact on cost and programme.</p>
<p>Public utilities and Diversions</p>	<p>Unknown utility routes have a negative impact on cost and programme.</p>
<p>Way leave management</p>	<p>If appropriate wayleaves are not obtained in a timely manner, then this will impact on cost and programme.</p>
<p>ACC regulatory, technical and operator teams' engagement</p>	<p>A lack of engagement with ACC (and wider ACC technical teams) could result in confusion and misunderstanding of requirements.</p>
<p>Road maintenance budgetary implications</p>	<p>Although no major maintenance cost changes are anticipated to arise following Phase A, there will likely be rises in asset replacement following Phase B that need to be addressed at a later stage. The increases in budget allowances are likely to arise due to</p>

increased material costs, increased storage of materials and the erosion effect of salt water of the road and associated infrastructure. Further significant budget changes are expected following Phase C as structural inspection will be necessary.

## 11. Procurement Approach

If this project will involve the procurement of products or services, describe the approach that will be taken based upon the recommended option.

The Design Teams must conduct a check on the Health & Safety track record on tender documentation and submission prior to award and confirm this has been done.

The project will be delivered by hub North Scotland Ltd, ACC's strategic development partner for the planning, procurement, and delivery of community-based infrastructure projects across the north of Scotland. Hub North Scotland comprises 16 public sector organisations, the Scottish Futures Trust and private sector partners in a joint venture company known as a hubCo with the purpose of working collaboratively to deliver inspiring projects for communities and best value for participants. Aberdeen City Council are one of these public sector organisations and have been part of the hub initiative since 2011.

The key purpose of the hub initiative is to establish a long-term partnering relationship between hubCo and Aberdeen City Council and to procure the provision of appropriate infrastructure and related services involved in providing Community Services with the aim of: a) improving the efficiency of delivery of community-based facilities; b) delivering economies of scale through shared facilities; c) making the best use of public resources; and d) providing continuous improvement in both cost and quality in public procurement.

Hub North Scotland's dedicated supply chain members are working collaboratively with Aberdeen City Council to develop, design and deliver all projects within the ACC City & Beach Vision programme. All procurement is carried out in strict compliance with Hub North Scotland's Project Delivery Method Statement with a completely open book approach to project costs which is continually benchmarked and reviewed to maximise efficiency, accountability and demonstrate continuously improving value for money. The Hub North Scotland supply chain is structured to include both local and national partners maximising economies of scale whilst providing opportunities to local companies. Project development plans have specific focus on community and stakeholder engagement to maximise outcomes for end users.

### Community Benefits

Hub North Scotland Ltd and Aberdeen City Council have agreed with Robertsons a set of Community Benefits to be delivered during the project that were outlined in the councils Project Plan for the City Vision Bundle C (Integrated Leisure and Activity Centre & Beachfront Public Realm Improvements.) The aim is to secure meaningful environmental, social, and economic value in their procurements. The appointment of a Contractor in the City Vision Programme (CVP) aims to deliver significant and ambitious legacy outcomes that contribute significantly to a holistic Aberdeen City Vision which supports a "green wellbeing economy" designed to benefit all sections of society.

Community Benefit requirements in CVP projects are designed to utilise "place based" strategies to develop 'Aberdeen: the Place' – a vibrant city where people choose to live, work,

do business and invest. Community benefit outcomes have a broad and ambitious focus but fall broadly within the following key theme areas:

- Education; employability and skills training
- Environmental Wellbeing
- Fair Work Practices
- Equality and Diversity
- Community Support & SME Opportunities
- Partnership working

In addressing community benefit requirements, are asked to address outputs and outcomes in their responses. Outputs should clearly contribute to the achievement of an outcome. Examples of outputs include: the number of new entrants recruited; ‘the number and value of sub-contracts awarded to local SMEs/local third sector organisations or ‘hours and value of professional advice provided to communities. Outcomes are the impact of what the benefits do, or what they enable communities to do for themselves or other partners to deliver, rather than descriptions of the activities or services 3 Bidders provide. These outcomes should be clearly aligned to the Local Improvement Plan and/or the National Performance Framework.

Benefits are categorised as either Specified benefits or Supplementary Benefits. Specified benefits are mandatory contractual requirements. Specified benefits are clearly defined and have key performance indicators which a supplier can be measured against. Supplementary benefits are subject to a “reasonable endeavours” obligation. Supplementary benefits require the same level of response as specified benefits. Supplementary benefits will be scored according to published criteria. Failure to demonstrate reasonable endeavours may result in contractual remedies. Targets agreed with Robertson are shown in the table below:

<b>Community Benefit</b>	<b>Robertson Target</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Apprenticeships	66	2	4	20	20	20
Work experience (placements)	62	1	1	20	20	20
Developing the workforce	100	2	2	32	32	32
School engagement activities	10	2	2	2	2	2
Further and higher education engagement activities	10	2	2	2	2	2
Graduate/undergraduate/FE/HE placement opportunities	10		1	3	3	3
Employability engagement activities	10	2	2	2	2	2
Vacancy sharing	1	1	1	1	1	1
Communities, community groups, and community projects: 2 i) 400+ hours ii) donations	2 i) 400+ hours ii) donations	60	80	100	80	80

Local economic development (duty to report) creative measures to ensure inclusive participation of local SMEs/local 3rd sector + reporting on work packages awarded locally	1			1		
Environmental wellbeing, carbon reduction and climate literacy	1			1		
Environmental measures (fuel poverty and climate literacy)	10	2	2	2	2	2
Fair work practices	1			1		
Prompt payment in the supply chain	1			1		
Promotion of adoption and fostering	10	2	2	2	2	2
Case studies	5	1	1	1	1	1

### Monitoring

To achieve our project targets, our Community Impact team of experts will be responsible for leading community impact initiatives. The Community Impact Advisor will collaborate with local partners, coordinate activities, achieve outcomes, and report on success. We will provide ongoing analysis and reports on performance, including the monthly input of social value through the SVP. The Community Impact Advisor will also conduct monthly social value update calls with the management and project teams to organize activities, ensure progress, and address any concerns.

### Measurement

We will use our TOMs tracker to monitor social value delivery in real-time, based on milestones set at the start of the project. Seamless data collection will be ensured from supply chain partners, who will complete monthly proformas. Mark and the project team will provide extra support to at-risk areas of delivery. Successful areas will be turned into case studies and shared with Aberdeen City Council for future projects.

### Reporting

We will regularly input data into the SVP system and provide reports on social value performance monthly. We will also quantify each quarter's performance using TOMs measures and share it with the client. Additionally, we will conduct an end-of-project report and analysis to identify opportunities and barriers faced during delivery.

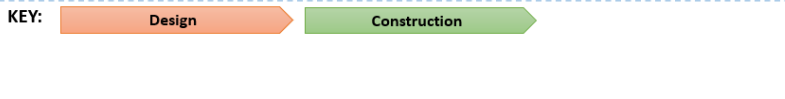
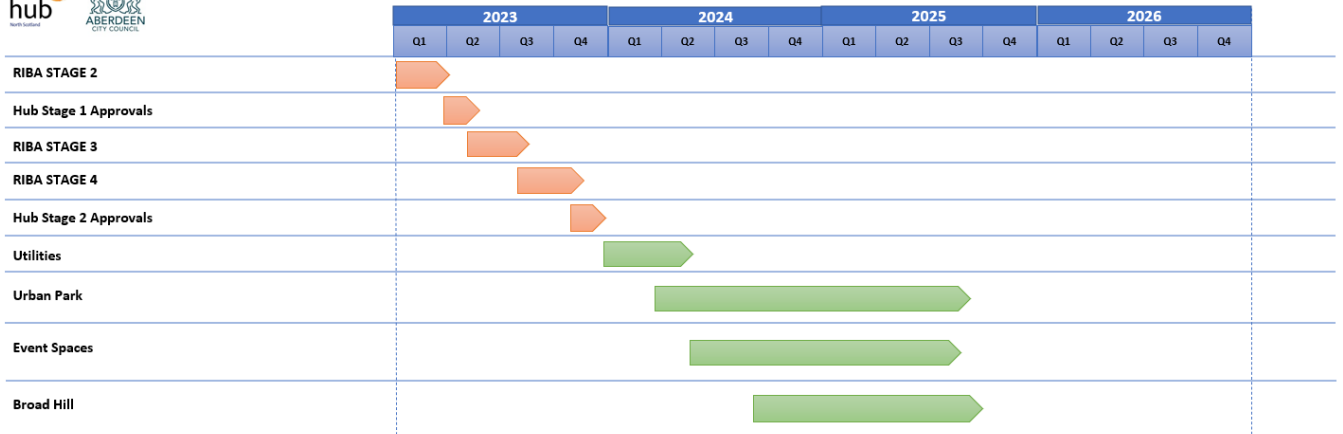
## 12. Time

### 12.1 Time Constraints & Aspirations

Detail any planned or agreed dates, any time constraints on the project or the affected business areas and any other known timescales.



ACC Public Realm Phase A - Programme Overview



### 12.2 Key Milestones

Description	Target Start Date	Target Finish Date
RIBA STAGE 2	-	24.03.23
Hub Stage 1 Approvals	22.05.23	22.05.23
RIBA STAGE 3	24.04.23	21.07.23
RIBA STAGE 4	26.06.23	10.11.23
Hub Stage 2 Approvals	08.01.24	08.01.24
<b>Construction Phase (Robertson's Programme dated 12.07.23 )</b>		
Utilities (Advance Work)	01.12.23	14.06.24
Beach Park	27.05.24	10.10.25
Events Spaces	22.07.24	19.09.25
Broad Hill	07.10.24	11.07.25



**13. Governance**

Include any plans around the ownership and governance of the project and identify the people in the key project roles in the table below.

<b>Role</b>	<b>Name</b>	<b>Service</b>
<b>SRO</b>	Craig Innes	ACC Commercial and Procurement Services
<b>Programme Manager</b>	Neil Donald	Hub North Scotland
<b>Project Manager</b>	Daniel Moysey	Mott Macdonald
<b>Lead Contractor</b>	David Heron	Robertson Construction
<b>Lead Designer and Landscape Architect</b>	Suzanne Mackrell (Keppie Design) Pol Macdonald (Open Environment)	Keppie Design & Open Environment
<b>Cost Consultant</b>	Kenneth Robertson	Currie & Brown
<b>Principal Designer</b>	Deborah Roberts	Currie & Brown

**14. Resources**

List the staff resources and expertise required to implement the project. Ensure support services are included, such as Project Management, Legal, Procurement and Communications.

<b>Task</b>	<b>Responsible Service/Team</b>	<b>Start Date</b>	<b>End Date</b>
N/A			
N/A			

## 15. Environmental Management

Fully explain any impacts the project will have on the environment (this could include, eg, carbon dioxide emissions, waste, water, natural environment, air quality and adaptation). Include both positive and negative effects and how these will be managed. Include details on how this has been assessed, giving an idea of the cost implication if this exists.

The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 put in place a target for net zero greenhouse emissions by 2045 in Scotland, accelerating new and updated associated policy interventions. In response, the city-wide climate journey is progressing. Following production of a Net Zero Vision for Aberdeen (2020), the Net Zero Aberdeen Routemap was produced collaboratively and approved in February 2022, setting the pathway for a net zero city by 2045. The project will do everything possible to align with existing and emerging climate and resource efficiency commitments and targets.

The project will minimise the embedded carbon of construction through maximising the use of locally sourced materials.

The project will also contribute to a reduction in CO2 and particle emissions by reducing vehicular movements through Aberdeen beachfront. New planting will absorb carbon and improve quality of local environment. Air quality across the beachfront and in the city centre will also improve because of reduced traffic in the city centre.

Furthermore, no impact on waste collection or treatment of surface water is anticipated from the project.

	Yes	No
<b>Is a Buildings Checklist being completed for this project?</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>



**If No, what is the reason for this?**

Checklist to be presented and completed at a later stage.

## 16. Preserving Our Heritage

Describe fully any impacts the project will have on the heritage of the city or more widely in the region or nationally. This could include but is not exclusive to the following examples:

- Specific historical items of interest;
- Features of significant local or regional importance/interest;
- Granite elements of existing structures.

Include both positive and negative effects and how these will be managed.

Include details on how this has been assessed, giving an idea of the cost implication if this exists.

Aberdeen is a city with a close bond to the sea, and the Beachfront area has served the people of Aberdeen and beyond as a key leisure and recreation space for decades. Although still popular today, it was once a thriving tourist destination in the early 1900s, drawing visitors from across the country. Picture postcards from that era term Aberdeen 'The Silver City by

the Sea' and describe the Beachfront itself as 'The Finest Beach and Most Beautiful Holiday Resort in Britain'. The Beachfront also housed several well utilised leisure facilities and recreational activities, such as a bathing station, tennis courts and lawn bowls, in addition to the iconic Beach Ballroom which serves as the last remnant of this thriving time.

The category B-listed Beach Ballroom, affectionately known as the finest dance hall in Scotland, adopts a prominent position along the City's Beachfront esplanade. Opened in 1929, this important Art Deco entertainment venue has experienced much change, not least the major development of the 1970s Star Ballroom which provided additional function space on the roof of the eastern side overlooking the coastline. The building boasts a wealth of cultural history, having hosted many of Scotland's leading bands over the decades and is held in high esteem amongst Aberdonians who share fond memories of their time at the venue.

Capturing the nostalgia of that bygone era, the celebration of what has gone before provides inspiration for the future development of the Beachfront. The vision for the redevelopment of the area is to rejuvenate the Beachfront and return it to its former glory, creating a major waterfront destination for future generations to enjoy.

## **17. Stakeholders**

List the key interested individuals, teams, groups or parties that may be affected by the project or have an interest in it, including those external to the organisation. Show what their interest would be and their level of responsibility. Also note any plans for how they will be engaged including the use of any existing communication channels, forums or mechanisms already in place.

In the event the Business Case projects a total capital expenditure of more than £10 Million, stakeholders should include "ACC Bond Investors" who may require to be communicated with through the London Stock Exchange.

The project will impact on business owners in the intervention area, who may be inconvenienced by traffic disruption in the short term but who also stand to benefit from the increase in footfall that the interventions will support. It will also impact on residents within the area, who will experience similar disruption and loss of parking amenity but will stand to benefit most from the improved placemaking and reduction in particle emissions. Internally, the project will also impact on the Council's Road maintenance and environmental services teams' budgets.

Throughout the Beach master planning process there has been ongoing engagement with key consultees, the public, young people, and school children. To date this process has dealt with the broader master planning principles concerning the whole beach front area and context, how it should integrate with the surrounding communities and wider city, to ensure the emerging proposals at this development framework level set the foundations for a project that can be successfully delivered meeting the expectations of all.

To date, the focused engagement has been with young people and schools partly due to the significant scale of the Beach Park area. Although there has been meaningful engagement to date with young people and schools, this Stage 2 Concept Development aims to involve young people and schools in the actual design process as well as listening to their emerging ideas. Engagement and workshops in October 2022 involved 8 schools and almost 500 students focused on exploring the concept design possibilities for the Beach Park area. It is expected that this process of engagement and workshop structure will continue through subsequent design phases to help shape final designs.

## 18. Assumptions

Document the high-level assumptions that have been made during the development of the Business Case and any other unanswered questions that may be significant. Refer to the Supplementary Guidance on Optimism Bias and detail the assumptions you have made in constructing the costs and business case.

[Green Book Supplementary Guidance Optimism Bias](#)

An Optimism Bias of 40% is assumed. Although there is now strong cost certainty in relation to the Phase A public realm works that are the subject of this business case, further costing work is still required in relation to the proposed future phases of development.

HM Treasury Green Book standard discount rate of 3.5% has been used to discount costs and benefits over a 30-year appraisal period.

### **Benefit modelling assumptions:**

#### **Construction spend benefits**

- Turnover to GVA ratio (for Aberdeen's construction sector) from the Scottish Annual Business Statistics of 0.44 was applied to total annual capital spend for each option.
  - The following assumptions were then applied to estimate the net construction GVA:
    - Deadweight: 0% (no spending would happen on site in the counterfactual scenario)
    - Displacement: 40% (project will lead to some displaced construction activity elsewhere)
    - Leakage: 20% (as advised by Robertson, a proportion of the construction providers will be non-local)
    - Multiplier: 1.44 Type II multiplier assumed. (Scottish Government input output tables provides a Scotland wide multiplier of 1.87 for the construction sector. It has been assumed that 50% of these indirect and induced benefits will be retained locally.)
- The net construction GVA was then discounted and summed over the full appraisal period.

#### **Active travel benefits**

Baseline footfall was provided by the Council, specifically how many people currently visit Aberdeen Beachfront, and Beach Boulevard North Side and the Beach Esplanade. An 80% pedestrian/20% cyclist split was assumed. It was assumed that total footfall would rise to 1 million post investment (by comparison, Blackpool attracts 19 million visitor nights, Brighton 11 million and Bournemouth 10 million).<sup>2</sup>

DfT's AMAT tool was then used to calculate the active travel benefits of the project.

<sup>2</sup> <https://britishdestinations.files.wordpress.com/2019/04/2019-house-of-lords-select-committee-report-the-future-of-seaside-towns.pdf>



### Visitor spend benefits

Baseline footfall was also used to estimate beachfront visitor spend benefits. Options 2 and 3 assume a prudent 5% uplift in total annual visitors whereas Option 4 assumes an uplift of 10% to represent the increase in overall value when Phases A and B are combined. The following conservative assumptions were also made:

Assumption	Value	Description
Percentage of non-local visitors	50%	Conservative modeller's assumption
Percentage of day visitors	50%	Only a small proportion will come as part of an overnight visit
Average spend per day visitor	£36.91	VisitScotland Grampian Factsheet 2019
Average spend per overnight visitor	£239.60	
Deadweight	0%	It is assumed that investment would not take place under counterfactual
Displacement	10%	A proportion of visits to some other attractions in the city will be displaced
Leakage	5%	Some proportion of the visitor spend will be from outside of Aberdeen. For example, visitors bring their own food with them.
Multiplier	1.30	Scottish Input Output tables provides a Scotland wide multiplier of 1.60 for the sport and recreation sector. It has been assumed that 50% of these indirect and induced benefits will be retained locally.
GVA as a percentage of spend	68%	Scottish Annual Business Statistics 2020, arts entertainment and recreation GVA to turnover ratio.

## 19. Dependencies

Document any projects, initiatives, policies, key decisions or other activities outside the control of the project that need to be considered or which may present a risk to the project's success, or on which this project depends.

The success of the project heavily dependent on the development of other Aberdeen beachfront projects. The construction of the beach ballroom and the leisure site will be crucial in encouraging the increased footfall across the beachfront that will benefit from these public realm improvements.

The success of the project is also dependent on the standards of construction, and on the selection of a design that makes ongoing maintenance of the project as cost effective as possible. This will be dependent on the following:

- Consistent paving of concrete/ natural stone / local granite slabs (to help minimise inventory costs)
- Consistent use of materials across projects
- Consideration for underground utility networks that may be disrupted or impaired during construction
- Selection of materials/appliances that can be readily replaced in subsequent years. For example, street lighting that doesn't use specific and hard to source lightbulbs

Sufficient maintenance budget allowances to accommodate the above will also be crucial to the project's success, and estimates of appropriate budgetary allocations have been included within this business case.

## 20. Constraints

Document any known pressures, limits or restrictions associated with the project.

Several financial and technical constraints face the project and issues around public utilities, and wider traffic network may limit the success of the project.

The approach to the Beachfront via the Boulevard is rather uninspiring with no real focal point or sense of arrival at Queen's Links. The Beachfront also lacks a sense of place and is dominated by a four-lane vehicular route. Aside from the Beach Ballroom, the surrounding architecture is quite industrial, with several existing Sports & Leisure buildings which are generally tired and of poor quality. Following an initial site walk-round, the Design Team analysed the Beachfront area as existing, identifying a few key site constraints and project challenges:

- Car dominant environment
- Exposure to the elements and lack of shelter
- General disconnect with the beachfront
- Dated industrial units and poor quality industrial architecture
- Underground sewage pipe running through the centre of the site
- Current and future coastal flood defence consideration

**21. ICT Hardware, Software or Network infrastructure**

List any new ICT systems or changes likely as a result of the project. If there are no ICT changes, then record as 'none'.

Description of change to Hardware, Software or Network Infrastructure	Approval Required?	Date Approval Received
None		

**22. Change Controls Issued by the Project**

Date	Change Ref ID	Approval Route	Change Description

**23. Support Services Consulted**

The minimum **consultation period for Outline/Full Business Cases is 10 working days** unless the Programme Board Chair agrees there are exceptional circumstances that require a shorter turnaround time.

**Note:**

- **It is mandatory for Capital projects to consult with the full list below.**
- If any services are not consulted, this should be indicated in the Comments section, along with the reason why. All comments received should also be noted, or reasons given for discounting them.
- It is a legal requirement for the Council to carry out an [Integrated Impact Assessment](#) to evaluate the impact our decisions have on our customers.

**Note:** There is a copy and paste version of the consultation list below which you can use for circulating your Business Case – [Support Services Consulted Circulation List](#)

Service	Consultee	Comments	Date
Resources	Chief Officer, Finance		

Service	Consultee	Comments	Date
	<a href="mailto:jbelford@aberdeencity.gov.uk">jbelford@aberdeencity.gov.uk</a>		
Resources	Chief Officer, Corporate Landlord <a href="mailto:stbooth@aberdeencity.gov.uk">stbooth@aberdeencity.gov.uk</a>		
Governance	Chief Officer, Governance (tbc)		
Place	Chief Officer, Strategic Place Planning <a href="mailto:DDunne@aberdeencity.gov.uk">DDunne@aberdeencity.gov.uk</a>		
Place	Chief Officer, City Growth <a href="mailto:rsweetnam@aberdeencity.gov.uk">rsweetnam@aberdeencity.gov.uk</a>		
Operations	Chief Officer, Operations and Protective Services <a href="mailto:mareilly@aberdeencity.gov.uk">mareilly@aberdeencity.gov.uk</a>		
Operations (Facilities)	Andy Campbell, Facilities Manager <a href="mailto:AnCampbell@aberdeencity.gov.uk">AnCampbell@aberdeencity.gov.uk</a>		
PMO	PMO Programme Manager <a href="mailto:RMacTaggart@aberdeencity.gov.uk">RMacTaggart@aberdeencity.gov.uk</a>		
Finance	Scott Paterson, Finance Partner <a href="mailto:spaterson@aberdeencity.gov.uk">spaterson@aberdeencity.gov.uk</a>		
Asset Management	Alastair Reid, Team Manager <a href="mailto:alareid@aberdeencity.gov.uk">alareid@aberdeencity.gov.uk</a>		
Legal (Property/ Planning & Environment)	Ross Campbell <a href="mailto:roscampbell@aberdeencity.gov.uk">roscampbell@aberdeencity.gov.uk</a> (for <b>Capital Board consultations</b> only)		
Legal (Property/ Planning & Environment)	Alan Thomson <a href="mailto:alathomson@aberdeencity.gov.uk">alathomson@aberdeencity.gov.uk</a> (for <b>Transportation Board consultations</b> only)		
Legal (Commercial & Procurement)	Michele Pittendreigh, Team Leader <a href="mailto:MPittendreigh@aberdeencity.gov.uk">MPittendreigh@aberdeencity.gov.uk</a>		
Procurement	Boguslawka Symonowicz <a href="mailto:BSymonowicz@aberdeencity.gov.uk">BSymonowicz@aberdeencity.gov.uk</a>		
ICT – Digital & Technology	Steve Robertson, Digital & Transformation Manager <a href="mailto:sterobertson@aberdeencity.gov.uk">sterobertson@aberdeencity.gov.uk</a>		
Design – Public Buildings	Neil Esslemont, Team Leader <a href="mailto:nesslemont@aberdeencity.gov.uk">nesslemont@aberdeencity.gov.uk</a>		
Grounds Maintenance	Steven Shaw, Environmental Manager <a href="mailto:stevens@aberdeencity.gov.uk">stevens@aberdeencity.gov.uk</a>		
Communications	tbc		
HR	Lindsay MacInnes, People & OD Manager <a href="mailto:lmacinnnes@aberdeencity.gov.uk">lmacinnnes@aberdeencity.gov.uk</a>		
Transportation Strategy and Programmes	Joanna Murray, Team Leader <a href="mailto:joannamurray@aberdeencity.gov.uk">joannamurray@aberdeencity.gov.uk</a>		
Place – TSAP	Nicola Laird, Senior Project Officer <a href="mailto:NLaird@aberdeencity.gov.uk">NLaird@aberdeencity.gov.uk</a>		

Service	Consultee	Comments	Date
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You can attach a link to your document to the list above but will need to attach **a copy of your document** to the consultees below as the link function doesn't work for generic addresses:

Service	Consultee	Comments	Date
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#### 24. Document Revision History

Version	Reason	By	Date
2			
3			
4			

#### 25. Decision by Capital Board

	Date
* Approved/Not Approved to:	

\* Insert approval decision from Capital Board.



## APPENDIX 1 - ACC City Vision SMART Objectives – 5 May 2022

Informed by Local Outcome Improvement Plan 2016 – 2016 Refreshed July 2021 and Economic Performance Report November 2020. Also includes feedback from ACC Economic Development Team.

Objective	What does success look like?	Spatial Level	Metrics	Baseline Data	Current Data	Frequency	Responsibility for Reporting	Comments
<b>Masterplan</b>								
City Centre population growth	More people live, work, and use City Centre facilities	City Centre	3,000S extra people living in the city Centre by 2040	Savills City Living Report February 2022	2020	Yearly	ACC	
Increased GVA	Still having the highest GVA per head in Scotland	Local Authority	£s per annum	Real GVA per head	2019	Yearly	ACC	
Reduction in crime (actual)	Offences and crime figures in a downward trend in the city Centre	Local Authority	<ul style="list-style-type: none"> <li>30% fewer young people (12 to 17) charged with an offence and a crime by 2026</li> <li>2% fewer people reconvicted within one year by 2026</li> <li>1 point increase (4.31 -&gt; 5.31) (/7) in the mean score for people who "Feel safe in the city Centre throughout the day and night" by 2026</li> </ul>	<ul style="list-style-type: none"> <li>Youth Convictions 2017-2018</li> <li>Reconviction rate</li> <li>Baseline City Voice 41: June 2017</li> </ul> From Gov.Scot & City Voice	2017/18 2018/19 Sept 2021	Yearly	ACC	
Increased footfall in the city Centre	More locals, visitors and tourists visiting Aberdeen throughout the year	Local Authority	10% increase in daily average footfall in the city Centre by 2026	Centre for Cities 2019	Feb 2022	Monthly	ACC	2019 was 70,604 a day
Reduced Office vacancy rates in the city Centre	Less empty office space in the city Centre	Aberdeen Central	2% (13.99% -> 11.99%) decrease in the office vacancy rate in the City Centre by 2026	Aberdeen Central: CoStar	Q1 2022	Quarterly	ACC	North East Scotland Commercial Office Sector
Reduced Retail vacancy rates in the City Centre	Less empty retail units in the City Centre	Local Authority	1% (6.39% -> 5.39%) decrease in the retail vacancy rate in Aberdeen City by 2026	CoStar	2022	Yearly	ACC	North East Scotland Retail Market. Alternative to use BID vacancy rates

Increased journeys by walking and cycling into the City Centre	More active travel across all demographics	City Centre	75% of people walking and 25% cycling as part of their usual mode of transport into the City Centre by 2026	City Voice reports 41 - 45	Sept 2021	Yearly	ACC	
Increased ease of walking and cycling around Aberdeen	More active travel across all demographics	City Centre	2-point increase in the mean (/7) (3.7 -> 5.7) of people who say they can easily walk and cycle around the City Centre using good quality routes.	City Voice reports 41 - 45	Sept 2021	Yearly	ACC	
Increase in cycling in the City Centre	More active travel across all demographics	City Centre	30% (1,244 -> 1,617) increase in average daily cycling in the City Centre by 2026.	Department for Transport	2019	Yearly	ACC	2019 was last year of normal City Centre conditions and traffic levels. Certain count points may come back in 2022, 996768 may be removed if not, it will not impact the outcome.
Reduction in car journeys in the City Centre	Less cars in the City Centre	City Centre	20% reduction in average daily traffic flow by 2026	Department for Transport	2019	Yearly	ACC	2019 was last year of normal City Centre conditions and traffic levels
Reduction in CO2 emissions	Ongoing reductions in CO2 emissions in the City Centre	Local Authority	By at least 61% by 2026 and NZC by 2045	Carbon Footprint (2015/16 base year)	2020/2021 Financial Year	Yearly	ACC	Cannot be measured at City level
Reduction in NO2 (ug/m3)	Ongoing reductions in NO2 emissions in the City Centre	City Centre	Reduce NO2 to <35ug/m3 annual mean in the City Centre by 2026.	ACC: Air Quality Report	2019	Yearly	ACC	The Scottish Government has an objective to limit NO2 to less than 40µg/m3 as an annual mean by end of 2005. City Centre has fallen over 5ug/m3 between 2016 - 2019, =>



							35ug/m3 seems appropriate as Aberdeen as a whole was 27.6 in 2019.
Increased educational attainment, skills, and life-long learning	Improved Education outcomes	Local Authority	<ul style="list-style-type: none"> <li>6% absolute increase in the number of people (16-64) receiving job related training in the last 13 weeks by 2026</li> <li>4% (52% -&gt;56%) increase in working age population (16-64) with NVQ4+ Qualifications by 2026</li> <li>3% (6.5% -&gt; 3.5%) decrease in working age population (16-64) with no NVQ Qualifications by 2026</li> <li>A 1% decrease (3.2% -&gt;2.2%) in the percentage of people aged 16-19 not participating in education, employment, or training</li> <li>To match or be under Scotland's density of skills gaps in each occupation groupings (High Skilled, Middle Skilled, Service and Labour Intensive) by 2026</li> </ul>	<p>APS (NOMIS):</p> <p>APS (NOMIS):</p> <p>APS (NOMIS):</p> <p>Scottish Index of Multiple Deprivation</p> <p>Scottish Employer Skills Survey</p>	<p>Jan 2021 to Dec 2021 Baseline Year</p> <p>Jan 2020 to Dec 2020 Baseline Year</p> <p>Jan 2020 to Dec 2020 Baseline Year</p> <p>2021</p> <p>2020</p> <p>-</p>	<p>Quarterly</p> <p>Quarterly</p> <p>Quarterly</p> <p>Yearly</p> <p>Biannually</p>	<p>ACC</p> <p>Source: SKILLS DEVELOPMENT SCOTLAND</p>
City Centre Interventions							
Creation of new public realm space leading to			<ul style="list-style-type: none"> <li>62,559 m2 new public realm space</li> </ul>	City Centre	N/A	On completion of	ACC (HNSL for new public realm)

increased satisfaction with the City Centre	Improved perception of City Centre from residents and visitors	-	<ul style="list-style-type: none"> <li>Increased life satisfaction in Aberdeen - 1 point increase (7.21 -&gt;8.21) in the level of "Life Satisfaction" in Aberdeen residents by 2026</li> <li>Increased happiness in Aberdeen - 1 point increase (7.17-&gt; 8.17) in the level of "Happy" in Aberdeen residents by 2026</li> <li>Increased green space for city residents - 1 point (5.2 -&gt;6.2) increase in the level Aberdeen Central Residents score for "Can you regularly experience good quality natural space? This includes a wide variety of environments from parks and woodlands to green space alongside paths and streets"</li> </ul>	Local Authority	2020/2021	construction works		
				Local Authority	2020/2021	Yearly		
				City Centre	Sept 2021	Yearly		
Creation of Construction jobs over the build period (Public Realm & Market)	Increase in construction jobs	City Centre	<ul style="list-style-type: none"> <li>60 - 120 new Construction Jobs – Public Realm</li> <li>150 - 175 new Construction Jobs – Market</li> </ul>	HNSL TIER 1 Contractors	N/A	During construction period	HNSL	
Creation of new jobs directly associated with the Market (catering, cleaning, management, and operations)	New jobs created in the City Centre	City Centre	250 new Market Jobs	Market Operator	2022	Yearly	ACC	Provided by Preferred Market Operator, McGinty Group
Attracting regional and local businesses into the new Market	New businesses attracted to the City Centre	City Centre	20 – 40 new businesses	Directory of New Businesses	Feb 2021	Monthly	ACC	Gary Hughes: Bank Search
Reduction in city centre congestion	Bus journey times reduced,	-	Buses generally on time 75% (64% - > 75%) of the time	Transport Scotland	2019	Yearly	ACC	

	more buses on time etc							
Materials sourced from the local area	Greater use of locally sourced materials such as granite	-	30 - 50% of net Construction Costs to be local materials	HNSL TIER 1 Contractors	N/A	During Construction period	HNSL	Lighting and street furniture, etc. will require to be sourced from other areas if not available locally.
Contractor's labour from the local area	Greater use of local labour pool	-	60% Local labour employed	HNSL TIER 1 Contractors	N/A	During Construction Period	HNSL	
<b>Beach</b>								
Increased footfall and revenue at the Beach Ballroom and other Beach Leisure Facilities	Facilities are more popular, have greater footfall and generate more profits	-	100% Footfall and 100% revenue increases (Leisure and Ballroom only)	Current footfall and revenue for existing ACC facilities	2022	Yearly	ACC	ACC to provide data.
Creation of free public realm and open park/play space, leading to increased satisfaction with the Beach area	Improved perception of Beach from residents and visitors	Local Authority	2,000 m2 Decrease in the average distance (m) for City Centre Residents to nearest Park, Garden or Playing Field.	ONS: Garden	2020	Yearly	ACC	
Increased journeys by walking and cycling per annum	More active travel across all demographics	-	38% of people walking and 5% of people cycling as main mode of travel by 2026	Beach Esplanade Average Daily Pedestrian/Cycling Levels C19 Monitoring Form	Dec 2021	Monthly	ACC	
Reduction in car journeys at the Beachfront	Less cars in the Beach front area	-	20% (12,552 -> 10,042) reduction in all vehicle journeys at the beachfront	No roads around the Beach monitored in C19 form	2019	Yearly	ACC	

Creation of Construction jobs over the build period	Increase in construction jobs	–	200 new Construction Jobs	HNSL TIER 1 Contractors	N/A	During Construction Period	HNSL	
Creation of new jobs directly associated with new Leisure offering at the Beach	Increase in jobs in Aberdeen	–	30 new Leisure Jobs by 2025	Mott McDonald	2022	Yearly	ACC	78 gross new jobs advised by Mott McDonald
Materials sourced from the local area	Greater use of locally sourced materials such as granite	–	20 to 30% of net Construction Costs to be local materials	HNSL TIER 1 Contractors	N/A	During Construction Period	HNSL	
Contractor's labour from the local area	Greater use of local labour pool	–	50% Local labour employed	HNSL TIER 1 Contractors	N/A	During Construction Period	HNSL	

NOTE: Update on measures to tie in with yearly progress reports on recalibration of the CCMP.



## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Council
<b>DATE</b>	23 August 2023
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Queen Street Outline Business Case
<b>REPORT NUMBER</b>	RES/23/242
<b>DIRECTOR</b>	Steve Whyte
<b>CHIEF OFFICER</b>	-
<b>REPORT AUTHOR</b>	Sandy Beattie
<b>TERMS OF REFERENCE</b>	21

### 1. PURPOSE OF REPORT

- 1.1 This report presents the Outline Business Case for the redevelopment of the Queen Street area as an urban park.

### 2. RECOMMENDATIONS

That Council:-

- 2.1 Note the conclusion of the Outline Business Case (OBC) and agree the recommendation to progress with Option 5: Urban Park with landscaping to north-west development area and development to south-east on site of former Police HQ.
- 2.2 Instruct the Director of Resources to:
- (i) proceed with the detailed design, consultation and engagement with stakeholders, obtain necessary consents, negotiate parking and access changes and develop a detailed cost and delivery programme required to deliver Phase 1 of the Urban Park as detailed in the OBC,
  - (ii) update the business case for the site of the former Police HQ to determine suitability for refurbishment, rebuild, or as Urban Park Phase 2, depending on the outcome of market testing, and
  - (iii) report progress to Council in December 2023.

### 3. CURRENT SITUATION

- 3.1 Council, at their meeting on 14 December 2022 (Item 16, report RES/22/290) agreed the Strategic Outline Case for Queen Street and instructed the Director of Resources to progress the short-listed options into an Outline Business Case which would identify a preferred option and report back to Council in August 2023.
- 3.2 The vision for Queen Street is outlined below:

- Alignment with City Centre and Beach Masterplans, Local Outcome Improvement Plan; and national alignment with the National Strategy for Economic Transformation and the Scottish Cities Alliance Transition to Net Zero Carbon Action Plan.
- To stimulate the city's economic growth, create jobs, and facilitate future business investment.
- To increase City Centre footfall and attract new visitors to Aberdeen and make a positive contribution to the six qualities of successful places identified by the Scottish Government. These are distinctive; safe & pleasant; easy to move around in; welcoming; adaptable; and resource efficient.
- To be affordable to ACC and able to secure funding to support the development.
- To be financially self-sustaining where possible without ongoing support from ACC and can be easily exited by ACC if required.
- Supports UK & Scottish Government sustainability goals and ACC's journey to Net Zero by 2045.

3.3 Queen Street redevelopment is a key component of the City Centre and Beach Masterplan and provides the opportunity to enhance both the quality and provision of urban green space in the city centre, complementary to other projects such as Union Terrace Gardens and the emerging proposals at the Beach.

3.4 The size and scale of the space, together with the surrounding historic buildings, lends itself to a potential mix of urban park and development. The Queen Street site is part of the urban realm network of public space and development proposals which will build on the principles of a connected network of green spaces in the city centre. The city centre needs a variety of spaces that contribute to improving air quality, sustainable urban drainage, biodiversity, urban food production, health and well-being, active travel and providing areas of calm.

3.5 The Strategic Outline Business Case (SOC) assessed a Long List of 11 options emerging from an Options Appraisal which was refined to a Short List of 5 assessed further in the Outline Business Case (OBC). High level summaries and capacity studies of the five Short List Options have been prepared as follows:

**Option 1**

Do Nothing/Minimal Intervention

## Option 2

Urban Park and pavilion with landscaping to north-west and south-east development areas.



## Option 3

Urban Park with housing development to north-west and refurbished/repurposed former police HQ to form residential development to south-east.



### Option 4

Urban Park with housing development to north-west and new build workplace to south-east on site of former police HQ.



LANDSCAPE PLAN

### Option 5

Urban Park with landscaping to north-west development area and new build workplace to south-east on site of former Police HQ.



LANDSCAPE PLAN

### 3.6 Summary of options (all costs and timescales are indicative and subject to change as proposals progress)

Option	Area of Park	Development	Capital Cost	Cost to Council	Timescale	Benefit to City	Risk	Net Commercial Impact to Council
1 Do nothing	N/A	Unknown until site sold – outwith ACC control	Minimal to market site	£6M already spent (land assembly etc)	Unknown until sites sold	Unknown	Med/High Risk - Reputational loss to ACC, continuing blight on landscape	Sites are unlikely sellable so overall impact remains at +£6M.
2 Full Urban Park	7,300m <sup>2</sup>	None	£26M	£26M plus £6M already committed (land assembly etc)	March 2026	£44.6M, with a benefit-cost ratio of 1.51	Low Risk - Delivery risk to ACC low as ACC has full control	Modest income from Pavilion (£10k) could be achieved but unlikely to offset £26M Capital Cost and £6M commitment to date.
3 Urban Park, new Residential to NW and refurbished Police HQ to provide residential	3,466m <sup>2</sup>	Residential	£39M	£13M plus £6M already committed (land assembly etc) (Developer costs are £25M)	March 2026	£97.3M, with a benefit-cost ratio of 2.41	Medium/ High Risk – See note below.	Income from Council Tax rates could be £260k per annum
4 Urban Park, Residential to NW and Commercial (Office) to SE	3,400m <sup>2</sup>	Mixed used Residential and Commercial	£71M	£15.0M plus £6M already committed (land assembly etc) (Developer costs are £53.5M)	March 2026	£220.4M, with a benefit-cost ratio of 3.24	Medium/ High Risk – See note below.	Income from Council Tax rates could be £113k per annum and Business Tax rates could be £1.08M per annum
5 Urban Park and new Commercial to SE	5,200m <sup>2</sup>	Commercial office (new or refurb) <i>(Residential option can also be considered)</i>	£61M	£8M plus £6M already committed (land assembly etc) (Developer costs are £43.0M)	Phase 1 Urban Park Q1 2026 Phase 2 Development Q1 2027	£191.2M, with a benefit-cost ratio of 3.20	Medium/ Risk – See note below.	Income from Business Tax rates could be £1.08M per annum to offset the £61M Capital Cost and £6M spent to date.

- 3.7 **Option 5 scored the highest out of all Options**, albeit the difference in scores between Options 3, 4 & 5 is very small (see Section 7 of OBC for scoring table). The Do-Nothing Option 1, as would be expected, scored significantly lower than all other Options and Option 2 the full Urban Park scored around 12% less than Options 3, 4 & 5. Full details of each option are available in the appended OBC and the table in 3.6 provides a summary comparison.
- 3.8 It is recommended that Option 5, Urban Park with landscaping to north-west development area (Phase 1) and new development to south-east on site of former police HQ (Phase 2) be taken forward as the Preferred Option.
- 3.9 This will involve taking forward detailed design and construction of an Urban Park to the Northwest of the site; undertake stakeholder consultation, obtain necessary consents, negotiate parking/access changes while also carrying out further market research and testing on the type of development best suited to the Southeast of Queen Street.
- 3.10 The design development of the urban park will follow the successful principles of engagement and co-design that have been established with the Beach projects. This will include children and young people together with local stakeholders, particularly around culture groups prominent in the area. There will also be a strong focus on making the park accessible for all whilst also exploring all options for future use to ensure the outcome is distinctive, taking advantage of the specific enclosed setting of Queen Street, yet connecting to the wider city centre projects such as Marischal Square, Broad Street, Union Street and the Castlegate. The area also provides the opportunity to enhance the active travel connections between the city centre and the beach.
- 3.11 The recommendation for the former Police HQ is to develop the business case to determine suitability for either refurbishment or rebuild, with residential and commercial office space as use options with progress to be reported to Council by December 2023.
- 3.12 The sequence of activities recommended for Option No 5 is therefore:
- 1) to proceed with detailed design and planning activities associated with the urban park per Option No 5.
  - 2) to proceed with a soft market engagement exercise to assess viable uses for the remaining part of the site under ACC's ownership, based on both full demolition and refurbishment options of the former Police HQ.



- 3) following this soft market engagement prepare an update business case which determines the most appropriate uses for the residual site which complements the proposed urban park. These options could include development in full, in part, deferred development, sale of the site or urban park in full.
- 3.11 It is considered prudent that soft market testing will necessarily include potential public sector investment and opportunity in the site for uses that may inform future development outwith the traditional development models.
  - 3.12 As the above work progresses, the internal strip out of the former Police HQ will be underway. This includes soft strip, asbestos removal and service isolation from the Scottish Courts and Tribunal Services Civil and Commercial Court on Queen Street.
  - 3.13 Tenders for the works in 3.11 have been returned and are currently being examined for best value, with an anticipated site start in September 2023 and completion by Q1 2024 (dependent on full extent of works required).
  - 3.14 Should the Full Business Case for Option No 5 Phase 2 development prove not to be viable, it would be possible to revert to Option 2 Full Urban Park, with the possibility of arranging the park in such a way as to accommodate subsequent development should future market conditions change.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 Costs for the development of detailed design, stakeholder engagement for Phase 1 of Option 5, together with development of the updated business case, including market testing, for Phase 2 are estimated to be in the region of £250k will be met from the exiting Queen Street budget.
- 4.2 The anticipated costs in relation to the soft strip and service separation programme will also be met from the existing Queen Street budget.
- 4.3 Further delivery costs will be identified and reported to Council for future consideration in the capital planning/budget process.

#### **5. LEGAL IMPLICATIONS**

- 5.1 As project proposals progress design stages, they are being examined and managed within the professional scope of construction industry accepted standards, ensuring all due diligence exercises and pre-contract enquiries are complete and satisfactory.
- 5.2 The land considered for development is in Council ownership, confirmed by title search. Cognisance and due diligence will be undertaken with regard to ensuring rights of access are maintained where appropriate in developed designs.

## 6. ENVIRONMENTAL IMPLICATIONS

- 6.1 The City Centre and Beach Masterplan has been screened through the Strategic Environmental Assessment (SEA) process and the consultation authorities have confirmed that no Environmental Report specific to this overarching Masterplan is required. Individual plans, programmes and strategies falling out of the Masterplan will be considered individually, as will any requirements for project-specific Habitat Regulations Appraisals (HRAs),
- 6.2 The Queen Street site is included within the Queen’s Square Opportunity Site (OP81), as defined by the Aberdeen Local Development Plan 2023. The Local Development Plan has also gone through the Strategic Environmental Assessment process, with an Environmental Report available to view on the Council’s website.
- 6.3 Every effort will be made to minimise the carbon footprint of the project including undertaking a sustainability/carbon review on the design, possible re-use of existing materials and local supply of new materials wherever possible.
- 6.4 The introduction of an urban park and active travel routes supports the implementation of the Low Emission Zone by enabling people to make different choices on how they move about the city.
- 6.5 Urban green space will contribute and encourage biodiversity in the city centre, has the potential to contribute to sustainable urban drainage and also has added benefits of improving health and well-being for surrounding residents, employees and visitors.

## 7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
<b>Strategic Risk</b>	Failure to proceed with project impacts on wider city commitments and economic targets	Continue to work collaboratively to achieve masterplan delivery and wider advantages.	M	<b>Yes</b>

<b>Operational</b>	Project scope changes	Seek preferred option agreement with ACC at appropriate stage and progress agreed design to avoid abortive work.	M	<b>Yes</b>
<b>Financial</b>	Inaccurate/ uncharted underground services and utility survey information leads to increased costs.	Ensure thorough & adequate surveys undertaken prior and during the development phase. Service detection, historical review / detailed desk top review undertaken. Ensure project contingencies are sufficient to cover possible unexpected costs.	H	<b>Yes</b>
<b>Financial</b>	Budget Pressures due to current market volatility.	Robust budgets established based on market intelligence. Independent budget reviews with Project Management Office and supply chain are regularly held. Appropriate inflation allowances made in cost plans.	M	<b>Yes</b>
<b>Reputational</b>	Lack of development leading to unsightly derelict building	Progression of Phased delivery plan, including market testing of site, with full urban park as fallback position	M	<b>Yes</b>
<b>Environment / Climate</b>	Implications of demolition	Potential offset with urban park	M	<b>Yes</b>

## 8. OUTCOMES

<a href="#"><u>COUNCIL DELIVERY PLAN 2023-2024</u></a>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>  <a href="#"><u>Working in Partnership for Aberdeen</u></a>	<i>Create a new urban garden for our city centre in Queen Street, with active travel routes linking in with the wider city centre and the improved links to the beachfront</i>
<a href="#"><u>Aberdeen City Local Outcome Improvement Plan 2016-26</u></a>	

Prosperous Place Stretch Outcomes	The project will contribute to the Prosperous Economy and Prosperous Place objectives, Address climate change (local materials, reduction in emissions, green infrastructure), increase sustainable travel: 38% of people walking and 5% of people cycling as main mode of travel by 2026
<b>Regional and City Strategies</b>	<p>The report supports the priorities in the Regional Economic Strategy (RES) investment in infrastructure, regenerating our city centre, unlock development potential, improve the deployment of low carbon transport, to enable Aberdeen to realise development opportunities in the City Centre Masterplan.</p> <p>Measures to introduce new green infrastructure in the City Centre will support the Air Quality Action Plan, Climate Change Plan, Net Zero Action Plan and Low Emission Zone by contributing to emissions reduction.</p>

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
<b>Integrated Impact Assessment (IIA)</b>	<p>An IIA for the City Centre Masterplan was prepared to inform and support the report to Council in December 2022 (Appendix F). A project specific update IIA for the Queen Street Outline Business Case has been prepared to support this report and will be used to inform design development of the selected approach to development.</p> <p>Although high level at this stage, the IIA supports the recommendation that Option 5 be the preferred option as it affords the potential balance of urban park with accessibility and future development. Access for, and impact on, a range of stakeholders/occupiers/users will require to be addressed in the next stages and be informed by the developing IIA. The Council has engaged the services of an independent accessibility team which will work with the design team, stakeholders and Council officers to ensure the best possible outcomes from any future development proposals.</p>
<b>Data Protection Impact Assessment</b>	DPIA Screening Questions completed. Neither a brief DPIA or full DPIA is required at this stage
<b>Other</b>	N/A

## **10. BACKGROUND PAPERS**

- 10.1 City Centre Update Report to Council, 14 December 2022  
<http://councilcommittees/documents/s138824/City%20Centre%20Update%20Report%20to%20Council.pdf>

## **11. APPENDICES**

- 11.1 Appendix 1: Queen Street Outline Business Case

## **12. REPORT AUTHOR CONTACT DETAILS**

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# Outline/Full Business Case

<b>Project Name</b>	Queen Street Development Zone - Outline Business Case		
<b>Author</b>	Sandy Beattie ACC	<b>Date</b>	2 August 2023
<b>Sponsoring Cluster</b>	Corporate Landlord	<b>Version</b>	8.0

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[Find further guidance in the ACC Project Management Toolkit online](#)

## 1. Introduction and Project Overview

Briefly describe the basic project concept. Describe the current business situation as it relates to the problem or opportunity that gave rise to the idea, including any other drivers such as regulatory or legal compliance requirements

If taking no action may have a negative effect on the organisation, then also describe what will happen if the project is **not** undertaken.

### Introduction

This Outline Business Case (OBC) follows the instruction from Council in December 2022 in relation to the approved Strategic Outline Case for the Queen Street area. The OBC provides estimated Capital and Revenue costs and indicative programmes for delivery of an Urban Park and varying levels of supporting development on Queen Street in line with Council policy and instruction for the area.

At their meeting on 14 December 2022, Council approved the Strategic Outline Case (SOC) for Queen Street:

The SOC and covering report can be viewed at:

<https://committees.aberdeencity.gov.uk/documents/g8190/Public%20reports%20pack%2014th-Dec-2022%2010.30%20Council.pdf?T=10>

9.1 City Centre Update - RES/22/290 (Pages 41 - 264)

The decision sheet can be viewed here:

<http://councilcommittees/documents/g8190/Decisions%2014th-Dec-2022%2010.30%20Council.pdf?T=2>

**Ref item 9.1 (xi) Queen Street to agree the Strategic Outline Case for Queen Street and instruct the Director of Resources to progress the short - listed options into an Outline Business Case which would identify a preferred option and report back to Council in August 2023)**

An Urban Park option covering the entire project area does not score the highest optimal solution for Queen Street based on the evaluation criteria used (as borne out by the Options Appraisal detailed in Section 7).

The OBC therefore also includes costs and programme implications for varying amounts of optional development that could support differing scales of Urban Park and reduce the burden to the public purse of its provision, whilst supporting placemaking and other ACC policy objectives for the city centre.

### Background

The city centre is currently undergoing major transformation and this project seeks to support this. The City Centre and Beach Masterplan provides a framework of development and

direction that demonstrates a seismic change in the way the city operates, and Queen Street is a key component of this.

### **Project Overview**

Redevelopment of Queen Street provides the opportunity to address unsightly and inefficient buildings, whilst enabling significant improvements to public realm, opportunities to increase green space and encourage well-being in the city centre, increase inclusivity and complement the established improvements to Broad Street and Marischal Square.

The surrounding area is home to key civic, commercial, and cultural assets in the city and benefits from a wonderful quality of architecture such as Marischal College and the Town House.

Queen Street has seen over £6M commitment by ACC (which has enabled land assembly, demolition, Police Scotland integration into Marischal College and a new Joint Integrated Mortuary which is now on site at Aberdeen Royal Infirmary Foresterhill) to manage public resources more effectively, whilst at the same time pump priming/de-risking the site for future development. An additional £22.5M has been secured from the Scottish Government to enable the city mortuary relocation to be complete by Summer 2024.

The Council is now the majority landowner in the area and has acquired the following properties/areas of land:

- 29 – 31 Queen Street
- Former Police Scotland HQ
- Surface Car Park
- Former University of Aberdeen surface Car Park
- 6-12 Shoe Lane (Former University of Aberdeen Music Range).

An Urban Park in Queen Street will develop a key component of the City Centre and Beach Masterplan and regenerate an important city centre site that otherwise could lie vacant and derelict. It will contribute to:

- Health & wellbeing of all residents and visitors to the city
- Attracting new visits to the City Centre, potentially through hosting events particularly in relation to the cultural centres in the immediate area
- Active travel in the City Centre and promoting walking and cycling, creating pedestrian and active travel dominated areas, taking advantage of the City Centre location and proximity to local transport hubs
- Consolidating the civic heart of the city and provide for appropriate green space and amenity which is complementary to the surrounding historic environment
- Increasing City Centre population and footfall across all age groups
- Increasing the number of people that work in the City Centre
- Creating 20-minute neighbourhoods in the City Centre
- ACCs journey to Net Zero Carbon.

## 2. Executive Summary

Provide a clear, concise summary of the key features of the business case, briefly describing what the project will deliver, any key decisions associated with it, the expected costs, and the funding position (showing any budgets already identified/ expected and the ask of Capital). Include an outline of the benefits, and any dis-benefits, what risks and assumptions are associated with the project, and summarise planned or agreed dates and time constraints. Indicate who is the project sponsor and how the project will be owned and governed and what form the project board will take.

### Key features

Queen Street is a key component of the City Centre and Beach Masterplan. The Council has acquired property at Queen Street and Marischal College from the University of Aberdeen and Police Scotland, to facilitate the co-location of a range of public services there and complement the new commercial quarter at Marischal Square creating a unique opportunity for the area to become a new transformational asset for the city.

The Council's objective is to deliver an Urban Park - this OBC explores various options to achieve that, with differing scales of park and potential for a degree of enabling development.

There are several factors that influence the evaluation of each option including:

- Revenue costs - sizeable environmental maintenance costs that cannot be offset through development
- Capital costs - variable construction costs including demolition of the former Police HQ building) and costs already incurred to date of £6M as outlined above, that cannot be offset through development on the site
- Strategic alignment - a mixed-use development offers greater employment and city centre living benefits than those realised under the full Urban Park
- Economic impact - Options with commercial elements perform much better in terms of Gross Value Add and Land Value uplift than the full Urban Park.

As well as providing the costs and programme implications of a new Urban Park in Queen Street, this Outline Business Case also allows readers to understand the potential scale of development from an Urban Park across the whole site to phased and selective forms of development with varying areas of Urban Park. It shows what types of development may support the ambition for ACC to deliver an Urban Park in Queen Street.

### Vision

Queen Street will be a focus for a new Urban Park and high-quality public realm for the city that could include, elements of contemporary urban living, commercial office floorspace and cultural activity. The development will complement Marischal Square and Broad Street, providing a new Urban Park and public realm space that will increase well-being by including active travel and green infrastructure, endeavouring to deliver a net-zero development and create the conditions for sustainable urban living.

The form and function of Queen Street will be different in future - at present it is a road with surface car parks and limited green space accessed from it. In future it will be a limited access route through a green space.

## **Strategic Fit**

As well as delivering a key part of the Council's policy, the project will contribute to the Prosperous Economy and Prosperous Place objectives of the Local Outcome Improvement Plan, and to the Changing Perceptions, Growing the City Centre Employment Base, A Metropolitan Outlook, A Living City for Everyone, Technologically Advanced and Environmentally Responsible, and Culturally Distinctive objectives of the City Centre and Beach Masterplan.

## **Options Appraised**

The following Options have been appraised:

### **Option 1**

Do Nothing/Minimal intervention (i.e., market site for sale)

### **Option 2**

Urban Park and pavilion with landscaping to north-west and south-east development areas.

### **Option 3**

Urban Park with housing development to north-west and refurbished/repurposed police HQ to form residential development to south-east.

### **Option 4**

Urban Park with housing development to north-west and new build workplace to south-east on site of former Police HQ.

### **Option 5**

Urban Park with landscaping to north-west development area and new build workplace to south-east on site of former Police HQ.

**Option 5 scored the highest out of all Options**, albeit the difference in scores between Options 3, 4 & 5 is very small (see Section 7 for scoring table). The Do-Nothing Option 1 as would be expected scored significantly lower than all other Options and Option 2 the full Urban Park scored around 8% less than Options 3, 4 & 5.

As market testing of the optimal development solution for the Southeast portion of the site (former Police HQ) will be carried out after consideration of this OBC, there will require to be some flexibility within Option 5, allowing commercial, residential and mixes of both to be tested through the process of market engagement.

## **Reason for Selection of Preferred Option No 5**

Through a comprehensive options study to inform this OBC, Option 5 has been identified as the recommended Option for the proposed regenerative development of the Queen Street site. Option 5 seeks to deliver an urban park of 5,200m<sup>2</sup> to the Northwest site area as a first phase with further work ongoing to develop a Full Business Case to identify the preferred development use of the Southeast portion of the site currently housing the former Police HQ. Whilst more detail concerning this Option 5 is provided within this OBC and supporting

appendices, in summary, the primary advantages of this option over other options considered are:

- A phased approach delivers an urban park of 5,200 m<sup>2</sup> in keeping with the instructions from Council
- The phased approach allows for a separate consideration of the best use of the remainder of the site without affecting delivery of the Urban Park
- The delivery of the Urban Park is not tied to or dependent on delivery of commercial development components (refer to Options 3 & 4), providing greater programme certainty
- Option 5 provides the highest cost-benefit ratio at 3.20
- Added GVA through the potential for the commercial development component
- Anticipated lower maintenance costs for Urban Park than estimated for Option 2 (full Urban Park)
- Lower overall risk profile (medium) than Options 3 & 4 which deliver commercial buildings on both portions of the site.

### Costs

The expected costs of the Preferred Option 5, Urban Park with landscaping to the north-west development area and new build workplace to the south-east on the site of the former Police HQ, are:

- Capital Cost of **£60.665M** (which includes allowances for, risk, inflation and professional fees but excludes committed costs of circa £6M)
- Ongoing Revenue Costs (to maintain the Urban Park element) of circa **£45,000** per annum (based on 2023 rates and dependent on final design of the park).

This cost is split down between the following:

- Phase 1 Urban Park **£20M**
- Phase 2 Development of Southeast area of the site **£40.665M.**

Note: The Capital Costs for Option 5 are based on a new build workspace on the site of the former Police HQ and thus may be subject to review / change once the FBC has identified the preferred development use of that portion of the site (this may be Commercial, Residential, a mixture of both or Urban Park Phase 2). The Capital Cost of Option 5 would not be entirely borne by ACC – see Summary Table on page 7, cost to ACC column.

A separate Police HQ Strip Out project is underway, covering the asbestos removal, soft strip and services separation elements which are common to all Options. These costs are to be met from the existing committed budget. Tenders are currently being reviewed to demonstrate best value and cost effectiveness with the estimated site start being October 2023.

An estimated forecast of the design costs to reach detailed design with consents (approx. RIBA Stage 3), for Phase 1 Urban Park are outlined below:

- Lead advisor / Architect / Masterplanner £35,000
- Town Planning £7,000
- Landscape Architect £40,000



- Cost Consultant £25,000
- Services Consultant £10,000
- Structural Consultant £15,000
- Lighting consultant, potentially art / play equipment design £30,000
- Total £162,000 excluding VAT.

The estimated forecast costs to complete an Outline Business Case for the Southeast portion of the site could be in the region of £100,000 excluding VAT (to be met from existing Queen Street budget).

## Summary

The table below is a summary of the Costs, Programme, Benefits, Development Appraisal outcomes and an indicative risk assessment to ACC in delivery of each Option.

Option	Area of Urban Park	Development	Capital Cost to deliver	Cost to ACC	Timescale	Benefit to City	Risk	Net Commercial impact to ACC
1 Do nothing	N/A	Unknown until site sold – out with ACC control	Minimal to market site	£6M already committed (land assembly etc)	Unknown until site sold	Unknown	Med/High Risk - Reputational loss to ACC, continuing blight on landscape	Sites are unlikely sellable so overall impact remains at +£6M.
2 Full Urban Park	7,300 m2	None	£26M	£26M plus £6M already committed (land assembly etc)	Complete by March 2026	£44.6M, with a benefit-cost ratio of 1.51	Low Risk - Delivery risk to ACC low as ACC has full control	Income from Pavilion could be £10k per annum but unlikely to offset £26M Capital Cost and £6M spent to date.
3 Urban Park, new Residential to NW and refurbished Police HQ to provide residential	3,466 m2	Residential	£39M	£13M plus £6M already committed (land assembly etc) (Developer costs are £25M)	Complete by March 2026	£97.3M, with a benefit-cost ratio of 2.41	Medium/High Risk – See note below.	Income from Council Tax rates could be £260k per annum to offset the £39M Capital Cost and £6M spent to date.
4 Urban Park, new Residential	3,400 m2	Mixed used Residential and Commercial	£71M	£15M plus £6M already	Complete by March 2026	£220.4M, with a benefit-	Medium/High Risk – See	Income from Council Tax rates could be £113k per

Development to NW and new Commercial (Office) to SE				committed (land assembly etc) (Developer costs are £53.5M)		cost ratio of 3.24	note below.	annum and Business Tax rates could be £1.08M per annum to offset the £71M Capital Cost and £6M spent to date.
5 Urban Park and new Commercial to SE	5,200 m <sup>2</sup>	Commercial office (new or Refurb)  <i>(Residential option can also be considered)</i>	£61M	£8M plus £6M already committed (land assembly etc) (Developer costs are £43.0M)	Complete Phase 1 Urban Park Q1 2026 and Phase 2 Development Q1 2027	£191.2M, with a benefit-cost ratio of 3.20	Medium Risk – See note below.	Income from Business Tax rates could be £1.08M per annum to offset the £61M Capital Cost and £6M spent to date.

**Table 1 – Summary for all Options**

**NOTE:**

OPTION 1 - until the site is sold, ACC will continue to incur revenue costs for Statutory Maintenance, Rates, and Health & Safety compliance in the former Police HQ building. These costs are estimated to be circa £390,000 per annum. Police Scotland continues to pay 50% of monthly running costs until such time as the Telecoms Masts on the roof are decommissioned, which is expected to be towards the end of 2023.

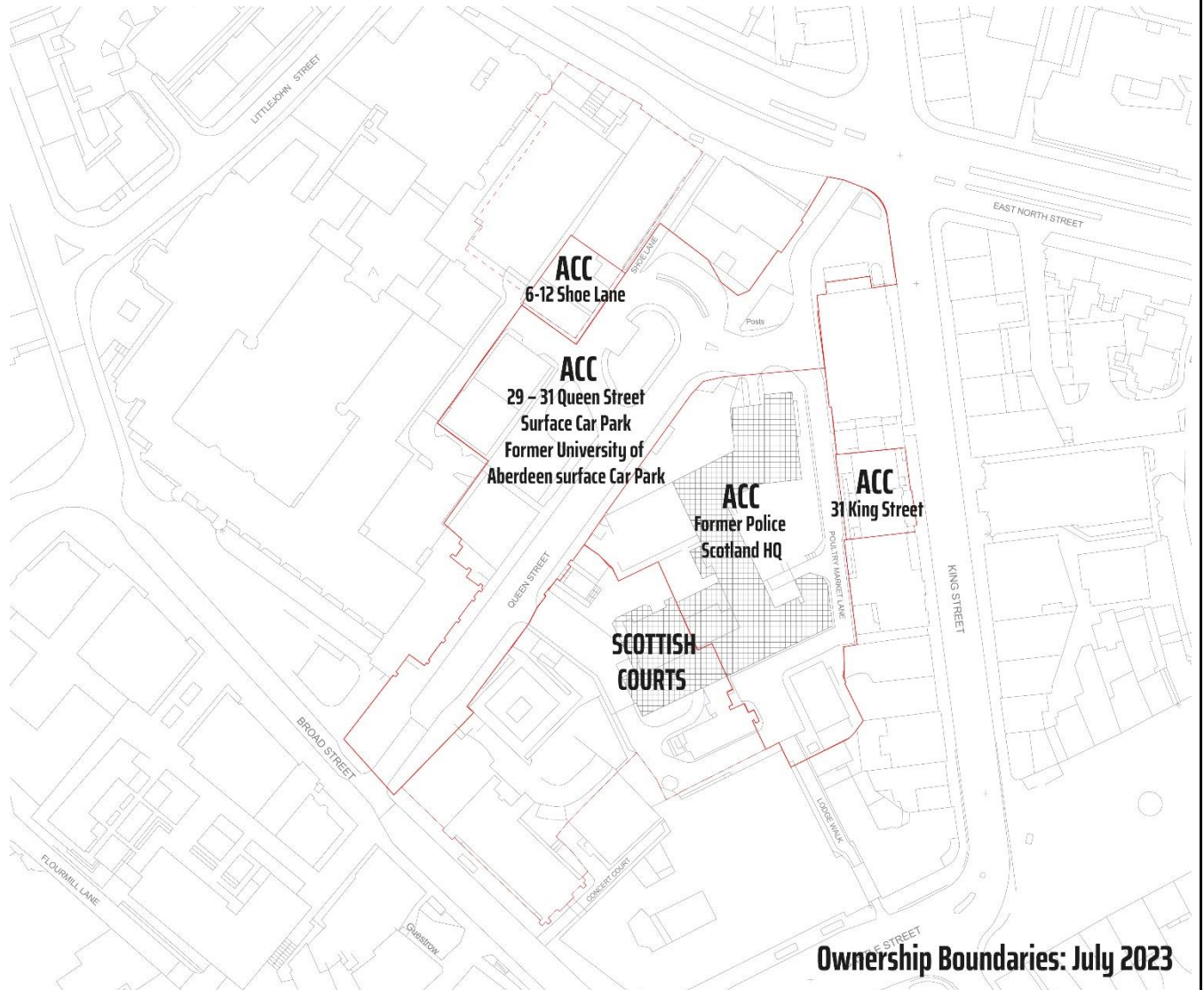
OPTION 3 - ACC secure planning consent, prepare site for development, deliver Urban Park, and sell prepared sites to a build to rent developer / investor OR ACC work with a development partner and carry the cost of the Urban Park works.

OPTION 4 – Medium Risk – ACC secure planning consent, prepare the site for development (including demolition), deliver the urban park and either sell the residential development parcel and the former Police HQ site to a developer(s) or work in partnership with them AND offer a 'lease wrap' over the office building for 40 years at 80% of the rental value. Adopting this scenario offsets, the Council's costs by c.£2.5m, reducing to c. £15m. This contribution is minimal and any minor changes to build costs or the design could put this at risk.

OPTION 5 - ACC secure planning consent, prepare the site for development (including demolition), deliver the urban park and either sell the residential development parcel and the former Police HQ site to a developer(s) or work in partnership with them AND offer a 'lease wrap' over the office building for 40 years at 80% of the rental value. Adopting this scenario offsets, the Council's costs by £10m, reducing from £18M to £8m. This Option delivers on the Urban Park as per ACC policy but also allows ACC to take stock and consider options for the rest of the site at a future point. This still has risk but less risk than committing now to a development option which is more rigid in approach (such as Options 3 and 4).

## Site Ownership

The plan below shows the Queen Street site ownership boundaries.



*Figure 2 – Queen Street site ownership*

## Site zones

The site is split into two distinct zones as shown in the diagram below.



*Diagram 1 – Site Zones*

### Note:

#### Phase 01:

Phase 01 outlines the creation of a new urban park and streetscape through the urban plot with a potential development zone to the north. The central area highlighted remains consistent in all design variations allowing the urban park to progress at an earlier stage. The northern area (purple) will be transformed into an extension of the urban park or a new build residential block.

#### Phase 02:

Phase 02 will complete the Queen Street redevelopment scheme and urban plot. The area is home to the former Police HQ and the existing 7 storey tower (GF + 6) remains in the centre of the plot. This will either be retained and developed into a retrofit residential block or demolished to make way for a new build office.

Given that ACC own all the land in the northwest portion of the site, with little demolition work required, it is recommended that this area be the first to be developed as an Urban Park, followed by the southeast portion of the site once it is clear from the Full Business Case and market testing, how the former Police HQ is to be redeveloped.

## Programme

Indicative programme durations for all Options appraised in this OBC are shown below.

Option	Start date	Completion date
<b>Option 1</b> – Do Nothing (ACC sells the site and has no control over any future development - the former Police HQ building would not be demolished).	N/A	N/A
<b>Option 2</b> – Full Urban Park (Full demolition will be approx. 6-9 months then build period for the Urban Park).	Nov 2024	Mar 2026
<b>Option 3</b> - Urban Park with housing development to north-west and refurbished/repurposed Police HQ to form residential development to south-east (Development on northwest site will require more consultation and design development. Assumed single phase as Urban Park is tied to development of northwest buildings).	Feb 2025	Feb 2027
<b>Option 4</b> - Urban Park with housing development to northwest and new build workplace to south-east on site of former Police HQ (Assumed single phase as per Option 3).	Feb 2025	Aug 2027
<b>Option 5</b> - Urban Park with landscaping to north-west development area and new build workplace to south-east on site of former police HQ (Assumed phased basis, Phase 1 Urban Park to Northwest of site and Phase 2 Development to Southeast of site. Phase 2 dates subject to market engagement).	Phase 1 - Oct 2024  Phase 2 – Feb 2025	Phase 1 – Q1 2026  Phase 2 – Q1 2027

*Table 2 – Programme durations for all options*

## Funding position

There is no identified budget for this project at the moment (other than the £6M already committed). The project costs will require to be referred to the Council's Budget Process and Capital Programme for approval.

## Benefits/Dis-benefits

The total present value economic impact of the Preferred Option No 5, Urban Park with landscaping to the north-west development area and new build commercial office/residential to the south-east on site of former police HQ is an estimated **£191.2 million** with a benefit-cost ratio of **3.20** (equal to the total benefits figure, divided by the present value cost of this Option). This is broken down below:

- **GVA from new commercial workspace: £146.6 million:** 60% occupancy assumption and 12 sqm per FTE density assumption (*Housing & Communities Agency*) assumed to derive employment impact. £96,667 GVA per head (*Scottish Government*) assumptions applied to derive gross GVA impact. 80% displacement, 15% leakage and 1.23 multiplier (*Scottish Government*) applied to retail jobs, and 70% displacement, 15% leakage and 1.29 multiplier (*Scottish Government*) applied to office jobs to derive net GVA impact.



- **Construction GVA benefits: £24.4 million** [equal to total construction spend; multiplied by a GVA to turnover ratio of 44% (*Scottish Government*); adjusted to account for displacement (20%), leakage (10%) and indirect & induced multipliers 1.44 (*Scottish Government*); discounted at rate of 3.5% (*HM Treasury Guidance*)]
- **Land value uplift benefits from proximity to green space: £20.2 million** [assumes 3% uplift (*Cabespace impact study*) applied to all properties within a 0.25-mile radius (*CoStar*)].

## **Risks**

Based on the work done to date in preparing this OBC, the top key strategic risks are:

- Doing nothing could lead to the site remaining vacant and being a blight on the city centre landscape
- Insufficient budget or inability to generate appropriate developer receipts, thereby delaying/stalling the development and potentially resulting in blight on the City Centre landscape and vacancy of site
- Changes in the market demand (Phase 2) which may result in the redundancy of the OBC, and the project being deemed as unviable. This would result in abortive work and blight on the City Centre landscape
- Neighbouring properties and businesses object to development proposals resulting in programme delays and reputational loss to ACC and negative publicity for the project
- Failure to secure statutory consents including conservation area consent, planning consent(s), and building warrant(s), leading to the project being delayed, amended, or cancelled and not meeting optimal solution for Queen Street
- Delivery of new mortuary facility is delayed resulting in delay to developing proposals and demolition of Police HQ building and sequencing of development
- Planning restrictions impact on the level of development that could potentially help financially support an Urban Park.

Note: The risks above are strategic project risks regardless of Option. Top key risks specific to each Option are outlined in Section 7 (Options Appraisal).

The full Project Risk Register is available if readers of this OBC require to view it. Project risks will be managed through a structured risk management process should the project proceed beyond this stage of reporting.

## **Assumptions**

The key assumptions for developing Queen Street are:

- ACC wishes to deliver an Urban Park to either the whole or part of the site area
- ACC wishes to adopt as little commercial risk as possible
- ACC intends to retain control of the land for future City Centre needs



- ACC has already made significant investment in land acquisition and demolitions (29-31 Queen Street) which can be viewed as pump priming/ de-risking
- Queen Street is an adopted road and likely to continue as such. It is likely that any lanes / side streets or urban green spaces associated with the development will be adopted
- The form and function of Queen Street at present is a road with surface car parks and limited green space accessed from it. In future it will be a limited access route through a green space
- ACC will prepare a Roads and Car Parking Strategy prior to developing the northwest side of Queen Street. This will be negotiated by Corporate Landlord with the University of Aberdeen and Police Scotland (as the two users outside ACC).

### **Governance**

ACC is the sponsoring organisation and Governance will be through the Council's Capital Programme.

### **Project Delivery**

The project is expected to be procured through the Hub model as this will accelerate the procurement process and help to secure best value by providing access to Hub North Scotland Limited's (HNSL) supply chain network and project management resources.

### **Preparation of this OBC**

The following consultant disciplines were engaged by HNSL in preparing this OBC:

- Masterplan Architect
- Landscape Architect
- Property Advisor
- Economic Consultant
- Structural Engineer
- Services Engineer
- Cost Manager
- Business Case Author.

### **Sequence of activities and key decisions**

Key decisions:

- A recommendation to approve the principle of Option 5, Urban Park with landscaping to northwest development area (Phase 1) and new build development (residential or commercial or a mix of both) to the southeast on the site of the former Police HQ (Phase 2) as the Preferred Option

- Taking forward detailed design and construction of an Urban Park to the northwest of the site; undertake stakeholder consultation (including public); obtain necessary consents; negotiate parking/access changes while also carrying out further market research and testing on the type of development best suited to the southeast of the site based on ACC's risk appetite for development.

The recommendation for the former Police HQ is to move to Full Business Case to determine suitability for either refurbishment or rebuild, with residential and commercial office space as use options to come back to Council by December 2023.

There is a sequence of activities which could ultimately change the configuration of Option No 5:

- 1) To proceed with all soft strip and demolition activities as approved which do not trigger a planning application due to it being a conservation zone
- 2) To immediately proceed with detailed design and planning activities associated with the Urban Park per Option No 5
- 3) To immediately proceed with a soft market engagement exercise to assess viable uses for the remaining part site under ACC's ownership, based on both full demolition and refurbishment options of the former Police HQ
- 4) Following this soft market engagement an update to be provided examining uses for the residual site which complements the planned Urban Park. These options could include development in full, in part, deferred development or sale and Urban Park in full.

### 3. Strategic Fit

This section will consider how the project fits with the list of projects identified in the Local Outcome Improvement Plan). Firstly, state if the project is identified within the LOIP. If it is not, how does it work with the Council's strategic objectives such as:

- Prosperous Economy
- Prosperous People (Children & Young People)
- Prosperous People (Adults)
- Prosperous Place

The project is not formally identified within the Local Outcome Improvement Plan (LOIP) but is a key component of the City Centre and Beach Masterplan. The project sits within the Queen's Square Opportunity Site (OP81), as defined by the Aberdeen Local Development Plan 2023.

As well as being a key component of Council policy, the project aligns with the Council's Strategic Objectives as outlined below.

### **Prosperous People (Children & Young People)**

This Business Case promotes the LOIP **Stretch Outcome 7** - Child Friendly City which supports all children to prosper and engage actively with their communities by 2026. The outcome of delivering the programme outlined within this report would result in improved public amenity space in the city centre for all visitors to enjoy, providing children with safe and attractive spaces for interaction and play.

**Stretch Outcome 9** – 30% fewer young people (under 18) charged with an offence by 2026. This Business Case promotes the redevelopment of Queen Street, with an active focus on public sector redesign to enable the civic heart of the city to work more efficiently. Public sector redesign and co-location will enable more joined up working across our city, leading to early intervention and improved support for the young people of Aberdeen.

The proposals identified within this Business Case as the Preferred Option support **Stretch Outcome 5** – 90% of children and young people will report that their experiences of mental health and wellbeing have been listened to by 2026. This is reflected in interactions, activities, support, and services. Queen Street will deliver quality public realm to increase well-being of both residents and visitors in the city, with an opportunity to provide the local community with places for play and outdoor learning.

### **Prosperous People (Adults)**

**Stretch Outcome 10** – 25% fewer people receiving a first ever Court conviction and 2% fewer people reconvicted within one year by 2026. This Business Case supports the aforementioned outcome as per the reasons stated for Stretch Outcome 9.

**Stretch Outcome 11** – Healthy life expectancy (time lived in good health) is five years longer by 2026. The redevelopment of Queen Street will deliver high quality urban realm from which visitors and tourists will benefit from the greenspace, providing an oasis in the heart of the city for rest and repose.

### **Prosperous Place**

The proposals identified within this Business Case as the Preferred Option promote **Stretch Outcome 15** - 38% of people walking and 5% of people cycling as main mode of travel by 2026. The outcome of delivering the programme would result in additional green space within the city centre, improved streetscape, connectivity and encourage active travel in the city centre.

The project will improve accessibility and support the Council's commitment to **accessibility and inclusive design** by providing spaces that all visitors and residents can use safely, with dignity, comfort, convenience, and confidence.

### **Access for all**

Any future designs should enable all users to make effective, independent choices about how they use new spaces in Queen Street without experiencing undue effort or separation and

particularly in relation to public realm, must recognise and address the barriers experienced by people with disabilities including (but not limited to)

- Learning difficulties,
- People who are deaf,
- Deafened and hard-of-hearing
- People who are blind or partially sighted
- Are neurodivergent.

The Council will develop operational policy mechanisms and active management plans to ensure that these accessibility improvements do not diminish over time.

The project will be based around inclusive design principles to ensure it reflects the different faiths, disabilities, genders & hidden conditions, and addresses important issues that affect a neurodiverse population. People should be able to make effective, independent choices about how they use places and spaces without experiencing undue effort or separation and be able to participate equally in the activities the area offers. Inclusive design is the essence of good design, but it goes beyond 'accessibility' and incorporates a broad range of design considerations. Inclusive Design is a critical component of delivering inclusive, user-centred environments that cater for the needs of all. This will be embedded into all aspects of the design including, for example, lighting and security.

It is important to acknowledge that an inclusive project/space does not attempt to meet every need of every person, but by considering the diversity of our cities it can break down barriers and exclusion which can often lead to a more effective and sustainable outcome. By designing all environments for as broad a demographic as possible, buildings and spaces can become more flexible and able to adapt to change without the need for costly and time-consuming adaptations. The overall aim is to design spaces and places that are comfortable for everyone to use, visit and enjoy.

#### **4. Business Aims, Needs & Constraints**

Provide an overview of the sponsoring organisation and explain how the project supports the existing policies and strategies, and how it will assist in achieving the business goals, aims and business plans of the organisation. Include any relevant information about the current business situation, such as the organisational structures, business model, buildings, processes, teams, and technology currently in place.

##### **Sponsoring Organisation**

Aberdeen City Council is the local authority responsible for leading the redevelopment of Queen Street as part of the City Centre and Beach Masterplan.

##### **Alignment with Policies & Strategies**

The Queen Street project supports Council policy, delivery of the Aberdeen City Centre and Beach Masterplan 2022, its 2023 update and numerous other policies and strategies including:

- Aberdeen Local Development Plan 2023 (ALDP) – Queen Square (OP81) is designated as a mixed-use area.
- Local Transport Strategy (new development to be car free where possible, increased active travel links)
- LOIP (increase employment)
- Net Zero Aberdeen Route map – Towards Becoming a Net Zero Emissions City by 2045.

The Scottish Government’s National Planning Framework (NPF) 4 includes policy on development proposals for the reuse of existing buildings, considering their suitability for conversion to other uses and the need to conserve embodied energy. This has been considered in the range of options appraised in this OBC through specific scoring criteria on embedded carbon in construction and operational carbon.

### **Vision**

Queen Street will be a focus for a new Urban Park and high-quality public realm for the city that could also include opportunities for contemporary urban living and cultural activity. The development of an Urban Park will complement Marischal Square and Broad Street.

New Urban Park and public realm space will increase well-being by including active travel and green infrastructure, endeavouring to deliver a net-zero development and create the conditions to support sustainable urban living.

The development area also includes the opportunity to rethink how the Council’s property interacts with King Street, the Lemon Tree and Marischal East as well as the Scottish Courts Annexe.

### **Business goals, aims and business plans**

ACC’s goals and aims for Queen Street are to:

- Retain control of the land for the benefit of the Council and as a long-term legacy for Aberdeen City Centre
- Complement and support other existing and proposed strategic projects being taken forward by the Council
- Build on the “Aberdeen” Brand, highlighting renewed purpose of the City Centre, delivering Council themes being both inclusive and progressive
- Align with the SMART Objectives for the overall City Vision Programme:
  - More people living, working, and using City Centre facilities
  - Increased GVA for the City Centre
  - Offences and crime figures in a downward trend in the City Centre
  - More locals, visitors and tourists visiting Aberdeen throughout the year
  - More active travel across all demographics
  - Fewer cars in the City Centre
  - Ongoing reductions in CO2 emissions in the City Centre

- Improved perception of City Centre from residents and visitors
- New businesses attracted to the City Centre
- Increase in construction jobs
- New jobs created in the City Centre.

### **Current Business Situation – where are we now?**

ACC has undertaken an extensive programme of land assembly resulting in most of the land in Queen Street now being in Council ownership, apart from:

- Trinity Church
- Greyfriars Church
- Scottish Courts and Tribunal Services Civil Annex
- Marischal East.

The Strategic Outline Case (SOC) prepared in late 2022 was approved at Council in December 2022, which instructed that an Outline Business Case (OBC) be presented to Council in August 2023.

Whilst this OBC has been in preparation, tender packages for the former Police HQ asbestos removal, soft strip and services separation have been issued to the market and appointments will be made for this work to commence in Q3 2023.

Positive engagement is continuing with other stakeholders and arts venues in and around Queen Street. The final designs for Queen Street will aim, where possible, to support the ambitions of stakeholders in Queen Street.

Discussions with the Scottish Courts and Tribunals Service (SCTS) have confirmed that the civil and commercial court service will remain in operation in its current facilities in Queen Street and will not form part of the development.

Recent discussions with the Lemon Tree performing arts venue have confirmed that their own project to improve this venue is on hold due to lack of funding. They have developed a more modest proposal which follows similar principles to the original and this should still work well with the urban space proposed in all Options in this OBC.

At this time, the Town House extension (Council) and Marischal East (University of Aberdeen) are not included in this OBC but can be considered as later phases in the future. The Options explored in this OBC are formulated in such a way as to accommodate future development of these two sites if necessary.

Describe the purpose of the project, why it is needed, establishing a compelling case for change based on business needs, e.g., demand for services, deficiencies in existing provision etc. Where are we now and where do we need to get to.

### **Why is the project needed?**

Queen Street is one of the key projects included in the City Centre and Beach Masterplan and sits within the Queen's Square Opportunity Site (OP81), as defined by the Aberdeen Local Development Plan 2023. The site partially consists of vacant and derelict land as well as the



now empty former Police HQ building. Without intervention by ACC, there is a risk that the overall site will not be turned into an asset for the city and its residents in the short to medium term and will blight the city centre.

Its position adjacent to the civic hub of Marischal College, the Town House and Marischal Square offers the opportunity to develop a new Urban Park in this key area of the city with access for all to high quality green spaces using high-quality materials and design. The project will also enable opportunities to increase well-being in the city centre and has the potential to provide active travel links between King Street and Broad Street.

The Queen Street development also complements and supports other strategic public realm projects being taken forward by the Council, particularly Union Street East, Castlegate and links to the Beach.

### **Outcomes - where do we want to get to?**

As well as delivering a major key component of the City Centre and Beach Masterplan, the site's proximity to several major arts venues creates a unique opportunity to also turn Queen Street into a landmark city centre destination. This could include complementary outdoor space, arts, music, heritage, and culture offerings, building on its proximity to the adjacent Aberdeen Arts Centre, Lemon Tree, and Marischal East venues. Both the Arts Centre and Lemon Tree are owned by ACC and leased to these organisations. Both will benefit from a high-quality Urban Park development including green space, allowing events to spill out into the open areas as appropriate, creating opportunities to activate and animate the Urban Park.

Identify any constraints, e.g., timing issues, legal requirements, professional standards, planning constraints. What assumptions have been made, and any linkages and interdependencies with other programmes and projects should be explained, especially where the proposed project is intended to contribute to shared outcomes across multiple Clusters.

### **Constraints**

- Conservation Area Consent is required for any demolition works
- New Mortuary facility at Foresterhill needs to be complete (by Summer 2024) before work can take place on the southeast part of the site
- Asbestos removal, soft strip and services separation in the former Police HQ building requires to be complete before work can take place on the southeast part of the site
- Removal of Telecom masts on the roof of the former Police HQ building. A new mast is proposed on Marischal Square prior to de-commissioning the last old one. This is currently pending approval, but it is expected to be removed by the end of 2023
- The existing Police HQ has extensive underground structures, supporting adjacent roads and buildings. There will be constraints and challenges to remove elements of existing structure so as not to overly impact the future development of the site with legacy, underground structures.

### **Costs**

Tender price growth is beginning to converge with construction costs as demand falls and some input costs decrease. Cost reduction and competitive tendering are still not market

mainstays, though. Contractors may withhold savings as an aftermath of Covid-19 and due to concerns regarding future cash flow.

The backdrop of falling commodity prices will undoubtedly ease pressure on industry pricing, coupled with softening demand. However, there are two important factors to play that are expected to keep tender prices high - ongoing labour shortages and contractors going out of business.

Appropriate inflation allowances have been included within the outline budget costs prepared by Cost Consultants; 8.12% has been allowed based on a mid-point of construction projected to Q1 2026. This is based on market analysis and construction industry benchmarks current at the date of this OBC.

The expected Capital Cost for the Preferred Option No 5, Urban Park with landscaping to the northwest development area and new build workplace to the southeast on the site of the former police HQ, is **£60.665M** (which includes allowances for, risk, inflation, and professional fees).

This cost is split down between the following:

- Phase 1 Urban Park **£20M**
- Phase 2 Development of Southeast area of the site **£40.665M.**

### **Procurement**

The project is expected to be procured through the Hub model, using Hub North Scotland Ltd who are ACC's strategic development partner for the planning, procurement, and delivery of infrastructure projects across the north of Scotland. HNSL comprises of 16 public sector organisations, the Scottish Futures Trust and private sector partners in a joint venture company.

This model will help accelerate the procurement process and secure best value by providing access to HNSL's supply chain network and project management resources.

### **Planning**

Any Queen Street redevelopment proposal will be assessed against the relevant development plan and associated planning context at the time of any planning or associated applications. As of the 19th of June 2023, the 'development plan' now consists of the National Planning Framework 4 (itself adopted by Scottish Government in February 2023) and the newly adopted Aberdeen Local Development Plan 2023. While this represents a formal change from the development plan position that was in place at the time of the SOC in December 2022, both documents had previously been considered in draft, and therefore the policy position concerning the Queen Street development project remains largely the same. In any instances of potential or perceived incompatibility between NPF4 and the LDP, whichever of them is the later in date is to prevail; in such an instance, the provisions of the Aberdeen LDP 2023 will prevail. A fuller narrative on Planning is included in Section 20 of this OBC.

### **Linkages and interdependencies with other programmes and projects**

Queen Street is a key component of the City Centre and Beach Masterplan. The project is dependent on the current Mortuary facility at Poultry Market Lane to the rear of the former Police HQ being relocated to Foresterhill by Summer 2024.

Development of an Urban Park to the Northwest side of the site area will require negotiation with both University of Aberdeen and Police Scotland to refine and relocate their respective parking provisions in the area.

There is the opportunity to link into Aberdeen Heat and Power District Heating network (if an element of residential/commercial is decided upon) and this is further explained in Section 6.

State what impact the project will have on business as usual, e.g., temporarily reduce capacity or divert resources.

There will be an impact for ACC on business as usual. Internal resource will be required to manage the project and there will be an impact on access to existing surrounding businesses (e.g., ACC car park, SCTS access to be maintained around the site, access to Marischal East, Lemon Tree, and Aberdeen Arts Centre servicing).

Furthermore, consideration must be made to ensure there is no degradation to emergency service operational response times, noting that blue-light access/egress must always be maintained from Marischal College.

There will also be noise impact on businesses, residents, the SCTS and ACC that will require to be managed.

Internal resource will be required to manage the project with support from HNSL.

## 5. Objectives

List the project's objectives. Make these tangible and clear as they will influence which option is recommended and will be used to monitor project progress and success.

Provide an Urban Park in Queen Street with green infrastructure to complement other public spaces in the city

Reimagine the streetscape, encouraging active travel in the City Centre and promote walking and cycling within the City Centre

Provide public amenity space in the City Centre for all visitors and residents to enjoy, providing children with inclusive and accessible spaces for interaction and play

Introduce complementary mixed arts/cultural and residential/contemporary urban living uses as appropriate within this zone of the city, creating a sense of place.

Consolidate the civic heart of the city and provide for appropriate green space and amenity which is complementary to the surrounding historic environment

Increase City Centre population and footfall across all age groups

Increase the amount of the City Centre population that work in the City Centre

Address the housing shortage in Aberdeen (specifically in relation to affordable housing in the City Centre and dependent on the option selected)

Create pedestrian and active travel dominated area, taking advantage of the City Centre location and proximity to local transport hubs

Support creation of 20-minute neighbourhoods in the City Centre

Support ACCs journey to Net Zero Carbon

## 6. Scope

What will the project produce? What are its outputs?

Consider what business services, processes, people, and environments will be delivered, affected, or changed by the project.

Also define the work the project will carry out to make the transition from the project to 'business as usual' – the handover period.

State the project success criteria.

### Overview

This project involves creating a new city centre Urban Park that could vary from a full park across the whole site to different areas of park complimented by various levels of residential and commercial development.

### Project success criteria

A successful development of Queen Street will help support the realisation of the following City Vision SMART Objectives (which have also helped inform the Options Appraisal criteria used in this OBC):

- More people living, working, and using City Centre facilities
- Increased GVA for the City Centre
- Offences and crime figures in a downward trend in the City Centre
- More locals, visitors and tourists visiting Aberdeen throughout the year
- More active travel across all demographics
- Fewer cars in the City Centre
- Ongoing reductions in CO2 emissions in the City Centre
- Improved perception of City Centre from residents and visitors
- New businesses attracted to the City Centre
- Increase in construction jobs
- New jobs created in the City Centre.

### Project outputs and outcomes

At a time of energy transition for Aberdeen and considering the current climate and ecological crises, Queen Street will offer the potential to deliver a carbon neutral development, which

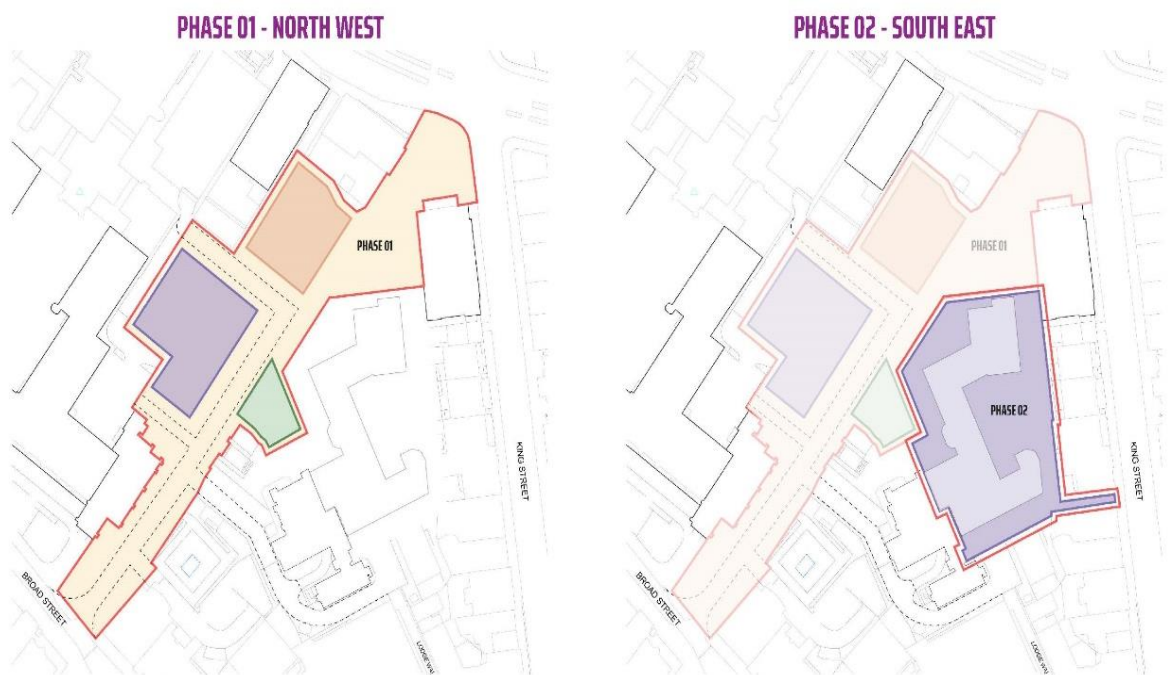
could be BREEAM excellent throughout, and will be supported by green infrastructure providing space to enhance well-being whilst managing microclimate and water.

The enhanced public realm and landscaped areas will provide opportunities to bring people together and create a sense of place, whilst an emphasis on green infrastructure benefits both mental and physical well-being. Proposed active frontages to Queen Street will provide pedestrians with a safe and well-lit environment, with activity from the ground floor amenity, cafe and co-working spaces contributing to vibrant street life. A potential mix-use development would increase activity outside working hours, enhancing security and surveillance within the Urban Park. The heritage of the site will be respected in the design, through material choices, wayfinding, and artwork.

Green pockets of public realm and private resident's gardens will create a more relaxed and intimate space. These areas will be developed with community and socialising in mind to create a sense of belonging and ownership. There is the opportunity for a variety of spaces to accommodate play, breakout social areas, external seating and dining options, wildflower planting, open lawn, SUDS, allotments etc.

## **Phasing**

The Queen Street site could be developed in two distinct phases as shown in the diagram below.



**Diagram 2 – Queen Street Site Phasing**

Note:

Phase 01:

Phase 01 outlines the creation of a new urban park and streetscape through the urban plot with a potential development zone to the north. The central area highlighted remains consistent in all design variations allowing the urban park to progress at an earlier stage. The northern area (purple) will be transformed into an extension of the urban park or a new build residential block.



Phase 02:

Phase 02 will complete the Queen Street redevelopment scheme and urban plot. The area is home to the former Police HQ and the existing 7 storey tower (GF + 6) remains in the centre of the plot. This will either be retained and developed into a retrofit residential block or demolished to make way for a new build office.

**Areas of Urban Park per Option**

Within each option the percentage of Urban Park varies depending on both the strategy and level of development.

The following diagrams highlight the percentage of Urban Park that could be provided for each Option.

**TOTAL SITE = 11,770 M2**

Within each option the percentage of urban park varies depending on both the strategy and level of development. The following diagrams highlight the percentage of urban park offered including both hard and soft landscaping.



*Diagram 3 – Queen Street areas of Urban Park per Option*



## **Scale Comparison**

The Diagram below shows the area of the Queen Street Urban Park in relation to other greenspaces within the city.



***Diagram 4 – Queen Street Urban Park scale comparison***

As can be seen by comparison to other examples of green spaces in the city, the full Urban Park would offer a considerable open, green space within the city although an Urban Park to the northwest of the site with development to the southeast (the Preferred Option Nr 5) still provides significant space for a city centre location.

As can be seen, an Urban Park to the northwest of the site with development to the southeast still provides considerable space for a city centre location. An Urban Park across the full site area would be comparable with UTG in terms of the amount of space available and may not be appropriate for the urban context in this location.

## **District Heating**

Aberdeen Heat & Power operate a District Heating network that supplies different areas within the city. Aberdeen Heat & Power have been approached, and potential indicative heat loads

have been advised to them, to try and obtain conformation that their system would have sufficient capacity to feed this development if residential/commercial space was provided. No formal feedback has been received yet, but from previous discussions with them, concerning potentially supplying the existing Courts building, it is known that they have significant existing infrastructure within the area, including main pipework below Queen Street. This network currently serves the adjacent Marischal College (ACC HQ) and the Town House buildings. On that basis it is anticipated that the proposed development Options 3, 4 & 5 should be able to be served via the District Heating network.

## 6.1 Out of Scope

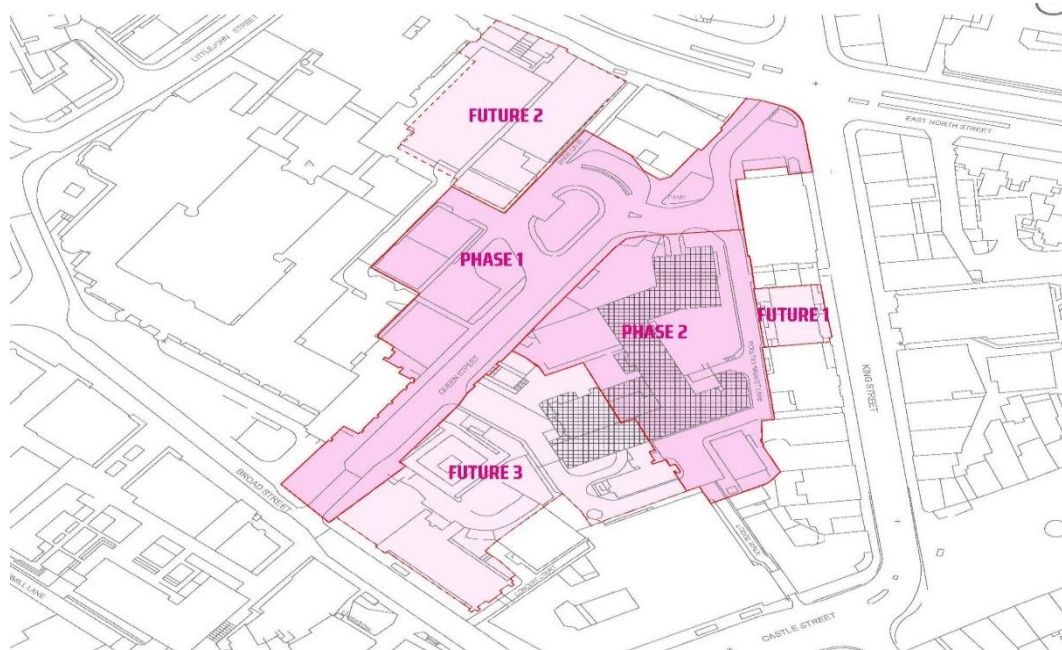
List any notable exclusions, those areas that may be viewed as associated with the project or the affected business area, but which are excluded from the scope of the project.

The following are excluded from this OBC:

- Provision of new Mortuary facility at Foresterhill, Aberdeen
- Improvements to the Aberdeen Arts Centre in King Street (ACC in discussion with AAC but no formal project yet)
- Extension to The Lemon Tree - Aberdeen Performing Arts (ACC in discussion with The Lemon Tree but no formal project yet).
- Any work on the Scottish Courts and Tribunals site (SCTS have confirmed they will be continuing to use this site for the foreseeable future)
- Works out with the proposed development area or on any land not currently under ACC ownership.

The Development Zone area in Queen Street also offers future opportunities to develop three more Future Phases (excluded from this OBC) as shown in Diagram 5 below.

- Future Phase 1 - Archibald Simpson house (currently occupied by Nestrans) could be re-purposed
- Future Phase 2 - redevelop or re-purpose multi storey car park
- Future Phase 3 - relocate and redevelop/re-purpose City Council Support Service, Civil Justice Centre/Commercial Court, cells, and associated car parking.



**Diagram 5 – Future Phases excluded from OBC**

These additional phases are not included within this OBC but could be considered for future development subject to suitable market conditions.

## 7. Options Appraisal

The SOC which was approved at the ACC Committee in December 2022 outlined five Options which have been further developed and aligned with current market demand and ACC's objectives for the site. These have now been appraised in more detail as part of this OBC.

### Option 1

Do Nothing/Minimal intervention.

### Option 2

Urban Park (7,300m<sup>2</sup>) and pavilion with landscaping to northwest and southeast development areas.

### Option 3

Urban Park (3,466m<sup>2</sup>) with housing development to northwest and refurbished/repurposed Police HQ to form residential development to southeast.

### Option 4

Urban Park (3,400m<sup>2</sup>) with housing development to northwest and new build workplace to southeast on site of former Police HQ.

**Option 5**

Urban Park (5,200m<sup>2</sup>) with landscaping to northwest development area and new build workplace to southeast on site of former Police HQ.

An Options Appraisal Workshop was held on 10 May 2023 with the Design Team and key ACC Stakeholders. Following on from this, the Design Team scored the various Options and reviewed/moderated/agreed the final scores at a Workshop on 8 June 2023. Final agreement on the make-up of the Options appraised in this OBC was reached at a joint ACC/Design Team Workshop on 22 June 2023.

The Options Appraisal output report from the above process, prepared by Economic Consultants Stantec, is available as Appendix No 1 to this report, covering the process followed, scoring criteria and weightings and commentary on the Options on why they were either taken forward for appraisal or discounted.

**7.1 Option 1 – Do Nothing/Minimal intervention.**

<b>Description</b>	<p>ACC sells the site and has no control over any future development. The former Police HQ building would not be demolished. Discussions with the SCTS on their relocation have confirmed that SCTS will remain in their current premises for the foreseeable future.</p> <p>ACC would however carry out asbestos removal, soft strip, and services separation (to the SCTS building) to de rate the building and negate these costs prior to selling the site.</p>
<b>Expected Costs</b>	<p>In addition to the <b>£6.1m</b> budget committed to date on land assembly, minor demolition work and developing the Joint Integrated Mortuary project, there would be costs of circa £25,000 to market and sell the site. A separate Police HQ Strip Out project is covering the asbestos removal, soft strip, and services separation (these costs are excluded from this OBC).</p>
<b>Expected Benefits</b>	<p>There are no real benefits to this Option other that ACC would not need to invest any further capital.</p> <p>There are disbenefits in terms of sunk costs (ACC has committed <b>£6.1m</b> to the area), major reputational loss to ACC in pulling out of this key component of the City Centre and Beach Masterplan, not delivering on Council policy and if a buyer cannot be found, leaving a partial vacant and derelict site within the City Centre causing a major blight on the landscape of the city.</p>

<p><b>Risks Specific to this Option</b></p>	<ul style="list-style-type: none"> <li>• ACC fails to find a Developer for the site, and it lies vacant and derelict for the foreseeable future</li> <li>• If a Developer can be found the site may still lie vacant for many years</li> <li>• ACC has little or no control over what will be put on the site if a buyer/Developer can be found, leading to a sub optimal solution for the site</li> <li>• Opportunity to involve and include surrounding arts/cultural groups into a cultural quarter is lost.</li> </ul> <p>While it is conceivable that a private Developer may take on responsibility for the site at a future date, this cannot be predicted with any certainty. There is also a risk of any future development being socially sub-optimal given the reduced degree of control that ACC would have over the nature of any future investment.</p> <p><b>ACC Risk Appetite</b></p> <p>In terms of the commercial risk to ACC of taking forward this Option, it is low as the Capital and Revenue costs are reasonably well defined and ACC is not relying on outside parties such as a Developer to deliver the project or market volatility around yields and values.</p> <p>The commercial risk of this Option has therefore been assessed as <b>Green</b> (low).</p>
<p><b>Advantages &amp; Disadvantages</b></p>	<p><b>Advantages</b></p> <ul style="list-style-type: none"> <li>• Saves any future investment costs from ACC</li> <li>• Negates need to pay for Statutory Requirement costs and rates for the former Police HQ building (if it can be sold as part of the overall site).</li> </ul> <p><b>Disadvantages</b></p> <ul style="list-style-type: none"> <li>• Fails to deliver on ACC's objectives for the site</li> <li>• Is not aligned with the City Centre &amp; Beach Masterplan and Council policy</li> <li>• Misses the opportunity to deliver major improvements to Queen Street under the control and influence of ACC.</li> <li>• On-going financial liabilities for the site &amp; former Police HQ until it is disposed of.</li> </ul>

<b>Viability</b>	<p>In respect of the do-nothing option then it is likely that the northern site would remain as surface car parking and a derelict brownfield site. The Police HQ which is now vacant will continue to fall into disrepair which will limit any future opportunity to refurbish it.</p> <p>The sites, as they exist, without any intervention are unlikely to be sellable in the current market. The sites do not have planning consent for re-development and there are significant liabilities, such as existing buildings requiring demolition or retrofit and site clearance. If the sites were introduced to the market as exists, demands expected to be very limited as land values are negative.</p>
<b>Other Points</b>	<p>Until the site is sold, ACC will continue to incur revenue costs for Statutory Maintenance, Rates, and Health &amp; Safety compliance in the former Police HQ building. These costs are estimated to be circa £390,000 per annum. Police Scotland continues to pay 50% of monthly running costs until such time as the Telecoms Masts on the roof are decommissioned, which is expected to be towards the end of 2023.</p>

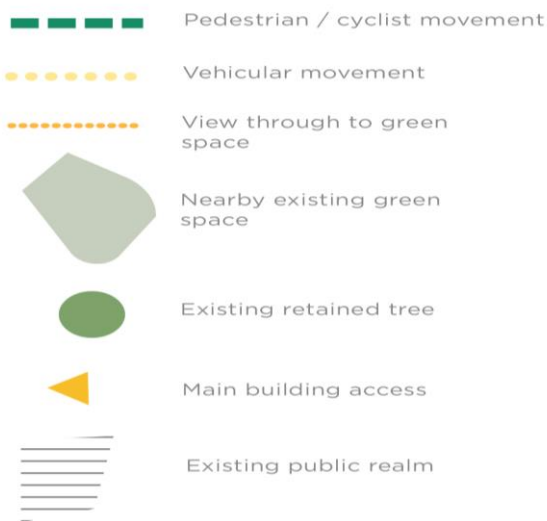
## 7.2 Option 2 – Urban Park (7,300m<sup>2</sup>) and pavilion with landscaping to northwest and southeast development areas

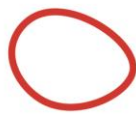
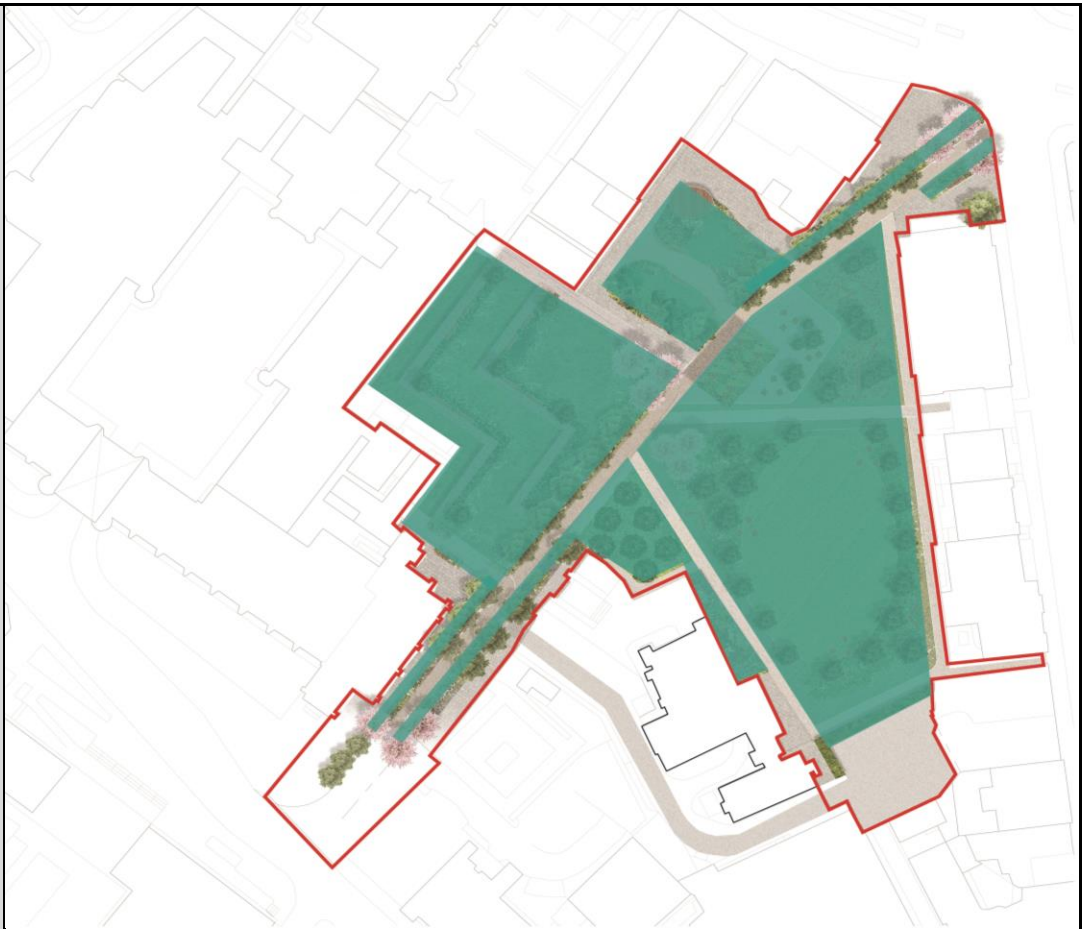
<b>Description</b>	<p>Full Urban Park offer with a new linear park and streetscape through the centre of the site linking Broad Street and West North Street. Hard civic square created next to the Lemon Tree and pavilion adjacent containing a Food and Beverage offer to activate the space. The northern quarter of the park contains a walled terraced garden with a community orchard and open green space to the south.</p> <p>A pedestrian led street is animated by a series of community facilities and urban rooms, providing opportunities for food and beverage break out and improved health and well-being of residents and visitors. There is the opportunity for landscaped public realm, green space, play park, allotments, multi-use games area etc. A pavilion sits at the Northeast of the site to activate the public realm adjacent to the proposed new entrances.</p> <p>The layout below highlights what an Urban Park could look like under Option 2. Existing vehicular access and servicing points will require to be managed as part of the detailed design.</p>
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**Figure 3: Option 2 Urban Park Landscaping Layouts**





Total area of open space:  
approx 11,770m<sup>2</sup>



Area of public green  
space:  
approx 7,300m<sup>2</sup>

Option 2 - Landscaping features:

- A linear linking pedestrian and cyclist route connecting Broad Street to King Street.
- A pavilion and informal natural play area set within an open public lawn.
- Formal terraced gardens, incorporating existing stone walls, providing a setting to the adjacent historic buildings, and creating intimate space for seating and socialising.

	<ul style="list-style-type: none"> <li>• A pocket park and flexible events space which can host spill out from the Lemon Tree and Trinity Church.</li> <li>• Provision of spill-out space for Greyfriars Church.</li> <li>• Community orchard/growing space.</li> </ul> <p>Option 2 - Landscape Opportunities</p> <ul style="list-style-type: none"> <li>• Creation of accessible green space within the city for the local community.</li> <li>• Highest amount of open public space provision out of all the options.</li> <li>• Opportunity to create new physical and visual connections from King Street towards the park(s).</li> <li>• Formal walled garden would be sympathetic to adjacent Marischal College buildings and would provide outdoor space for local students and professionals.</li> <li>• Greater retention of existing trees.</li> </ul> <p>Option 2 - Landscape Constraints</p> <ul style="list-style-type: none"> <li>• Existing buildings provide limited active frontage and passive surveillance of the main park space.</li> <li>• Potential anti-social behaviour problems because of the above.</li> <li>• Potential lack of sense of ownership.</li> <li>• Maintenance burden of large public space.</li> </ul>
<p><b>Expected Costs</b></p>	<p>As well as the <b>£6.1m</b> already committed to Queen Street by ACC, the Capital Cost of clearing the site, demolitions and laying out a new Urban Park would be in the region of <b>£25.674m</b>, which includes allowances for, risk, inflation, and professional fees (a breakdown of this cost and assumptions is included in Appendix 2 – Cost Estimate Report).</p> <p>There will be an ongoing revenue cost to ACC for as long as it owns this new park. Indicative costs could be up to <b>£100,000 per annum</b>, depending on the final layout and activities proposed.</p> <p>Income from rental of the Pavilion could be around <b>£10,000 per annum</b>.</p>
<p><b>Expected Benefits</b></p>	<p>Based on an assessment by economists at Stantec UK Ltd, the total present value economic impact of this option is an estimated <b>£44.6 million</b>, with a benefit-cost ratio of <b>1.51</b>. This is broken down below:</p> <ul style="list-style-type: none"> <li>• Gross value added from construction activity: £10.2 million</li> <li>• Land value uplift benefits from proximity to green space: £34.4 million.</li> </ul> <p>In addition to these monetisable benefits, this Option will also deliver the following impacts:</p> <ul style="list-style-type: none"> <li>• Health &amp; wellbeing benefits associated with improved access to green space</li> </ul>

	<ul style="list-style-type: none"> <li>• Potential to attract new visits to the City Centre through hosting events particularly in relation to the cultural centres in the immediate area.</li> </ul>
<p><b>Risks Specific to this Option</b></p>	<ul style="list-style-type: none"> <li>• Clearing the site for a new Urban Park, could result in large cost increases due to unforeseen problems with demolition of the existing Police HQ building, services relocations, removal of basements and complex ground conditions</li> <li>• Additional costs could be incurred dealing with associated high-quality finishes to rear facades and exposed gable ends of surrounding buildings</li> <li>• Additional costs could be incurred to install screening to ensure privacy of the SCTS Courts operations, alongside surveillance costs to minimise security risks associated with this business</li> <li>• Delivery of new mortuary facility is delayed resulting in delay to developing proposals and demolition of Police HQ building and sequencing of development</li> <li>• Construction cost inflation remains a significant risk to all projects in the foreseeable future, especially complex ones in city centres</li> <li>• A larger park with no regular user interface through development of housing or office space may present or be seen to present safety issues to users and become less attractive to use over time.</li> </ul> <p><b>ACC Risk Appetite</b></p> <p>In terms of the commercial risk to ACC of taking forward this Option, it is low as the Capital and Revenue costs are reasonably well defined and ACC is not relying on outside parties such as a Developer to generate a capital receipt which is subject to the variabilities of market conditions. The commercial risk of this Option has therefore been assessed as <b>Green</b> (low).</p>
<p><b>Advantages &amp; Disadvantages</b></p>	<p><b>Advantages</b></p> <ul style="list-style-type: none"> <li>• No need to engage a Development Partner</li> <li>• ACC has full control over what this Option delivers</li> <li>• Improved connectivity &amp; permeability</li> <li>• Connection from Broad Street to West North Street</li> <li>• Pedestrian led scheme</li> <li>• New setting and breakout space to Lemon Tree, Arts Centre and Marischal East</li> <li>• Potentially activated by central pavilion</li> <li>• Child friendly environment</li> <li>• Park framed by historic façades</li> <li>• Makes the most significant contribution to urban green space, biodiversity, air quality and health and well-being of all Options</li> <li>• Formal walled garden would be sympathetic to adjacent Marischal College buildings and would provide outdoor space for all</li> <li>• Contributes to City “Greening” and urban drainage.</li> </ul>

	<p><b>Disadvantages</b></p> <ul style="list-style-type: none"> <li>• Single use proposal with no major opportunity to generate revenue income</li> <li>• ACC needs to maintain a large park in perpetuity at considerable revenue costs</li> <li>• Potential for lack of sense of ownership</li> <li>• Already provision of large urban park, Union Terrace Gardens nearby within the city centre. New development may not prove to be as popular a space as UTG</li> <li>• Existing buildings provide limited active frontage and passive surveillance of the main park space</li> <li>• Potential anti-social behaviour problems because of the above</li> <li>• Lack of security and surveillance after hours</li> <li>• Screening required to existing façade to courts.</li> </ul>
<p><b>Viability</b></p>	<p>An Urban Park does not create a standard 'development value' as it does not produce income or a capital receipt. The park does produce a social, public value including benefits to health and wellbeing to the people of Aberdeen but does not create a 'viable development' that can be sold on the open market in the traditional sense.</p>
<p><b>Other Points</b></p>	<p>An Urban Park does not preclude the potential for development to be introduced to the site in future and could be planned in such a way as to facilitate this.</p>

<p><b>7.3 Option 3 – Urban Park with housing development to northwest and refurbished/repurposed Police HQ to form residential development to southeast.</b></p>	
<p><b>Description</b></p>	<p>Linear Urban Park and streetscape located through the centre of the site linking Broad Street and West North Street. Hard civic square with green space created next to the Lemon Tree. A community orchard is integrated to the south of the main street.</p> <p>Development to the north to include a new build residential block offering 98 flats. Amenity at ground floor with terraced gardens offering outdoor amenity space.</p> <p>Development to the south to include a hybrid proposal retaining the existing Police HQ tower and creating a new podium offering 127 flats. Amenity at ground floor with terraced gardens offering outdoor amenity space.</p> <p>The refurbishment would be very extensive with only the main structure of the existing building being retained and reused.</p> <p>The primary structure of the existing Police HQ is however in good condition and from a purely structural point of view, could be re-used.</p>










The layout below highlights what an Urban Park could look like under Option 3.



Figure 4: Option 3 Urban Park Landscaping Layouts



-  Pedestrian / cyclist movement
-  Vehicular movement
-  View through to green space
-  Nearby existing green space
-  Existing retained tree
-  Main building access
-  Existing public realm





Total area of open space  
(full site excl. building  
footprint):  
approx 9,546.93m<sup>2</sup>



Area of public green space:  
approx 3,466m<sup>2</sup>



Area of private green  
space (roof terraces and  
private courtyards):  
approx 2,895m<sup>2</sup>

### Option 3 - Landscaping features:

- A linear park including pedestrian and cyclist routes.
- Accessible roof terraces for residents.
- Ground floor courtyard gardens allowing for residential and community space with natural play opportunities.
- A pocket park and flexible events space which can host spill out from the Lemon Tree, Trinity Church, and Arts Centre.
- Provision of external seating space for Greyfriars Church.
- Community orchard/growing space.
- Green residential streets with incidental play and rain gardens.

### Option 3 - Landscape Opportunities

- Provision of a range of green spaces to cater to the needs of different user groups.
- Potential to mitigate footprint of development through use of green roofs which would also help to provide a more diverse range of habitats.
- Green streets and pocket parks could be linked to city-wide strategies to improve local well-being, biodiversity, and sustainable drainage.
- Defined hierarchy of pedestrian focused streets and spaces.
- Potential to foster an increased sense of ownership of green spaces from residents.
- Better definition and enclosure of pocket park / events space.

### Option 3 - Landscape Constraints

- Less public open space provision than full urban park option.
- Greater loss of existing trees.

### Expected Costs

The Capital Cost of this Option would be in the region of **£38.616m**, which includes allowances for, risk, inflation, and professional fees (a breakdown of this cost is included in Appendix 2 – Cost Estimate Report).

	<p>Revenue Costs to ACC for the area of Linear Park would be circa <b>£35,000</b> per annum at 2023 rates.</p> <p>Income from Council Tax could be circa <b>£260,630</b> per annum, or a cumulative total of <b>£2,616,000</b> over 20 years.</p>
<p><b>Expected Benefits</b></p>	<p>Based on an assessment by economists at Stantec UK Ltd, the total present value economic impact of this option is an estimated <b>£97.3 million</b>, with a benefit-cost ratio of <b>2.41</b>. This is broken down below:</p> <ul style="list-style-type: none"> <li>• Construction GVA benefits: £15.5 million</li> <li>• Land value uplift benefits from proximity to green space: £20.5 million</li> <li>• New resident expenditure: £48.7 million</li> <li>• Land value uplift on housing land: £12.6 million</li> </ul> <p>As with all other options, there are likely to be further placemaking and health &amp; wellbeing benefits associated with the development of a new city centre green space, however the potential for these will be lower for this option than for the more comprehensive green space investment offered by Option 2.</p>
<p><b>Risks Specific to this Option</b></p>	<ul style="list-style-type: none"> <li>• Clearing the site, could result in large cost increases due to unforeseen problems with demolition of the existing Police HQ building, services relocations, removal of basements and complex ground conditions</li> <li>• Insufficient budget or inability to provide appropriate developer receipts, thereby delaying/stalling the development and potentially resulting in blight on the City Centre landscape and vacancy of site</li> <li>• Neighbouring properties and businesses object to development proposals resulting in programme delays and reputational loss to ACC and negative publicity for the project</li> <li>• Delivery of new mortuary facility is delayed resulting in delay to developing proposals and demolition of Police HQ building and sequencing of development</li> <li>• Failure to secure statutory consents including conservation area consent, building warrant and planning consent, leading to the project being delayed or cancelled/amended</li> <li>• Planning restrictions may impact on the level of development (height of proposed buildings) that could potentially help financially support an Urban Park</li> <li>• Additional costs could be incurred dealing with associated high-quality finishes to rear facades and exposed gable ends of surrounding buildings</li> <li>• Construction cost inflation remains a significant risk to all projects in the foreseeable future, especially complex ones in city centres (specification and design of Urban Park may be compromised if costs increase for commercial development)</li> <li>• Programme risk around development of Urban Park portion as it is heavily dependent on commercial development in both parts of the site.</li> </ul>

	<p><b>ACC Risk Appetite</b></p> <p>In terms of the commercial risk to ACC of taking forward this Option, it is relatively high as ACC is relying on outside parties such as a Developer to deliver the project and ACC is exposed to the variabilities of market conditions.</p> <p>The commercial risk of this Option has therefore been assessed as <b>Amber</b> (medium to high).</p>
<p><b>Advantages &amp; Disadvantages</b></p>	<p><b>Advantages</b></p> <ul style="list-style-type: none"> <li>• Improved connectivity &amp; permeability</li> <li>• Connection from Broad Street to West North Street</li> <li>• Urban Framework</li> <li>• Retro-first approach</li> <li>• New setting and breakout space to Lemon Tree and Arts Centre</li> <li>• Active ground floor</li> <li>• Child friendly environment</li> <li>• Park framed by historic façades</li> <li>• Mixed use proposal</li> <li>• Increased security and surveillance after hours</li> <li>• Terraced gardens.</li> </ul> <p><b>Disadvantages</b></p> <ul style="list-style-type: none"> <li>• Screening required to existing façade to courts</li> <li>• Technical difficulty involved in partially demolishing the Police HQ, including concerns about the continuity of the neighbouring court</li> <li>• Less Green space than Option 2 and Option 5 and possible dilution of what constitutes an “Urban Park”</li> <li>• Less flexibility than Option 5 around advance programme delivery for Urban Park as site is heavily dependent on commercial development.</li> </ul>
<p><b>Viability</b></p>	<p>There are a number of sectors than can fall into the use of ‘residential’, summarised as Build to Sell (BTS), Build to Rent (BTR) or Student accommodation.</p> <p>The residential market in Aberdeen City Centre is unique and typically categorised by an oversupply of flatted accommodation. However, most of this accommodation is of poor quality or comprises older stock and does not offer modern and high-quality apartments that are typically in demand from young professionals, students and downsizers seeking a city centre lifestyle. This has curtailed demand for residential development. The Point, a 342 unit Build to Rent development on the site of the former Triple Kirks, performs very well consistently achieving high occupancy rates over 95% and impressive rents for studios and 1-bedroom apartments at over £700 pcm.</p> <p>Despite this, it has been difficult to encourage developers and investors within the BTS, BTR and Student Accommodation sectors to look North to the Aberdeen market. BTR investors and developers typically require projects to be over 150 – 200 units to achieve scale and it has been difficult to achieve this scale in Aberdeen City Centre due to fragmented ownership of buildings and sites.</p>

Option 3 would in theory, suit the Build to Rent investors and student accommodation providers. However, stakeholder interviews including discussions with student accommodation developers and the local universities highlighted that in the view of the educational “occupier” there is limited demand for student accommodation of this type in Aberdeen. Developers are however still looking for projects and will consider Queen Street as a prime, city centre location for Purpose Built Student Accommodation and Build to Rent use. There is a high degree of caution, however given the relatively low students rents achievable in Aberdeen versus current elevated build costs.

To consider the viability of Option 3, two scenarios have been considered:

1. *A developer purchases the land as exists (but with planning consent), prepares the site for development, delivers the urban park and the two residential blocks.*

**As outlined in the Development Appraisals undertaken by the Property Consultant, this option is considered as not financially viable.** The revenue that could be secured from the sale of the residential blocks upon completion equates to approximately £25m while the capital cost is over £38million (excluding the £6M ACC has already committed). **The appraisal therefore produces a negative land value of approximately £19million after taking into consideration finance, sales, and marketing costs.**

2. *ACC secure planning consent, prepare the site for development, deliver the Urban Park, and sell the prepared sites to a build to rent developer / investor OR ACC work with a development partner and carry the cost of the urban park works.*

The key assumption of this scenario is that ACC either carry out or fund the work to prepare the site for development and deliver the Urban Park and either sell the development parcels at the Northwest and Former Police HQ to a developer or work with them as a development partner. As stated above, the key assumption is that ACC carry out this work and then sell the developable land or structure a deal as such that they secure income to cover the cost of the work. However, due to the high build costs of a new facility and retrofit in an urban location, the costs of the project continue to outweigh the estimated revenue, **resulting in a negative land value of approximately £3.8million.**

It is believed that Local Authorities cannot offer long term leases over residential accommodation, and it may be that a shorter term “top up” facility might be agreed to cover any rental income gap. The concept has been discussed with developers, but further discussions would need to go into more detail at the next stage of the process. Without this sort of mechanism, **it is not considered Option 3 to present a viable option.**

The appraisals for Option 3 are based on the residential development being completed to a high specification in line with typical BTR developments and finished to an EPC A rating standard.








<b>Other Points</b>	<p>Modelling by services engineers suggests a refurbished Police HQ building to be less efficient in energy use than a new build with the anticipated regulated energy use per square metre for a new build equating to around 73% of the energy use per square metre of a refurbished building.</p> <p>In addition, annual carbon emissions for a refurbished Police HQ building would be circa 3.84 kgCO<sub>2</sub>/m<sup>2</sup> compared to 2.62kgCO<sub>2</sub>/m<sup>2</sup> with a new build option.</p> <p>The refurbished Option performs significantly less well than the new build in terms of energy consumption and hence carbon emissions.</p> <p>As part of the demolition of the Police HQ building, the existing concrete structure could be re-cycled, however, space on site is limited and the process of crushing material is both noisy and potentially dust generating. It is therefore likely that the demolished material will require to be removed from site and re-processed off site, for possible use elsewhere.</p>
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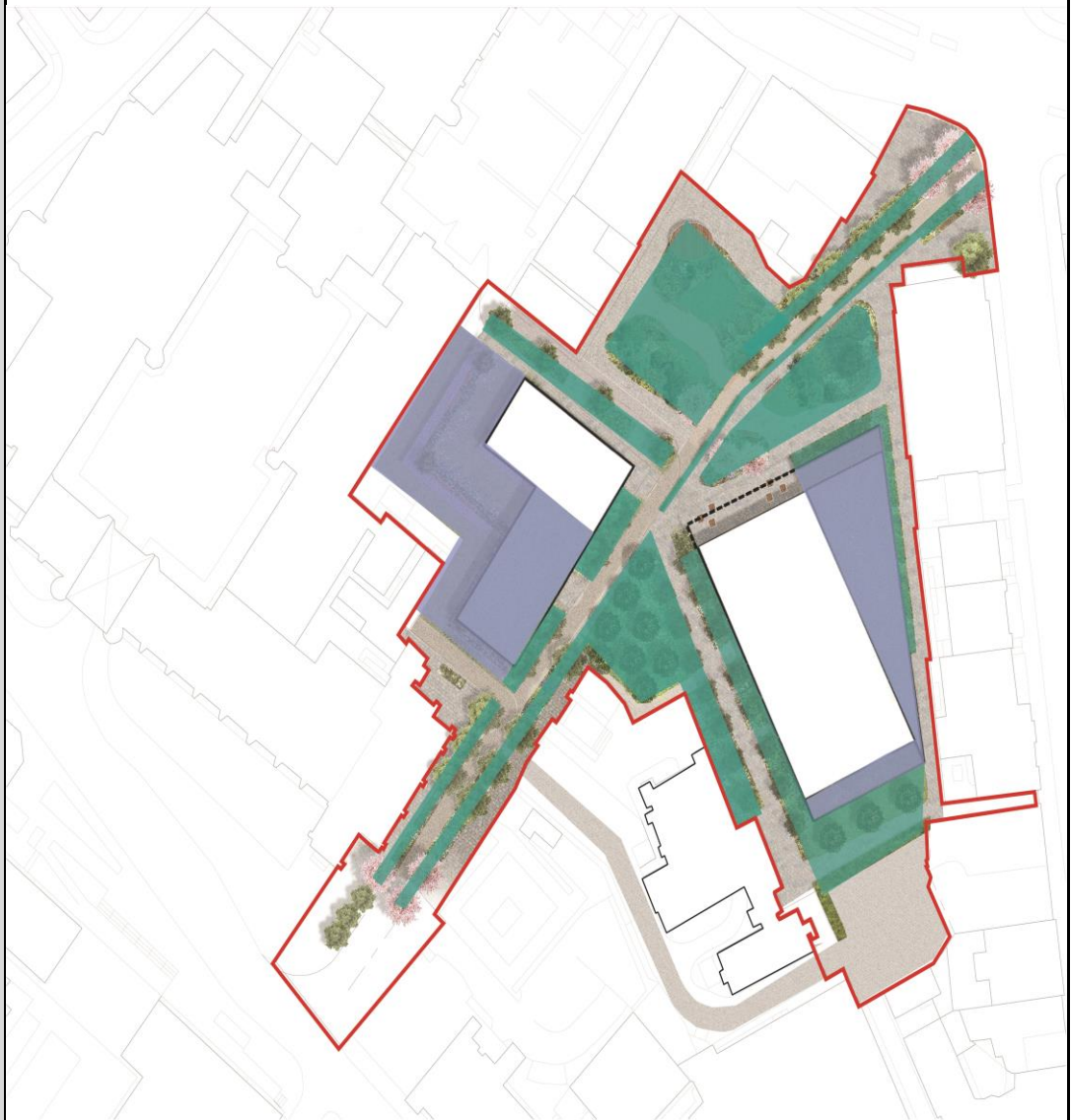
<b>7.4 Option 4 – Urban Park with housing development to northwest and new build workplace to southeast on site of former Police HQ.</b>	
<b>Description</b>	<p>Linear Urban Park and streetscape located through the centre of the site linking Broad Street and West North Street. Hard civic square with green space created next to the Lemon Tree. A community orchard is integrated to the south of the main street.</p> <p>Development to the north to include a new build residential block offering 98 flats. Amenity at ground floor with terraced gardens offering outdoor amenity space.</p> <p>Development to the south to include a new build office with 100,000 sqft lettable space and commercial activity at ground floor. Roof terraces at lower levels to provide outdoor breakout (potentially green) space.</p> <p>The layouts below highlight what an Urban Park could look like under Option 4.</p>





Figure 5: Option 4 Urban Park Landscaping Layouts

-  Pedestrian / cyclist movement
-  Vehicular movement
-  View through to green space
-  Nearby existing green space
-  Existing retained tree
-  Main building access
-  Existing public realm



Total area of open space (full site excl. building footprint):  
**approx 8,740.58m<sup>2</sup>**



Area of public green space:  
**approx 3,400m<sup>2</sup>**



Area of private green space (roof terraces and private courtyards):  
**approx 2,100m<sup>2</sup>**

	<p>Option 4 - Landscaping features:</p> <ul style="list-style-type: none"> <li>• A linear linking pedestrian and cyclist route.</li> <li>• Accessible roof terraces for residents and professionals.</li> <li>• Residential courtyard garden adjacent to building.</li> <li>• Community orchards/growing spaces.</li> <li>• A pocket park and flexible events space which can host spill out from the Lemon Tree and Trinity Church.</li> <li>• Provision of spill-out space for Greyfriars Church.</li> <li>• Green streets with rain gardens.</li> </ul> <p>Option 4 - Landscape Opportunities</p> <ul style="list-style-type: none"> <li>• Provision of a range of green spaces to cater to the needs of different user groups.</li> <li>• Potential to mitigate footprint of development through use of green roofs which would help to provide a more diverse range of habitats.</li> <li>• Green streets and pocket parks could be linked to city-wide strategies to improve local well-being, biodiversity, and sustainable drainage.</li> <li>• Defined hierarchy of pedestrian focused streets and spaces.</li> <li>• Potential to foster an increased sense of ownership of green spaces from residents.</li> <li>• Better definition and enclosure of pocket park / events space.</li> <li>• Public realm connection between proposed retail units and existing retail offer along Upperkirkgate.</li> <li>• Opportunity to use green streets to increase footfall adjacent to retail units.</li> </ul> <p>Option 4 - Landscape Constraints</p> <ul style="list-style-type: none"> <li>• Less public open space provision than full urban park option.</li> <li>• Greater loss of existing trees.</li> <li>• Loss of ground floor community courtyard to the southeast shown in Option 3.</li> <li>• Less space for residential green streets shown in Option 3.</li> </ul>
<p><b>Expected Costs</b></p>	<p>The Capital Cost of this Option would be in the region of <b>£71.247m</b>, which includes allowances for, risk, inflation, and professional fees.</p> <p>Revenue Costs to ACC for the area of Linear Park would be circa <b>£35,000</b> per annum at 2023 rates.</p> <p>Income through Council Tax for residential space could be circa <b>£113,000</b> per annum and Business Rates for Commercial space could be circa <b>£1,077,000</b> per annum. This represents a cumulative total of <b>£11,949,000</b> over 20 years.</p>

<p><b>Expected Benefits</b></p>	<p>Based on an assessment by economists at Stantec UK Ltd, the total present value economic impact of this option is an estimated <b>£220.4 million</b>, with a benefit-cost ratio of <b>3.24</b>. This is broken down below:</p> <ul style="list-style-type: none"> <li>• Construction GVA benefits: £28.3 million</li> <li>• Land value uplift benefits from proximity to green space: £20.4 million</li> <li>• New resident expenditure: £20.8 million</li> <li>• Land value uplift on housing land: £4.3 million</li> <li>• GVA from new commercial workspace: £146.6 million.</li> </ul> <p>As with all other options, there are likely to be further placemaking and health &amp; wellbeing benefits associated with the development of a new city centre green space, however the potential for these will be lower for this option than for the more comprehensive green space investment offered by Option 2.</p>
<p><b>Risks Specific to this Option</b></p>	<ul style="list-style-type: none"> <li>• Clearing the site, could result in large cost increases due to unforeseen problems with demolition of the existing Police HQ building, services relocations, removal of basements and complex ground conditions</li> <li>• Insufficient budget or inability to provide appropriate developer receipts, thereby delaying/stalling the development and potentially resulting in blight on the City Centre landscape and vacancy of site</li> <li>• Neighbouring properties and businesses object to development proposals resulting in programme delays and reputational loss to ACC and negative publicity for the project</li> <li>• Failure to secure statutory consents including conservation area consent, building warrant and planning consent, leading to the project being delayed or cancelled/amended</li> <li>• Delivery of new mortuary facility is delayed resulting in delay to developing proposals and demolition of Police HQ building and sequencing of development</li> <li>• Planning restrictions may impact on the level of development (height of proposed buildings) that could potentially help financially support an Urban Park</li> <li>• Additional costs could be incurred dealing with associated high-quality finishes to rear facades and exposed gable ends of surrounding buildings</li> <li>• Construction cost inflation remains a significant risk to all projects in the foreseeable future, especially complex ones in city centres (specification and design of Urban Park may be compromised if costs increase for commercial development)</li> <li>• Programme risk around development of Urban Park portion as it is heavily dependent on commercial development in both parts of the site.</li> </ul> <p><b>ACC Risk Appetite</b></p> <p>In terms of the commercial risk to ACC of taking forward this Option, it is relatively high as ACC is relying on outside parties such as a Developer to</p>

	<p>deliver the project and ACC is exposed to the variabilities of market conditions.</p> <p>The commercial risk of this Option has therefore been assessed as <b>Amber</b> (medium to high).</p>
<p><b>Advantages &amp; Disadvantages</b></p>	<p><b>Advantages</b></p> <ul style="list-style-type: none"> <li>• Improved connectivity &amp; permeability</li> <li>• Connection from Broad Street to West North Street</li> <li>• Urban Framework</li> <li>• Efficient floorplates</li> <li>• New setting and breakout space to Lemon Tree and Arts Centre</li> <li>• Active ground floor</li> <li>• Child friendly environment</li> <li>• Park framed by historic façades</li> <li>• Mixed use proposal</li> <li>• Terraced gardens.</li> </ul> <p><b>Disadvantages</b></p> <ul style="list-style-type: none"> <li>• Screening required to existing façade to Scottish Courts and Tribunals Service</li> <li>• Former Police HQ is demolished (embodied carbon impacts)</li> <li>• Less Green space than Option 2 and Option 5 and possible dilution of what constitutes an “Urban Park”</li> <li>• Less flexibility than Option 5 around advance programme delivery for Urban Park as site is heavily dependent on commercial development.</li> </ul>
<p><b>Viability</b></p>	<p>Option 4 provides a truly mixed-use development site providing an Urban Park alongside a new build residential block to the Northwest and new build Commercial on the site of the former Police HQ. Unlike Option 3, the residential development for Option 4 is better suited to the Build to Sell market because it provides fewer units. The Build to Rent market typically looks at developments of 150-200 units and therefore the residential accommodation provided for Option 4 would be too small to attract demand for this sector.</p> <p>The Build to Sell market is typically housebuilders who are active in the local market. They deliver larger units such as 2- and 3-bedroom apartments rather than studio’s and 1 beds. The residential units have therefore been valued in a different way to Option 3. The property advisor has taken the total net developable area and applied a sale rate in line with modern apartments sold in the city centre (approx. £290 psf), rather than considering a rental income and applying a yield.</p> <p>As is discussed in the soft market testing commentary, there are a small number of large developers who would deliver mixed use developments. However, if the residential is being delivered as a ‘Build to Sell’ they would usually partner with a housebuilder to deliver and sell the final product.</p> <p>Considering the above, to consider the viability of Option 4, three potential scenarios have been considered:</p>



1. *A development partnership (comprising a housebuilder and commercial developer) purchases the land as exists (but with planning consent), prepares the site for development, delivers the urban park, the residential and commercial accommodation.*

**As outlined in the Development Appraisals undertaken by the Property Consultant, this option is considered as not financially viable.** Combined, the parties can secure a capital value (or Gross Development Value) for the residential and commercial buildings in the region of £50million, however capital costs are approximately £71million. **The appraisal produces a negative land value of approximately £35million** after allowances for finance costs, sales, and marketing fees.

2. *ACC secure planning consent, prepare the site for development, deliver the urban park, and sell the prepared sites to developer(s) OR ACC work with a development partner and carry the cost of the urban park works*

This appraisal assumes a scenario where ACC complete the site preparation, demolition of the former Police HQ and delivery of the Urban Park. They then sell the former Police HQ and North Block site to receive a capital receipt and cover some of the expenditure of creating an urban park or work in partnership with a developer and agree a mutually agreeable structure.

The assumption is that ACC would receive a capital receipt and reduce the overall cost of creating an urban park. However, with the rise in build costs and additional allowances for inflation, risk etc. **the proposed development would not be viable for a developer even with ACC covering the costs of the site preparation and demolition. The appraisal produces a negative land value of £12million.** In practice, the land sale would not provide a positive capital receipt.

3. *ACC secure planning consent, prepare the site for development (including demolition), deliver the urban park and either sell the residential development parcel and the former Police HQ site to a developer(s) or work in partnership with them AND offer a 'lease wrap' over the office building for 40 years at 80% of the rental value.*

Despite Scenario 2 not offering a viable solution, the theory of creating value from development land to help reduce the overall cost to ACC is still possible. ACC could consider pump priming the proposed scheme and reduce the risk for a developer by providing a rental income guarantee also known as a lease wrap or income strip on the office building.

This is similar to the deal structure adopted to encourage the delivery of Marischal Square. In summary, ACC sign a c. 40-year lease over the proposed building at a % of the market rent, and at the end of the lease they have the right to buy back the building for £1. The main purpose is to reduce the risk, create a viable project and encourage a developer to



proceed with the project knowing that they will get a return from their investment. In return, ACC will retain ownership of a key city centre site at the end of the lease and could benefit from a 'profit rent' throughout the term should they achieve lettings over the rent that they are contracted to pay

Valuing this structure is difficult at the current time due to volatility in the gilt markets upon which the pricing of income strip deals is based.

To assess how this structure might produce a land value for ACC, and therefore help towards the cost of the park, the property advisor produced an appraisal over the commercial development land as follows:

- Aberdeen City Council agree to 'guarantee' 80% of full rental value (£2,535,553)
- The income stream is valued at 3.75% producing a revenue of approximately £67.5million. Gilts are currently changing rapidly, and the Council should be aware that this is likely to change between now and the investment being released to the market
- Less Build Costs
- Less Profit @ 20% of build costs
- Less Finance, marketing, and acquisition fees.

Due to the provisions of the Housing Scotland Act (1974) residential tenancies of longer than 20 years are prohibited and therefore income strip structures can only be adopted for the commercial block.

As such, adopting this strategy, in June 2023, produces a land value of approximately £2.5million based on a profit on cost of 20%. If the building was pre-let to the Council and pre-funded, then there is a strong argument that a developer would deliver the office building for reduced profit and therefore more value would accrue to the land.

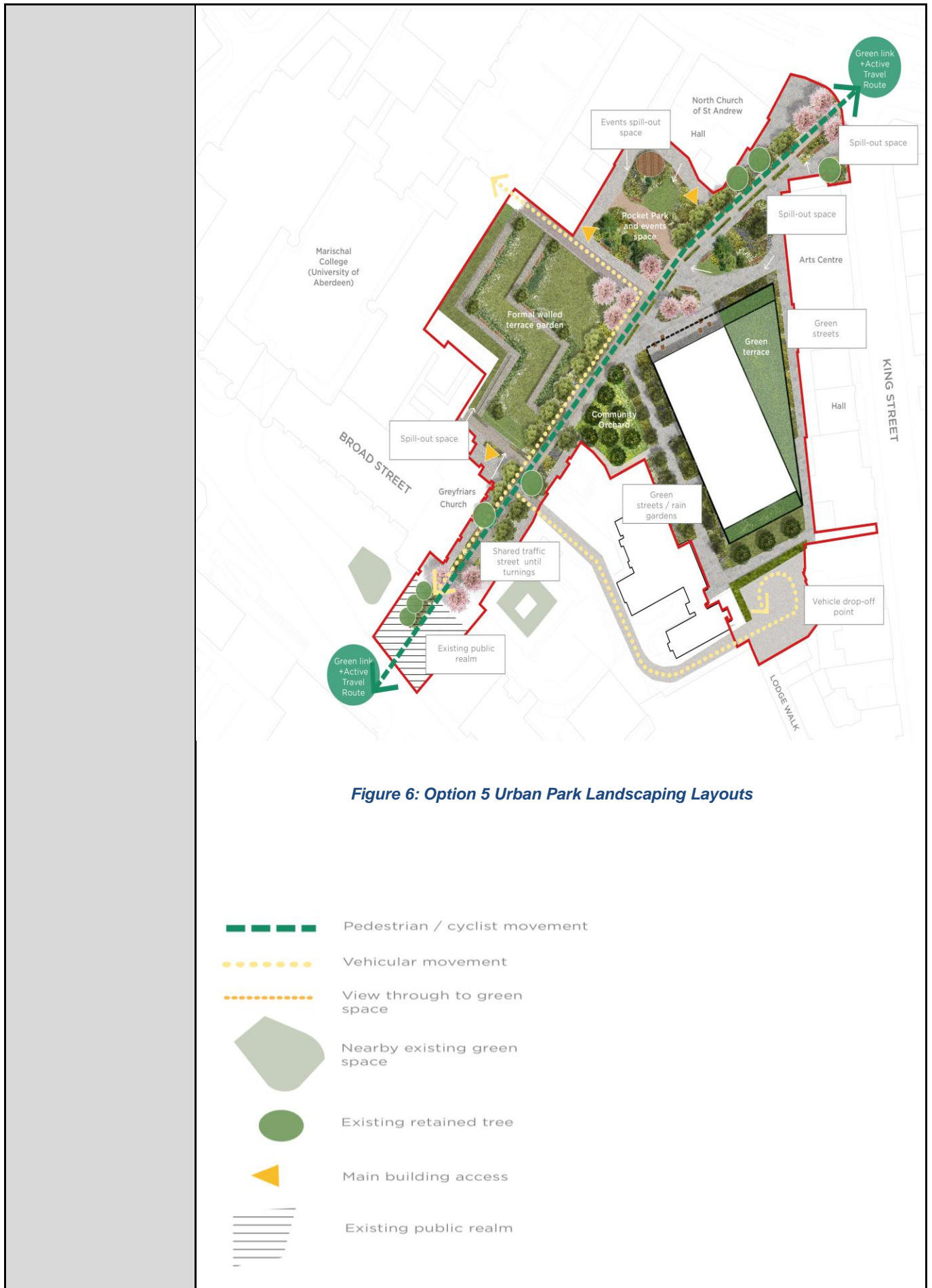
**While this offers a positive capital receipt to ACC and reduces their total cost including the park to approximately £15million, it is a relatively modest sum compared to the overall scale of the project.**

In addition, gilt yields are constantly fluctuating as inflation expectations remain more entrenched in the UK economy. Yields are therefore very likely to change between now and the resulting agreed investment being released to the market. The yield profile would have to be monitored closely to accurately price the investment if this route was going to be considered.

**In summary, this strategy is intended to provide ACC with an initial cash injection or contribution towards the cost of the urban park.** It allows new Grade A Office development to be delivered in the city centre encouraging footfall and economic growth, creates a Central Business District around Marischal Square and Marischal College, and creates a 'limited risk' option to encourage a developer to deliver the project. The deal structure also allows ACC to own the asset at the end of the 40-year lease. However, there is risk of additional costs, and the contribution or cash injection is small because the residential development parcel continues to make a loss and reduces the value created from the structure.

	For the avoidance of doubt, the above assumes that the office is completed to a BREEAM Excellent / EPC A standard to meet current market demands. The residential development should be completed to a high standard in line with typically housebuilder specifications.
<b>Other Points</b>	N/A.

<b>7.5 Option 5 – Urban Park with landscaping to northwest development area and new build workplace to southeast on site of former police HQ.</b>	
<b>Description</b>	<p>Linear Urban Park and streetscape located through the centre of the site linking Broad Street and West North Street. Hard civic square with green space created next to the Lemon Tree. A community orchard is integrated to the south of the main street. The northern quarter of the park contains a walled terraced garden.</p> <p>Urban Park to the north, development to the south which could include a new build office with 100,000 sqft lettable space and commercial activity at ground floor or residential space dependent on the results of market engagement. Roof terraces at lower levels to provide outdoor breakout (potentially green) space.</p> <p>Alternatively, the existing Police HQ could be retained and converted into a retro first workspace or residential development depending on market preference at the time of preparing an FBC.</p> <p>The layouts below highlight what an Urban Park could look like under Option 5.</p>





Total area of open space  
(full site excl. building  
footprint):  
**approx 9772.77m<sup>2</sup>**



Area of public green  
space:  
**approx 5,200m<sup>2</sup>**



Area of private  
green space (roof  
terraces and private  
courtyards):  
**approx 710m<sup>2</sup>**

	<p>Option 5 - Landscaping features:</p> <ul style="list-style-type: none"> <li>• A linear linking pedestrian and cyclist route.</li> <li>• Formal terraced gardens, incorporating existing stone walls, providing a setting to the adjacent historic buildings, and creating intimate space for seating and socialising.</li> <li>• Accessible roof terraces for professionals.</li> <li>• Community orchards/growing spaces.</li> <li>• A pocket park and flexible events space which can host spill out from the Lemon Tree and Trinity Church.</li> <li>• Provision of spill-out space for Greyfriars Church.</li> <li>• Green streets with incidental play spaces and rain gardens.</li> </ul> <p>Option 5 - Landscape Opportunities</p> <ul style="list-style-type: none"> <li>• Provision of a range of green spaces to cater to the needs of different user groups.</li> <li>• Potential to mitigate footprint of development through use of green roofs which would also help to provide a more diverse range of habitats.</li> <li>• Green streets and pocket parks could be linked to city-wide strategies to improve local well-being, biodiversity, and sustainable drainage.</li> <li>• Defined hierarchy of pedestrian focused streets and spaces.</li> <li>• Better definition and enclosure of pocket park / events space.</li> <li>• Public realm connection between proposed retail units and existing retail offer along Upperkirkgate.</li> <li>• Formal walled garden would be sympathetic to adjacent Marischal College buildings and would provide outdoor space for all</li> <li>• More public open space than Options 3 and 4.</li> <li>• Greater retention of existing trees.</li> </ul> <p>Option 5 - Landscape Constraints</p> <ul style="list-style-type: none"> <li>• Less public open space provision than full urban park option.</li> <li>• Less space for residential green streets shown in Option 3.</li> </ul>
<p><b>Expected Costs</b></p>	<p>The Capital Cost of this Option would be in the region of <b>£60.665m</b>, which includes allowances for, risk, inflation, and professional fees.</p> <p>This cost is split down between the following:</p> <ul style="list-style-type: none"> <li>• Phase 1 Urban Park <b>£20M</b></li> <li>• Phase 2 Development of Southeast area of the site <b>£40.665M.</b></li> </ul> <p>Revenue Costs to ACC for the area of Linear and Urban Park would be circa <b>£45,000</b> per annum at 2023 rates.</p>



	<p>Income through Business Rates for Commercial space could be circa <b>£1,077,000</b> per annum or a cumulative total of <b>£10,809,000</b> over 20 years.</p>
<p><b>Expected Benefits</b></p>	<p>Based on an assessment by economists at Stantec UK Ltd, the total present value economic impact of this option is an estimated <b>£191.2 million</b>, with a benefit-cost ratio of <b>3.20</b>. This is broken down below:</p> <ul style="list-style-type: none"> <li>• Construction GVA benefits: £24.4million</li> <li>• Land value uplift benefits from proximity to green space: £20.2 million</li> <li>• GVA from new commercial workspace: £146.6 million.</li> </ul> <p>As with all other options, there are likely to be further placemaking and health &amp; wellbeing benefits associated with the development of a new city centre green space, however the potential for these will be lower for this option than for the more comprehensive green space investment offered by Option 2.</p> <p>These expected benefits may differ should the FBC for the development of the former Police HQ portion of the site recommend an alternative development option for that portion.</p>
<p><b>Risks Specific to this Option</b></p>	<ul style="list-style-type: none"> <li>• Clearing the site, could result in large cost increases due to unforeseen problems with demolition of the existing Police HQ building, services relocations, removal of basements and complex ground conditions</li> <li>• Insufficient budget or inability to provide appropriate developer receipts, thereby delaying/stalling the development and potentially resulting in blight on the City Centre landscape and vacancy of site</li> <li>• Neighbouring properties and businesses object to development proposals resulting in programme delays and reputational loss to ACC and negative publicity for the project</li> <li>• Failure to secure statutory consents including conservation area consent, building warrant and planning consents, leading to the project being delayed or cancelled/amended</li> <li>• Delivery of new mortuary facility is delayed resulting in delay to developing proposals and demolition of Police HQ building and sequencing of development</li> <li>• Planning restrictions impact on the level of development (height of proposed buildings) that could potentially help financially support an Urban Park</li> <li>• Additional costs could be incurred dealing with associated high-quality finishes to rear facades and exposed gable ends of surrounding buildings</li> <li>• Construction cost inflation remains a significant risk to all projects in the foreseeable future, especially complex ones in city centres.</li> </ul> <p><b>ACC Risk Appetite</b></p> <p>In terms of the commercial risk to ACC of taking forward this Option, it is relatively high as ACC is relying on outside parties such as a Developer to</p>



	<p>deliver the project and ACC is exposed to the variabilities of market conditions.</p> <p>The commercial risk of this Option has therefore been assessed as <b>Amber</b> (medium) based on being lower than Options 3 &amp; 4 given the Urban Park can be delivered independently of the commercial developments and ACC has more flexibility around reviewing Options for the Police HQ site.</p>
<p><b>Advantages &amp; Disadvantages</b></p>	<p><b>Advantages</b></p> <ul style="list-style-type: none"> <li>• Improved connectivity &amp; permeability</li> <li>• Connection from Broad Street to West North Street</li> <li>• Urban Framework</li> <li>• Efficient floorplates</li> <li>• New setting and breakout space to Lemon Tree and Arts Centre</li> <li>• Active ground floor</li> <li>• Child friendly environment</li> <li>• Park framed by historic façades</li> <li>• Mixed use proposal</li> <li>• Increased green space over Options 3 &amp; 4</li> <li>• Terraced gardens</li> <li>• Programme delivery for Urban Park independent of commercial development and can be carried out as a first phase.</li> </ul> <p><b>Disadvantages</b></p> <ul style="list-style-type: none"> <li>• Screening required to existing façade to Scottish Courts and Tribunals Service</li> <li>• Former Police HQ is demolished (embodied carbon impacts)</li> <li>• Lack of security and surveillance after hours</li> <li>• Less green space than Option 2.</li> </ul>
<p><b>Viability</b></p>	<p>To consider the viability of Option 5, three potential scenarios have been considered.</p> <p>1. <i>A developer purchases the land as exists (but with planning consent), prepares the site for development, delivers the urban park and the commercial office</i></p> <p><b>As outlined in the Development Appraisals undertaken by the Property Consultant, this option is considered as not financially viable.</b> Despite the significant capital receipt that could be realised from a fully let commercial development (est. £42million), the cost of preparing the site for development, demolition, delivering the urban park and building the office is very high at over £60million. <b>The appraisal produces a negative land value of £30million</b>, after taking into consideration finance, sales, and marketing costs. All parties spoken to have confirmed that they would not consider a speculative office development at the current time.</p>

2. *ACC secure planning consent, prepare the site for development, deliver the urban park, and sell the prepared sites to a build to rent developer / investor OR ACC work with a development partner and carry the cost of the urban park works*

This appraisal assumes a scenario where ACC completes the delivery of the Urban Park and that the studies on future development of the former Police HQ site will result in the demolition, site clearance and disposal of the site to a commercial development partner or work to develop the site in partnership under a mutually agreed structure, with the future capital receipts used to offset the front funding of the Urban Park. Estimated capital receipts for Option 5 will be heavily reliant on the chosen outcome for the development of the former Police HQ portion of the site.

The assumption is that ACC would receive a capital receipt and reduce the overall cost of creating an Urban Park (of 5,200m<sup>2</sup> for this Option). However, with the rise in build costs and additional allowances for inflation, risk etc. **the proposed development would not be viable** for a developer even with ACC covering the costs of the site preparation and demolition. **The appraisal produces a negative land value of approximately £6million.** In practice, the land sale would not provide a positive capital receipt for ACC.

3. *ACC secure planning consent, prepare the site for development (including demolition), deliver the urban park and either sell the residential development parcel and the former Police HQ site to a developer(s) or work in partnership with them AND offer a 'lease wrap' over the office building for 40 years at 80% of the rental value.*

Despite Scenario 2 not offering a viable solution, the theory of creating value from development land to help reduce the overall cost to ACC is still possible. ACC could consider pump priming the proposed scheme and reduce the risk for a developer by providing a rental income guarantee also known as a lease wrap or income strip on the office building.

This is similar to the deal structure adopted to encourage the delivery of Marischal Square. In summary, ACC sign a c. 40-year lease over the proposed building at a % of the market rent, and at the end of the lease they have the right to buy back the building for £1. The main purpose is to reduce the risk, create a viable project and encourage a developer to proceed with the project knowing that they will get a return from their investment. In return, ACC will retain ownership of a key city centre site at the end of the lease and could benefit from a 'profit rent' throughout the term should they achieve lettings over the rent that they are contracted to pay.

Valuing this structure is difficult at the current time due to volatility in the gilt markets upon which the pricing of income strip deals is based.

To assess how this structure might produce a land value for ACC, and therefore help towards the cost of the park, an appraisal has been prepared over the commercial development land as follows:

	<ul style="list-style-type: none"> <li>• Aberdeen City Council agree to ‘guarantee’ 80% of full rental value (£2,535,553)</li> <li>• The income stream is valued at 3.75% producing a revenue of approximately £67.5million. Gilts are currently changing rapidly, and the Council should be aware that this is likely to change between now and the investment being released to the market</li> <li>• Less Build Costs</li> <li>• Less Profit @ 20% of build costs</li> <li>• Less Finance, marketing, and acquisition fees</li> </ul> <p><b>Adopting this strategy, in June 2023, produces a land value of approximately £10million, which reduces the cost of the project to ACC to approximately £8million.</b> However, gilt yields are constantly fluctuating as inflation expectations remain more entrenched in the UK economy. Yields are therefore very likely to change between now and the resulting agreed investment being released to the market. The yield profile would have to be monitored closely to accurately price the investment if this route was going to be considered.</p> <p><b>In summary, this strategy is intended to provide ACC with an initial cash injection or contribution towards the cost of the urban park.</b> It allows new Grade A Office development to be delivered in the city centre encouraging footfall and economic growth, creates a Central Business District around Marischal Square and Marischal College, and creates a ‘limited risk’ option to encourage a developer to deliver the project. The deal structure also allows ACC to own the asset at the end of the 40-year lease. The ideal scenario is that the building is fully let at current market levels (or higher) by the time the build work is complete, thus leading to ACC’s potential rental costs being fully covered. However, there is a risk that the building will have vacancies which ACC will need to cover and, further, that rental values fall, and ACC have to cover the difference in rental value paid.</p> <p>The above assumes that the office is completed to a BREEAM Excellent / EPC A standard to meet current market demands.</p>
<b>Other Points</b>	N/A.

## 7.6 Scoring of Options Against Objectives

The Option Appraisal exercise consisted of two elements:

- **Defining the scoring criteria:** the Design Team met with ACC to develop a robust set of scoring criteria to assess the options against. The scoring criteria consisted of 7 overarching categories with several subcategories for each. Weightings were also given to each category and subcategory to align with ACC and the Steering Group's perceptions of importance.
- **Scoring the shortlisted options:** once a final set of scoring criteria was agreed, members of the team scored each option.
  - Options were scored on a scale from 0 to 5. Zero means that the option does not address the criterion at all, five means that it addresses the criterion in full.
  - The options were initially scored independently by Design Team members, the average across the group was carried forward. The scores for each option were then reviewed in turn in subsequent workshops.
  - The scores were then normalised so that the scores corresponded to the overall criteria percentage weighting. For example, if an option scored 5/5 for the Instruction to Council criteria, which has a weighting of 16%, it received a score of 16.

The table below is from Economic Consultant Stantec's Options Appraisal Summary report of June 2023.

Option Appraisal		Option 1	Option 2	Option 3	Option 4	Option 5
Criteria	Weighting	<i>Do Minimum/Minimal Intervention</i>	<i>Urban Park (7,300m2) and pavilion with landscaping to northwest and southeast development areas</i>	<i>Urban Park (3,466m2) with housing development to northwest and refurbished/repurposed Police HQ to form residential development to southeast.</i>	<i>Urban Park (3,400m2) with housing development to northwest and new build workplace to southeast on site of former Police HQ.</i>	<i>Urban Park (5,200m2) with landscaping to northwest development area and new build workplace to southeast on site of former Police HQ.</i>
Instruction to Council	16%	0.0	16.0	8.3	8.3	9.9
Strategic alignment	20%	0.0	9.3	15.2	13.6	13.5
Estimated Impact on Economic Growth	12%	0.0	3.0	8.0	10.0	9.0
Impact on Placemaking	12%	0.0	8.3	8.9	9.1	9.0
Affordability to ACC	12%	6.0	2.9	6.9	6.6	6.2
Deliverability and Financial Sustainability	15%	9.0	9.5	10.3	10.3	10.5
Community and Wellbeing	13%	0.0	12.6	8.1	8.0	8.7
<b>Total Weighted Score (/100)</b>	<b>100%</b>	<b>15.00</b>	<b>61.55</b>	<b>65.66</b>	<b>65.77</b>	<b>66.77</b>
<b>Rank</b>		<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>

## Summary of scores

Option 5 scored the highest out of all Options, albeit the difference in scores between Options 3, 4 & 5 is very small. The Do-Nothing Option 1 as would be expected scored significantly lower than all other Options and Option 2 the full Urban Park scored around 8% less than Options 3, 4 & 5.

## Development Appraisals

In support of the above, property consultants have summarised the viability of each option below through preparation of Development Appraisals for each Option.

Option 2: A Full Urban Park is estimated to cost in the region of £25.674million (a breakdown of this cost and assumptions is included in Appendix 2 – Cost Estimate Report). The alternative Options have been considered as a means to support the delivery of the Urban Park and ideally offset the high cost for ACC. However, due to the increase in build costs over the last 24 months, the costs to deliver the proposed residential and commercial buildings outweighs the potential revenue and therefore does not offset the cost of the Urban Park as intended.

Notwithstanding the above, various scenarios have been considered which look at interventions from ACC that would help to create a viable scheme, encourage delivery of the Urban Park, and help to offset the costs of doing so.

These scenarios (which are described in fuller detail in the Options Appraisals in Sections 7.1 to 7.5), and their outcomes are summarised below:

Option	Description	Area of Urban Park	Scenario	Estimated Cost to Developer	Estimated Cost to ACC	Ability to Offset ACC Costs	Comments
1	Do nothing	None	N/A	Minimal to market site	Minimal to market and sell site	N/A	£6M committed by ACC on land assembly etc.
2	Full Urban Park	7,300m <sup>2</sup>	N/A	N/A	£26m	N/A	
3	Urban Park, new Residential to	3,466m <sup>2</sup>	1*	£39m	Minimal to market and sell site	N/A	Cost to deliver considerably outweighs potential revenue for Developer so development is not viable.



	NW and refurbished Police HQ to provide residential		2**	£26m	£13m	No	Cost to deliver considerably outweighs potential revenue for Developer so development does not offset cost to deliver the Urban Park.
4	Urban Park, new Residential to NW and new Commercial (Office) to SE	3,400m <sup>2</sup>	1*	£71m	Minimal to market and sell site	N/A	Cost to deliver considerably outweighs potential revenue for Developer so development is not viable.
			2**	£53.5m	£17.5m	No	Cost to deliver considerably outweighs potential revenue for Developer so development does not offset cost to deliver the Urban Park.
			3**	£53.5m	£17.5m	Yes – est. £2.5million	Adopting this scenario offsets, the Council's costs by c.£2.5m, <b>reducing to c. £15m</b> . This contribution is minimal and any minor changes to build costs or the design could put this at risk.
5	Urban Park and new Commercial or Residential to SE	5,200m <sup>2</sup>	1*	£61m	Minimal to market and sell site	No	Cost to deliver considerably outweighs potential revenue for Developer so development is not viable.
			2**	£43m	£18m	No	Cost to deliver considerably outweighs potential revenue for Developer so development does not offset cost to deliver the Urban Park.
			3***	£43m	£18m	Yes – est. £10million	Adopting this scenario offsets, the Council's costs by £10m, <b>reducing to £8m</b> .

\*Scenario 1: A Developer delivers 100% of the scheme including Urban Park

\*\*Scenario 2: ACC secure planning consent, prepare the site for development, deliver the urban park and either sell the prepared sites to a developer / investor OR ACC work with a development partner and carry the cost of the urban park works.

\*\*\* Scenario 3: ACC secure planning consent, prepare the site for development (including demolition), deliver the urban park and either sell the residential development parcel and the former Police HQ site to a developer(s) or work in partnership with them AND offer a 'lease wrap' over the office building for 40 years at 80% of the rental value.

In summary, Options 4 & 5 could help to offset the costs of delivering an Urban Park for ACC. However, this is only possible if ACC choose to intervene and agree a 'lease wrap' on the proposed commercial buildings. A similar model of this approach was adopted at Marischal Square. Soft market testing has confirmed that Developer's appetite for this project significantly reduces without this support from ACC.

## 7.7 Recommendation

Using evidence based on the options appraisal and the objectives scoring, clearly articulate the recommended option, showing the best fit against the project's stated objectives, and balancing cost, benefits, and risk. Note, if an option fails to deliver any essential objective, then it must be discounted as unsuitable. The recommendation should not be made on objectives scoring alone but the table can be used to eliminate those options that score poorly as a first stage, with the second stage being a more detailed analysis of the remaining options. Bear in mind:

- Investment Appraisal
- Assumptions
- Constraints
- Dependencies

### Sequence of activities and key decisions

Key decisions:

- A recommendation to approve the principle of Option 5, Urban Park with landscaping to northwest development area (Phase 1) and new build development (residential or commercial or a mix of both) to the southeast on the site of the former Police HQ (Phase 2) as the Preferred Option
- Taking forward detailed design and construction of an Urban Park to the northwest of the site; undertake stakeholder consultation (including public); obtain necessary consents; negotiate parking/access changes while also carrying out further market research and testing on the type of development best suited to the southeast of the site based on ACC's risk appetite for development.

The recommendation for the former Police HQ is to move to Full Business Case to determine suitability for either refurbishment or rebuild, with residential and commercial office space as use options to come back to Council by December 2023.

There is a sequence of activities which could ultimately change the mix in Option No 5:

- 1) To proceed with all soft strip and demolition activities as approved which do not trigger a planning application due to it being a conservation zone

- 2) To immediately proceed with detailed design and planning activities associated with the Urban Park per Option No 5
- 3) To immediately proceed with a soft market engagement exercise to assess viable uses for the remaining part site under ACC's ownership, based on both full demolition and refurbishment options of the former Police HQ
- 4) Following this soft market engagement an update to be provided examining uses for the residual site which complements the planned Urban Park. These options could include development in full, in part, deferred development or sale and Urban Park in full.

## 8. Benefits

In the tables below, identify the key benefits the project will deliver.

All benefits need to be measurable, realistic and have a baseline or comparable starting point. These benefits will be monitored during and after the project close to gauge project success and value for money. If a benefit is more subjective, then that should be supported by, for example, staff or customer surveys taken **before and after** the project.

Give an idea of the total financial benefits if these exist.

List any dis-benefits where appropriate, e.g., the loss of a disposal receipt where it is proposed to utilise a surplus building instead of selling it.

### Note:

The Benefits outlined below relate to the Preferred Option Nr 5 – Urban Park with landscaping to northwest development area and new build workplace to southeast on site of former police HQ.

8.1 Customer Benefits						
Benefit	Measures	Source	Baseline	Expected Benefit	Expected Date	Measure Frequency
Economic impacts	GVA from construction activity	Stantec Economic Impact Assessment	0	£24.4M	2024-2027	Post project evaluation
	Land value uplift benefits from proximity to green space	Stantec Economic Impact Assessment	0	£20.2M	2027 onwards	Post project evaluation
	GVA from new commercial workspace	Stantec Economic Impact Assessment	0	£146.6M	2027 onwards	Post project evaluation
Non-monetisable impacts	Number of people accessing green space at Queen Street	N/A	0	Not assessed	2026 onwards	Post project evaluation
	Number of visitors attending events at Queen Street	N/A	0	Not assessed	2026 onwards	Post project evaluation

8.2 Staff Benefits						
Benefit	Measures	Source	Baseline	Expected Benefit	Expected Date	Measure Frequency
Quality of life and health and wellbeing benefits from access to Green Space	Number of Council staff accessing green space	N/A	0	Not assessed	2026 onwards	Post project evaluation

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8.3 Resources Benefits (Financial)							
Benefit	Measures	Source	Capital or Revenue?	Baseline (£'000)	Saving (£'000)	Expected Date	Measure Frequency
N/A							

9. Costs
<p>Use the tables below to provide cost information. Costs must include capital investment and where relevant any ongoing revenue costs incurred by the project or as a result of the project.</p> <p>The source/basis of any estimates should be clearly identified.</p> <p>Refer to the Government Green Book and the Supplementary Guidance on Optimism Bias for information on determining costs. Outline any assumptions in estimating costs in Section 17 and confirm in the Checklist that you have followed this guidance.</p> <p><a href="#">Green Book Supplementary Guidance Optimism Bias</a></p> <p><a href="#">The Green Book 2022 (HM Treasury Guidance)</a></p> <p>To improve the design development process for capital projects there is a need to consider full life cycle costs, including maintenance. Therefore, costs should be considered at least over a 5-year period. It is an estimate of the resources and capabilities (people, physical resources, and funding) needed to deliver the project and sustain the benefits. The estimates need to cover both the direct project costs and the ongoing (business as usual) costs for the lifetime over which the benefits are to be considered.</p> <p>Include information on where the budget will come from.</p> <p>Full costs breakdown to be included.</p>

Any impact on business as usual or service delivery.

**Note:**

Capital Costs have been prepared by Turner & Townsend Cost Management as part of their Stage 1 Cost Estimate Report of 27 June 2023 (See Appendix No 2).

The figures in Section 9.1 below relate to the Preferred Option No 5 – Urban Park with landscaping to northwest development area and new build workplace to southeast on site of former Police HQ.

Year 1 has been assumed as 2024.

**9.1 Project Capital Expenditure & Income**

(£'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
<b>Staffing Resources</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Land Acquisitions (sunk costs already incurred by ACC excluded)</b>	0	0	0	0	0	0	0	0	0	0	0
<b>New Vehicles, Plant or Equipment</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Construction Costs for Option Nr 5 – Urban Park with landscaping to northwest development area and new build workplace to southeast on site of former Police HQ.</b>	£2.890m	£44.474m	£13.300m	0	0	0	0	0	0	0	£60.665m



<b>Note: The capital costs included in this section could change depending on the optimal solution for the former Police HQ building and the southeast portion of the site.</b>											
<b>Capital Receipts and Grants</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Sub-Total</b>	£2.890m	£44.474m	£13.300m	0	0	0	0	0	0	0	£60.665m

<b>9.2 Project Revenue Expenditure &amp; Income (to be developed)</b>											
(£'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
<b>Staffing Resources</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Non-Staffing Resources</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Revenue Receipts and Grants</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Sub-Total</b>	0	0	0	0	0	0	0	0	0	0	0

<b>9.3 Post- Project Capital Expenditure &amp; Income (to be developed)</b>											
(£'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total

<b>Staffing Resources</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Land Acquisitions</b>	0	0	0	0	0	0	0	0	0	0	0
<b>New Vehicles, Plant or Equipment</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Construction Costs</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Capital Receipts and Grants</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Sub-Total</b>	0	0	0	0	0	0	0	0	0	0	0

<b>9.4 Post- Project Revenue Expenditure &amp; Income (to be developed)</b>											
(£'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
<b>Staffing Resources</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Non-Staffing Resources</b>											
Expenditure - maintenance and upkeep of Urban Park and Public Realm areas, Option No 5 (2023 figures)	0	0	0	-45	-45	-45	-45	-45	-45	-45	-315
<b>Revenue Receipts and Grants</b>											
Income from Commercial Development on southeast portion of site (2023 figures)	0	0	0	1,077	1,077	1,077	1,077	1,077	1,077	1,077	7,539

Income from Urban Park Pavilion (2023 figures)	0	0	10	10	10	10	10	10	10	10	80
<b>Sub-Total</b>											

<b>10. Key Risks</b>	
<b>Description</b>	<b>Mitigation</b>
Fully explain any significant risks to the project that you are aware of, especially those which could affect the decision on whether and in what form the project goes ahead. Append your full Risk Log if available.	Details of any mitigating action already taken or suggested.
A full Project Risk Register is available if readers of this OBC wish to view it. Please contact Sandy Beattie for this document.	
<b>The significant risks to the project are summarised below.</b>	
Insufficient budget or inability to provide appropriate developer receipts, thereby delaying/stalling the development and potentially resulting in blight on the City Centre landscape	Prepare robust development appraisals and carry out market research
Changes in the market demand which may result in the redundancy of the OBC, and scheme being deemed as inviable. This would again result in abortive work and blight on the City Centre landscape	Continuously monitor market trends, provided by property consultants
Neighbouring properties and businesses object to development proposals resulting in Programme delays and reputational loss to ACC and negative publicity for the project	Prepare Communications and Stakeholder Engagement Plan for neighbouring properties and businesses and engage with stakeholders
Failure to secure statutory consents including conservation area consent, building warrant and planning consents, leading to the project being delayed or cancelled/amended and not meeting optimal solution for Queen Street	Ongoing engagement and consultation with ACC Strategic Place Planning to understand any key issues and address development as a result.
Delivery of new mortuary facility is delayed resulting in delay to developing proposals and demolition of Police HQ building and sequencing of development	Construction of new facility at Foresterhill now underway – continue to monitor Programme. ACC have a responsibility to maintain mortuary services. To be open by Summer 2024
Scale, massing, materiality and setting in the context of surrounding listed buildings and townscape will have an impact on the Planning Authority's assessment of the proposals	Early discussions with Strategic Place Planning to understand what level of development could be permitted.
Construction cost inflation remains a significant risk to all projects in the foreseeable future, especially complex ones in city centres.	Cost Manager to monitor closely and include robust inflation and contingency allowances within Cost Estimates.

## 11. Procurement Approach

If this project will involve the procurement of products or services, describe the approach that will be taken based upon the recommended option.

The Design Teams must conduct a check on the Health & Safety track record on tender documentation and submission prior to award and confirm this has been done.

### Procurement

The Council will directly appoint a partner to develop the urban park element of the proposals, and the Council will retain ownership of these land parcels. The delivery mechanism for any other project elements is still to be determined, however options include:

- **A call for open market proposals between ACC and a private investor/developer:** with the two parties remunerated either through a profit share or a through a ground lease arrangement; or
- **A restricted call for proposals between ACC and Hub North Scotland Ltd through its Territory Partnering Agreement:** with the two parties again remunerated through either of the above mechanisms.

The team considered two further delivery mechanisms, which they discounted following consultations with ACC officials:

- **Direct sale of Land / Assets between ACC and Private Investor(s)/Developer(s):** the team and Council officials discounted this option due to concerns that the degree of associated risk would make the proposition unattractive to developers and investors; and that it would diminish the level of strategic control that ACC could exert over the site.

### Soft Market Testing

A high-level soft market testing exercise was carried out by property consultants late in June 2023 to support the market commentary and viability assessments for Options 3 ,4 and 5.

This involved discussing the proposed developments with a range of local and national developers who are actively delivering mixed use, residential and/or commercial development opportunities. Options 1 & 2 were excluded from these discussions as there would be no market involvement.

Outlined below are the key messages from various parties however the main take away is that the market fully supports a development of this site to provide high quality accommodation in the city centre. There is support from local and national developers to find a structure that works for both parties and to be involved in an iconic city centre scheme.

However, due to market conditions and current finance costs then demand from local and national developers is not on a speculative basis for the office element at the current time. All developers would need ACC to de-risk the project through a rental guarantee or pre-let agreement to make it viable.

There is also a degree of nervousness with regards to the residential development particularly where construction costs currently are for new and refurbished projects relative to developer returns. One residential developer that was contacted suggested that they would require an extended ACC rental guarantee for the development whilst another was more relaxed and

commented that as long as all numbers stacked up (for a hybrid PBSA / BtR scheme) then they were in principle interested.

Their key messages are:

### **Office / Commercial Development**

- There is demand to deliver a high quality, Grade A office however all developers would need a lead from ACC to de-risk the project by offering rental guarantees or a pre-let (developer's positions are that they need the support at the back end of the process, upon completion of the development. They are not willing to building speculatively regardless of Council input upfront and will not build without a guaranteed exit strategy)
- There is no demand for a speculative development scheme. One developer commented that they would not deliver a speculative office development anywhere in the UK currently
- The design will be paramount. Offices will need to be completed to a Grade A specification with BREEAM Excellent rating and EPC A
- Car parking is essential for office space
- Some developers would be happy to build the Urban Park, but it would need to be supported by ACC either through a capital payment or rental and would need to have an agreed exit to attract a funding partner
- Positive response on the impact an office scheme could have on this area of Aberdeen and there is an expectation of demand from office occupiers of various scale.

### **Residential Development**

- Concern about the viability and costs relative to developer returns / Capital values
- Interest in both Purpose Built Student Accommodation (PBSA) and BtR and a potential hybrid
- No interest in a private for sale scheme
- Potential requirement for some form of long-term income guarantee
- Edinburgh & Glasgow are the key focus for developers currently as there is greater depth in the funding market. They would look at Aberdeen if it was viable and investor appetite to forward fund could be evidenced.

## **12. Time**

### **12.1 Time Constraints & Aspirations**

Detail any planned or agreed dates, any time constraints on the project or the affected business areas and any other known timescales.

- New Mortuary at Foresterhill to be complete by Summer 2024 to allow the existing Mortuary in the basement of the former Police HQ building to relocate
- Existing Telecoms masts on the roof of the former Police HQ building to be removed by the end of 2023



- Asbestos removal, soft strip and services separation in the former Police HQ building requires to be completed by early 2024 before work can take place on the southeast part of the site
- Securing Conservation Area Consent (It should be noted that a full Urban Park option will likely, or significant elements of it at least, be deemed as 'permitted development' and will not require planning permission. See Section 20 for fuller details).

### 12.2 Key Milestones for Option 5 – Urban Park with landscaping to northwest development area and development to southeast on site of former Police HQ.

Description	Target Date
Approval of OBC	August 2023
Soft Market Engagement exercise for Southeast site (based on full demolition of the former Police HQ building)	October 2023 (Soft Market Engagement)
Service update (FBC) which will identify a preferred development use for the Southeast site	December 2023
Service update (FBC) based on Preferred Option for Southeast portion of the site	August 2024
Take forward detailed design and construction of the Urban Park to the Northwest of the site; undertaking stakeholder consultation (including public); obtaining necessary consents and negotiating parking/access changes	By end Q3 2025
Soft strip and demolition activities at the former Police HQ building as approved which do not trigger a planning application due to it being a conservation zone	Complete during Q1 2024
Selection of Tier 1 Contractor and design up to reach Financial Close	October 2023
Phase 1 Construction (Urban Park to Northwest of site and Central Spine)	October 2024
Phase 1 Handover	Complete during Q1 2026
Phase 1 Defects liability period (12 months after handover)	Q1 2027
Phase 2 Construction (Development to Southeast of site)	Feb 2025
Phase 2 Handover	Q1 2027
Phase 2 Defects liability period (12 months after handover)	Q1 2028

**13. Governance**

Include any plans around the ownership and governance of the project and identify the people in the key project roles in the table below.

Role	Name	Service
<b>Project Sponsor</b>	Steve Whyte	Resources
<b>ACC Project Manager</b>	Sandy Beattie	Resources

**14. Resources**

List the staff resources and expertise required to implement the project. Ensure support services are included, such as Project Management, Legal, Procurement and Communications.

Task	Responsible Service/Team	Start Date	End Date
ACC Project Sponsor - Steve Whyte	Resources	August 2023	January 2027
ACC Project Manager - Sandy Beattie	Resources	August 2023	January 2027
Project Manager	HNSL	August 2023	January 2027
Architect	HNSL	August 2023	January 2027
Landscape Architect	HNSL	August 2023	January 2027
Property Consultant	HNSL	August 2023	January 2027
M&E Engineer	HNSL	August 2023	January 2027
Structural Engineer	HNSL	August 2023	January 2027
Cost Consultant	HNSL	August 2023	January 2027
FBC Authoring	HNSL	August 2023	January 2027
Legal	ACC	August 2023	January 2027

Is a Buildings Checklist being completed for this project?		Yes	No
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>If No, what is the reason for this?</b>			
The project is not at the stage where a Buildings Checklist can be completed. This will be undertaken if appropriate at FBC stage.			
Procurement	ACC	August 2023	January 2027
Stakeholder Engagement	HNSL	August 2023	January 2027
Communications	HNSL	August 2023	January 2027

## 15. Environmental Management

Fully explain any impacts the project will have on the environment (this could include, e.g., carbon dioxide emissions, waste, water, natural environment, air quality and adaptation). Include both positive and negative effects and how these will be managed. Include details on how this has been assessed, giving an idea of the cost implication if this exists.

The project aims to contribute towards the Council's carbon reduction objectives.

While the project is unlikely to be deliverable and affordable in a completely carbon neutral way, and if development other than a full Urban Park is taken forward, some energy from the grid may be needed to heat and power the residential units. It should be possible to provide all the heating required for the commercial buildings (if decided by ACC to include in the development mix) by connecting them to a local district heating network.

The project offers the potential to reuse and reinvent the existing Police HQ, seeking to implement architectural solutions that preserve the high embodied carbon materials. Retaining the reinforced concrete shell of the building and converting the Police HQ into a commercial or housing scheme will provide essential office space or homes, populating the city centre whilst creating job opportunities. This approach will further enhance the surrounding Urban Park.

The project will be developed based on 20-minute neighbourhood principles to minimise the need for vehicular transport.

## 16. Preserving Our Heritage

Describe fully any impacts the project will have on the heritage of the city or more widely in the region or nationally. This could include but is not exclusive to the following examples:

- Specific historical items of interest;
- Features of significant local or regional importance/interest;
- Granite elements of existing structures.

Include both positive and negative effects and how these will be managed.

Include details on how this has been assessed, giving an idea of the cost implication if this exists.

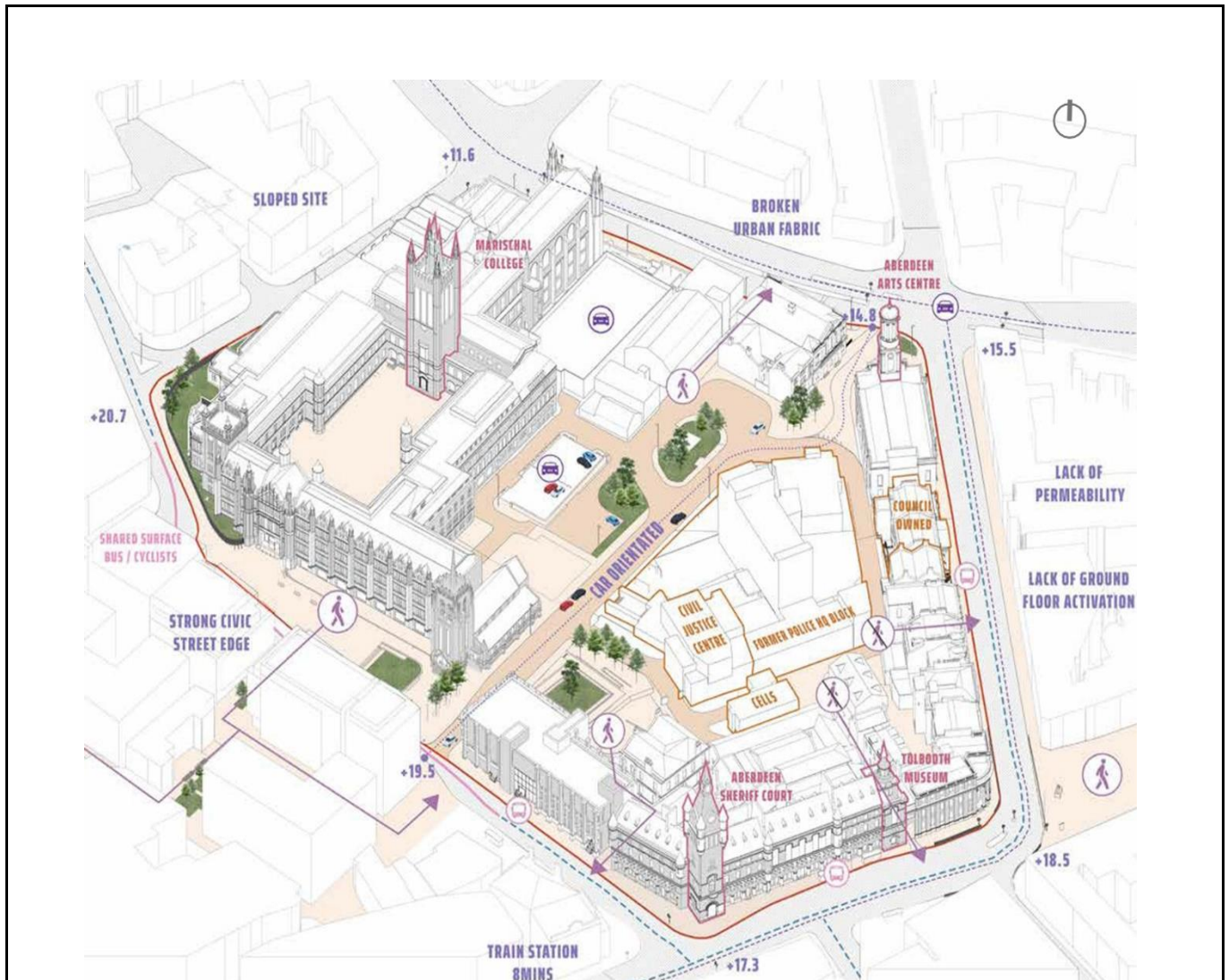
There are several listed buildings and structures in the study area, as well as conservation area designation to consider. Rather than be seen as constraints, the civic and other built heritage can be considered assets that contribute to creating a sense of place that Aberdeen must develop to differentiate from its competitors.

There is the opportunity to incorporate the Arts Centre, Archibald Simpson House on King Street, and the Lemon Tree redevelopment (pending Business Case outcomes of these buildings).

Architectural expression and urban form are critical to the perceived success of the new development. This brief will not be prescriptive about materials and specific finishes, those will emerge as the design develops and be appropriate to the proposed urban form. It is essential that key vistas and landmarks are respected and celebrated in proposals for Queen Street.

The potential to retain and reuse the existing Police HQ will positively contribute to the surrounding heritage as well as the embodied carbon within the project, contributing to a low carbon future. This strategy will improve placemaking, strengthening connections for city users.

The illustration below shows the existing Queen Street Development Zone site and key adjoining buildings of significant architectural interest.



## 17. Stakeholders

List the key interested individuals, teams, groups, or parties that may be affected by the project or have an interest in it, including those external to the organisation. Show what their interest would be and their level of responsibility. Also note any plans for how they will be engaged including the use of any existing communication channels, forums, or mechanisms already in place.

In the event the Business Case projects a total capital expenditure of more than £10 Million, stakeholders should include “ACC Bond Investors” who may require to be communicated with through the London Stock Exchange.

As part of the wider City Centre and Beach Masterplan engagement, the Council is undertaking an engagement exercise involving residents and businesses. As business cases are developed this will include the newly established Stakeholder Forum and Disability Equity Partnership at the appropriate stages.

Ongoing engagement regarding Queen Street has been undertaken both formally and informally with Scottish Courts and Tribunal Services, Aberdeen Performing Arts, Police Scotland, Castlegate Arts, University of Aberdeen, Robert Gordons University and Greyfriars and Trinity Churches.

Discussions with Estates Departments at Robert Gordons University and the University of Aberdeen resulted in similar messages that there is no real additional demand for one and two bed student accommodation that cannot be met with existing properties. There is however a demand from overseas students for family accommodation although both Universities advised that due to Home Office rules, it is very difficult to predict this in advance of students arriving in Aberdeen.

Recent discussions with the Lemon Tree performing arts venue have confirmed that their own project to improve this venue is on hold due to lack of funding. They have developed a more modest proposal which follows similar principles to the original and this should still work well with the urban space proposed in all Options in this OBC.

## 18. Assumptions

Document the high-level assumptions that have been made during the development of the Business Case and any other unanswered questions that may be significant. Refer to the Supplementary Guidance on Optimism Bias and detail the assumptions you have made in constructing the costs and business case.

[Green Book Supplementary Guidance Optimism Bias](#)

### Assumptions

- Design work undertaken to date is at feasibility level, not detailed design and Capital Cost allowances are as a result high level in nature
- Capital Costs are exclusive of land acquisition, finance costs etc
- Capital Costs incorporate Preliminaries and Overheads & Profit at 15%
- Capital Costs incorporate project risk at 15% based on the project being RIBA Stage 1
- Design team fees have been included at 10%
- A budgetary general allowance has been included for diversion of existing major services running through the site
- A budgetary general allowance has been included within each of the costed options for street furniture and children's play areas
- A budgetary general allowance has been included for phased delivery of the project
- Current costs are not inclusive of a defined embodied carbon target



- Any fees or costs associated with abnormal works including but not limited to ground decontamination, remediation works to bring site to a condition suitable for the intended use including removal of contaminated land or material are excluded
- Works outside of the site boundary including upgrading and reconfiguration of surrounding infrastructure and transport connections are excluded.

## 19. Dependencies

Document any projects, initiatives, policies, key decisions, or other activities outside the control of the project that need to be considered or which may present a risk to the project's success, or on which this project depends.

The former Police Scotland HQ, now in Council ownership, is a key component of the Queen Street intervention zone and delivery of the City Centre and Beach Masterplan.

Tender packages for the former Police HQ asbestos removal, soft strip and services separation are in the process of being issued to the market and appointments will be made for this work in Q3 2023. Site starts for this work should follow on shortly after.

Proposals are dependent on the relocation of the City Mortuary proceeding as planned, which started on site at Aberdeen Royal Infirmary in October 2022. The City Mortuary, located in the former Police HQ at Poultry Market Lane, will require to be kept operational until practical completion of new premises at ARI in Foresterhill (expected by Summer 2024).

Removal of Telecom masts on the roof of the former Police HQ building is required before any demolition work can take place. A new mast is proposed on Marischal Square prior to decommissioning the last old one. This is still waiting approval, but it is expected will be removed by the end of 2023.

SCTS have confirmed that they will not be vacating their current building in Queen Street and therefore this OBC is based on their operation remaining in situ and continuing as is.

## 20. Constraints

Document any known pressures, limits or restrictions associated with the project.

Services and utilities are currently integrated between the former Police HQ, City Mortuary and the Scottish Courts and Tribunal Services (SCTS). A strategy is under development to separate services enabling independent re-use or demolition of the former Police HQ, leaving the SCTS building to continue current operation.

Development must also work around existing Scottish Courts and Tribunal Services Court buildings and reduce any impact upon the Court Service's ability to carry out its duties. Access must also be maintained for the other buildings on Queen Street and a through-route must be maintained for emergency vehicles. The Council remains in dialogue with stakeholders regarding future operations and activities in the Queen Street Annexe.

The following key considerations are intrinsic to delivering the project.

## **Mortuary**

The City Mortuary is in the basement of the former Police HQ building and needs to remain operational throughout demolition of the building. When a new facility is completed at ARI Foresterhill (scheduled for Summer 2024) comprehensive redevelopment can take place on the southeast portion of the site, though any delays to this relocation could impact on the pace at which the site can be redeveloped.

## **Demolition of the former Police HQ building**

Options 2, 4 & 5 would require the existing Police HQ building to be either partially or fully demolished. A separate design team, under the management of HNSL, is progressing the design of this project along with the required services separation to allow the SCTS to continue business as usual indefinitely. The programme of necessary asbestos removal and soft strip will commence before the end of 2023 to limit ACC's exposure to holding costs.

The existing Police HQ has extensive underground structures, supporting adjacent roads and buildings. There will be constraints and challenges to remove elements of existing structure so as not to overly impact the future development of the site with legacy, underground structures.

## **Planning Constraints**

Any Queen Street redevelopment proposal will be assessed against the relevant development plan and associated planning context at the time of any planning or associated applications. As of the 19th of June 2023, the 'development plan' now consists of the National Planning Framework 4 (itself adopted by Scottish Government in February 2023) and the newly adopted Aberdeen Local Development Plan 2023. While this represents a formal change in the development plan position that was in place at the time of the SOC for Queen Street, both documents had previously been considered in draft, and therefore the policy position concerning the Queen Street development project remains largely the same. In any instances of potential or perceived incompatibility between NPF4 and the LDP, whichever of them is the later in date is to prevail; in such an instance, the provisions of the Aberdeen LDP 2023 will prevail and is considered first below.

The Aberdeen Local Development Plan 2023 notes the site as being located within a Mixed-Use Area (under Policy H2), specifically identified as Opportunity "OP81 Queen's Square – City Centre Masterplan Intervention Area". This identifies appropriate uses within the site as including Class 1 (Retail), Class 2 (Service), Class 3 (Food and Drink), Class 4 (Offices), Class 7 (Hotels), Class 9 (Houses), Class 10 (Non-residential Institutions) and Class 11 (Assembly and Leisure).

As such, all 5 options being considered would be consistent with the uses referred to in the LDP.

National Planning Framework 4 includes Spatial Principles, and Priorities for the Northeast which are relevant to the Queen Street site, with more detailed specific Policies which would need to be applied to the assessment of any future planning applications for redevelopment. The Spatial Principles relevant to the project include Just transition; Conserving and recycling assets; Local living; and Compact urban growth. NPF4 notes that the application of these Spatial Principles will support the delivery of sustainable places; liveable places; and productive places. In addition, one of the identified key Priorities for the Northeast is to focus

on “continued regeneration through the principles of local living and 20-minute neighbourhoods to sustain the skilled workforce and improve local liveability”, to which the Queen Street proposals can contribute.

Aligning with these Spatial Principles and key Priorities are the specific national planning policies stated within NPF4. While these will need to be considered in more detail as development proposals mature, but of particular relevance are likely to be: Policy 1 - Tackling the climate and nature crises; Policy 2 - Climate mitigation and adaptation; Policy 7 - Historic assets and places; Policy 9 - Brownfield, vacant and derelict land and empty buildings; Policy 14 - Design, quality and place; Policy 15 - Local Living and 20 minute neighbourhoods; Policy 16 - Quality homes; and, Policy 27 - City, town, local and commercial centres.

Specifically in relation to the existing Police HQ building, Conservation Area Consent will be required to demolish an unlisted building within the City Centre Conservation Area (CAC), and any new building(s) to replace the Police HQ would require planning permission. The consideration of any such CAC application for demolition will need to consider both the built heritage impacts of the loss, but also the loss of embodied carbon and the NPF4 support for the re-use of existing buildings. In addition, Historic Environment Scotland’s guidance indicates that consent to demolish should in general be given only where there are acceptable redevelopment proposals, and typically a condition would be attached to any consent requiring confirmation that a contract is in place for the redevelopment proposals prior to demolition commencing. The redevelopment options that are being considered in this OBC are considered to be compliant with the LDP, and therefore will likely be acceptable to the planning authority. While a condition restricting the demolition of a building until contracts for its replacement are in place is typical, this will need to be discussed with the planning authority, in that, given the Council commitment to the project through the business cases, the risk of redevelopment proposals not proceeding is low. This is a similar position to that reached in relation to the demolition of the Aberdeen Market in advance of contracts being in place for its redevelopment, and this can be considered further with planning officers at a future stage. It should be noted that, while significant elements of the Urban Park option could be deemed as ‘permitted development’, there will be elements that will likely require a ‘change of use’ planning application (e.g., to change from car park to urban park/open space). Once a ‘change of use’ permission is in place, then it is anticipated that ‘permitted development’ rights would then apply, and this would cover the detailed public realm/landscaping design and interventions proposed within any Urban Park

In summary, following the selection of a Preferred Option, future planning considerations for the project will include:

- Police HQ retention/demolition considerations and justification in relation to both built heritage and embodied/net zero carbon considerations
- Consenting processes and justification required for any proposed demolition (or part demolition) of unlisted buildings within the Conservation Area
- Consenting process in relation to the degree of comfort in relation to redevelopment proposals being agreed in advance of any demolition being allowed
- Any Urban Park, or elements of Urban Park, will likely be considered ‘permitted development’ and therefore not require planning permission (consistent with the City Centre Streetscape projects)
- Design impacts within the context of the Conservation Area and adjacent Listed Buildings, particularly any proximity to Marischal College

- Detailed design in relation to placemaking, scale, form, massing, and materiality
- Technical considerations including drainage, site conditions and both vehicular and active travel access.

### **Site constraints**

A number of key site constraints/aspirations have been assumed for the purpose of the study as follows:

- Service access to Marischal College to be maintained.
- Access via Queen Street to Marischal College accessible/blue light parking to be maintained. This is to be located to the rear of Greyfriars Church.
- Access via Queen Street to multi storey car park to be maintained.
- Managed access for special events could be allowed into Marischal College quad.
- Emergency vehicle/service access to be maintained on Queen Street.
- Potential Lemon Tree extension to be considered and accommodated.
- Potential North Church of St Andrew extension to be considered and accommodated.
- Allowance for external seating at the rear of Greyfriars Church.
- Arts Centre to be maintained as is.
- Building on Poultry Market Lane/Lodge Walk to be demolished.
- Existing vehicle access/egress to cells on Poultry Market Lane/Lodge Walk to be maintained, or more efficient route established.
- New development to minimise vehicular movements to priorities active travel and public realm.
- Potential opening and incorporation of historic permeable routes where possible.
- Ability for vehicle access along Queen Street exiting on East North Street to be confirmed.
- Demolition split between Civil Justice Centre/Commercial Court and Police HQ to be confirmed.
- Conservation statement potentially beneficial to set out importance of surrounding built fabric, identifying keys landmarks, views etc.

## 21. ICT Hardware, Software or Network infrastructure

List any new ICT systems or changes likely as a result of the project. If there are no ICT changes, then record as 'none'.

Description of change to Hardware, Software or Network Infrastructure	Approval Required?	Date Approval Received
None.	N/A	N/A

## 22. Change Controls Issued by the Project

Date	Change Ref ID	Approval Route	Change Description
	None at present		

## 23. Support Services Consulted

The minimum **consultation period for Outline/Full Business Cases is 10 working days** unless the Programme Board Chair agrees there are exceptional circumstances that require a shorter turnaround time.

### Note:

- **It is mandatory for Capital projects to consult with the full list below.**
- If any services are not consulted, this should be indicated in the Comments section, along with the reason why. All comments received should also be noted, or reasons given for discounting them.
- It is a legal requirement for the Council to carry out an [Equality and Human Rights Impact Assessment \(EHRIA\)](#) to evaluate the impact our decisions have on our customers.

**Note:** There is a copy and paste version of the consultation list below which you can use for circulating your Business Case – [Support Services Consulted Circulation List](#)

Service	Consultee	Comments	Date
Resources	Chief Officer, Finance <a href="mailto:jbelford@aberdeencity.gov.uk">jbelford@aberdeencity.gov.uk</a>		
Resources	Chief Officer, Corporate Landlord		

Service	Consultee	Comments	Date
	<a href="mailto:stbooth@aberdeencity.gov.uk">stbooth@aberdeencity.gov.uk</a>		
Governance	Chief Officer, Governance (tbc)		
Place	Chief Officer, Strategic Place Planning <a href="mailto:DDunne@aberdeencity.gov.uk">DDunne@aberdeencity.gov.uk</a>		
Place	Chief Officer, City Growth <a href="mailto:rsweetnam@aberdeencity.gov.uk">rsweetnam@aberdeencity.gov.uk</a>		
Operations	Chief Officer, Operations and Protective Services <a href="mailto:mareilly@aberdeencity.gov.uk">mareilly@aberdeencity.gov.uk</a>		
Operations (Facilities)	Andy Campbell, Facilities Manager <a href="mailto:AnCampbell@aberdeencity.gov.uk">AnCampbell@aberdeencity.gov.uk</a>		
PMO	PMO Programme Manager <a href="mailto:RMacTaggart@aberdeencity.gov.uk">RMacTaggart@aberdeencity.gov.uk</a>		
Finance	Scott Paterson, Finance Partner <a href="mailto:spaterson@aberdeencity.gov.uk">spaterson@aberdeencity.gov.uk</a>		
Asset Management	Alastair Reid, Team Manager <a href="mailto:alareid@aberdeencity.gov.uk">alareid@aberdeencity.gov.uk</a>		
Legal (Property/ Planning & Environment)	Ross Campbell <a href="mailto:roscampbell@aberdeencity.gov.uk">roscampbell@aberdeencity.gov.uk</a>  (for <b>Capital Board consultations</b> only)		
Legal (Property/ Planning & Environment)	Alan Thomson <a href="mailto:alathomson@aberdeencity.gov.uk">alathomson@aberdeencity.gov.uk</a>  (for <b>Transportation Board consultations</b> only)		
Legal (Commercial & Procurement)	Michele Pittendreigh, Team Leader <a href="mailto:MPittendreigh@aberdeencity.gov.uk">MPittendreigh@aberdeencity.gov.uk</a>		
Legal	Elena Plews <a href="mailto:EPlews@aberdeencity.gov.uk">EPlews@aberdeencity.gov.uk</a>		
Legal	Fiona Closs <a href="mailto:FCloss@aberdeencity.gov.uk">FCloss@aberdeencity.gov.uk</a>		
Procurement	Boguslawa Symonowicz <a href="mailto:BSymonowicz@aberdeencity.gov.uk">BSymonowicz@aberdeencity.gov.uk</a>		
ICT – Digital & Technology	Steve Robertson, Digital & Transformation Manager <a href="mailto:sterobertson@aberdeencity.gov.uk">sterobertson@aberdeencity.gov.uk</a>		
Design – Public Buildings	Neil Esslemont, Team Leader <a href="mailto:nesslemont@aberdeencity.gov.uk">nesslemont@aberdeencity.gov.uk</a>		
Grounds Maintenance	Steven Shaw, Environmental Manager <a href="mailto:stevens@aberdeencity.gov.uk">stevens@aberdeencity.gov.uk</a>		
Communications	tbc		
HR	Lindsay MacInnes, People & OD Manager <a href="mailto:lmacinnnes@aberdeencity.gov.uk">lmacinnnes@aberdeencity.gov.uk</a>		
Transportation Strategy and Programmes	Joanna Murray, Team Leader <a href="mailto:joannamurray@aberdeencity.gov.uk">joannamurray@aberdeencity.gov.uk</a>		
Place – TSAP	Nicola Laird, Senior Project Officer		



Service	Consultee	Comments	Date
	<a href="mailto:NLaird@aberdeencity.gov.uk">NLaird@aberdeencity.gov.uk</a>		
Roads Management	Stuart Allan, Team Leader Technical <a href="mailto:StuAllan@aberdeencity.gov.uk">StuAllan@aberdeencity.gov.uk</a> Vycki Ritson, Team Leader Engineering <a href="mailto:vritson@aberdeencity.gov.uk">vritson@aberdeencity.gov.uk</a>		
Roads Projects	Alan McKay, Team Leader <a href="mailto:AlanMcKay@aberdeencity.gov.uk">AlanMcKay@aberdeencity.gov.uk</a>		
Emergency Planning Officer	Fiona Mann <a href="mailto:FioMann@aberdeencity.gov.uk">FioMann@aberdeencity.gov.uk</a>		

You can attach a link to your document to the list above but will need to attach **a copy of your document** to the consultees below as the link function doesn't work for generic addresses:

Service	Consultee	Comments	Date
Estates	Property Estates Manager <a href="mailto:Estates@aberdeencity.gov.uk">Estates@aberdeencity.gov.uk</a>		
Environmental Policy	<a href="mailto:EPConsultations@aberdeencity.gov.uk">EPConsultations@aberdeencity.gov.uk</a>		
Equalities	Baldeep McGarry/ Faiza Nacef <a href="mailto:equality_and_diversity@aberdeencity.gov.uk">equality_and_diversity@aberdeencity.gov.uk</a>		
Planning	Local Development Plan Team <a href="mailto:LDP@aberdeencity.gov.uk">LDP@aberdeencity.gov.uk</a> Development Management <a href="mailto:PI@aberdeencity.gov.uk">PI@aberdeencity.gov.uk</a>		

#### 24. Document Revision History

Version	Reason	By	Date
1.0	First draft OBC	Peter McKinlay, HNSL	30 May 2023
2.0	Second draft OBC	Peter McKinlay, HNSL	19 June 2023
3.0	Third draft OBC	Peter McKinlay, HNSL	3 July 2023
4.0	Fourth draft OBC incorporating ACC feedback	Peter McKinlay, HNSL	14 July 2023
5.0	Fifth draft incorporating ACC feedback	Peter McKinlay, HNSL	17 July 2023
6.0	Sixth draft incorporating ACC further feedback	Peter McKinlay, HNSL	19 July 2023
7.0	Seventh draft incorporating ACC further feedback	Peter McKinlay, HNSL	27 July 2023
8.0	Eighth draft incorporating HNSL review feedback	Peter McKinlay, HNSL	2 August 2023

<b>25. Decision by Capital Board</b>	<b>Date</b>
* Approved/Not Approved to:	

\* Insert approval decision from Capital Board.

## APPENDICIES

Appendix Nr 1 – Stantec Options Appraisal Report June 2023

Appendix Nr 2 - Turner & Townsend Cost Management Stage 1 Cost Estimate Report June 2023.

## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Council
<b>DATE</b>	23 <sup>rd</sup> August 2023
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	City Centre and Beach Masterplan: <b>GENERATION ABERDEEN</b>
<b>REPORT NUMBER</b>	COM/23/269
<b>DIRECTOR</b>	Gale Beattie
<b>CHIEF OFFICER</b>	Craig Innes
<b>REPORT AUTHOR</b>	Craig Innes
<b>TERMS OF REFERENCE</b>	21

### 1. PURPOSE OF REPORT

- 1.1 To seek Council approval for the new construction information design for the City Centre and Beach Masterplan Projects

### 2. RECOMMENDATION

That Council:

- 2.1 Approves the adoption of the new construction information design for the City Centre and Beach Masterplan Projects:  
**GENERATION ABERDEEN.**

### 3. CURRENT SITUATION

- 3.1 A number of projects are now moving into mobilisation phases and require safety hoarding to be placed around a number of sites approved by Council. As such it would be appropriate for construction information design to be utilised on construction hoarding providing details that the project is being undertaken/funded by Aberdeen City Council.

#### 3.2 Beach and City Centre Masterplan Vision

- Regeneration of the City Centre
- Promote civic pride in the City
- A vibrant City Centre where people want to live, work and visit – a reason to come/stay in Aberdeen
- Make Aberdeen the new place to visit in Scotland
- Union Street – fix “the beating heart of the city” first - this is what the people of Aberdeen want
- An improved quality of Place – an attractive City improving wellbeing
- Connect Union St Gardens to Union St and the Beach and bring the Beachfront back to life

- Re-occupy and re-purpose empty City Centre properties
  - Move to a green, renewables based economy
  - An energy transition that builds on the knowledge economy from Oil & Gas
  - Improve links with Higher and Further Education - attract and keep more graduates in the City
  - Economic diversification including tourism and life sciences
  - A future proofed City based on evidence based solutions ensuring flexibility
  - More commercial assets that generate income
  - Infrastructure investment that shows a return on spend.
- 3.3 Following this workshop it became clear that a versatile, overarching construction information design was required that could be used to demonstrate the visionary and ambitious nature of Aberdeen City Council's plans for the city and the outcomes of the City Centre and Beach Masterplan Projects.
- 3.4 The design had to be used immediately but have longevity. It had to have the potential to fit across each of the projects separately but have an overarching theme.
- 3.5 It was critical that as many as possible of the citizens of Aberdeen, of all ages, visitors and those considering visiting, businesses and all other stakeholders, could see themselves having ownership of this design.
- 3.6 The design development project began more than a year ago, when initial ideas were sought, these were then developed over many months. Research was carried out on cities across the world on how their 'regeneration' projects were branded. The design team also worked with the Aberdeen City Council partnership agreement to extract key words and straplines that could be incorporated into the final design idea. More than 70 straplines and key words were considered.
- 3.7 Following this period of research, a workshop to establish the favourite words found 'regeneration' to be a key descriptive, but it was felt it had some negative connotations.

Aberdeen City Council has generated a new vision for the city, so to that end, the design **GENERATIONABERDEEN** was forged.

The word "Generation" allows us in one fell swoop to encapsulate all the positive elements of the project, whilst simultaneously drawing in all age groups. Each individual generation will see Aberdeen as theirs, creating ownership of the past, present and future. It is for all. This is in keeping with the on-going work with young people on the development of the beach.

There is a subliminal reflection of the word "Regeneration" in the logo without any negative connotations of regeneration being required. This reminds people that Aberdeen City Council is investing heavily in 'generating' huge improvements within the city.

It allows each age group, young and old, to immediately identify themselves as being their **GENERATIONABERDEEN**. Hope and aspiration for the future without forgetting the past and all its achievement.

The design options and name have now been developed further through consultation, briefing, reference to existing brand guidelines and those of partners, the City Centre and Beach Masterplan vision and materials, and consultation with ACC colleagues and Councillors.

**GENERATION ABERDEEN** is versatile and allows the word “Aberdeen” to be replaced with a lexicon reflecting the work that is currently being done. If required it can also be used on other projects yet to be started as well as aspirations, from “Education” and “Energy” to “Tourism” or “Transportation”, the scope is vast. The announcement on the climate emergency also fits with both allowing “NetZero” to be added with ease. This allows the logos to be integrated into everything the council is delivering beyond the City Vision.

3.8 *Our City of Opportunity* strapline was chosen by the councillor focus group as the key supplementary messaging on the logo. This was selected from the more than 70 straplines that were developed from extensive research of other cities, and from the Council’s partnership agreement.

3.9 The final development in this year long process was where the logos take shape and are brought to life. Real life applications were generated, and execution across a variety of media considered, these include the “Levelling Up” logo where appropriate for the Market. These have been developed more thoroughly following extensive consultation with Aberdeen City Council Councillors and Officers.

3.10 Following more than a year of consultation, it is apparent that Aberdeen citizens and organisations would like a website developed that contains the most up-to-date information on the City Centre Masterplan projects. With that in mind [www.generationaberdeen.co.uk](http://www.generationaberdeen.co.uk) and [www.generationaberdeen.com](http://www.generationaberdeen.com) have both been reserved for Council use.

#### **4. Next steps**

Following Council approval of the preferred design, the following steps will be taken;

- The development of a City Centre and Beach Masterplan Projects website.
- The development of social media templates.
- The development of design use guidelines.
- Full use of the logo across all project materials and engagement.

#### **5. FINANCIAL IMPLICATIONS**

5.1 The indicative costings to date and for the next steps shown in paragraph 4 are £12K and are drawn from existing resources.

#### **5. LEGAL IMPLICATIONS**

5.1 There are no identified legal implications.

## 6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no identified environmental implications. The design will be a digital resource available to the Council.

## 7. MANAGEMENT OF RISK

- 7.1 An initial Project Risk exercise has been carried out. The outcomes of which are noted below:

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
<b>Strategic Risk</b>	Without the development of an identifiable design for these projects, we fail to raise the necessary awareness and impact to attract interest and investment.	Universal use of the new design, demonstrating that this is in support of the future direction (and investment) for the City Centre and Beach Masterplan Projects.	L	Yes
<b>Compliance</b>	No risk identified	N/A	N/A	N/A
<b>Operational</b>	Ensuring all publicity and communication materials utilise the new design.	1. Undertake awareness training for all staff engaged in the City Centre and Beach Masterplan Projects. Following more than a year of consultation Aberdeen citizens and organisations would like a website developed that contains the most up-to-date information on	L	Yes



		<p>the City Centre and Beach Masterplan Projects. With that in mind <a href="http://www.generationaberdeen.co.uk">www.generationaberdeen.co.uk</a> and <a href="http://www.generationaberdeen.com">www.generationaberdeen.com</a> have both been reserved for Council use.</p> <p>2. A Communications Plan will be produced to explain the strategic use for the new design.</p>		
<b>Financial</b>	There are no identified risks beyond the initial cost of completing the design development of the new logo.	N/A	N/A	N/A
<b>Reputational</b>	Failure for the design to be recognised by its intended audience could lead to reputational damage.	The new design has been prepared by a known Scottish media and design specialist. It has been developed more thoroughly following extensive consultation with Aberdeen City Council including Councillors and Officers.	L	Yes
<b>Environment / Climate</b>	There are no identified environmental risks. The design will be a digital resource available to the Council.	N/A	N/A	N/A

The assessment of risk contained within the table below is considered to be consistent with the Council's Risk Appetite Statement.

## 8. OUTCOMES

The proposed outcome is that there will be universal adoption, usage and recognition of the design. In turn it is anticipated that this will lead to a higher profile of the Council's ambitions, leading to attracting further investment. The intended audience (and potential investment opportunities) is local, national and international. It is intended that the **GENERATION ABERDEEN** will obtain global recognition.

<b><u>COUNCIL DELIVERY PLAN</u></b>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>	Supports the delivery of Economy Policy Statement 4 – Increase city centre footfall through delivery of the City Centre Masterplan. 1. – Continue to maximise community benefit from major developments.
<b><u>Aberdeen City Local Outcome Improvement Plan</u></b>	
Prosperous Economy Stretch Outcomes	Supports Outcome 1 10% increase in employment across priority and volume growth sectors by 2026.
Prosperous People Stretch Outcomes	Supports Outcome 7 Child Friendly City which supports all children to prosper and engage actively with their communities by 2026.
Prosperous Place Stretch Outcomes	Supports Outcome 14 Addressing climate change by reducing Aberdeen's carbon emissions by 42.5% by 2026 and adapting to the impacts of our changing climate Supports Outcome 15 38% of people walking and 5% of people cycling as main mode of travel by 2026.
<b>Regional and City Strategies</b>	The report supports the priorities in the Regional Economic Strategy (RES) investment in infrastructure, regenerating our city centre, unlock development potential, improve the deployment of low carbon transport, to enable Aberdeen to realise development opportunities in the City Centre Masterplan.

## 9. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Integrated Assessment Impact</b>	N/A
<b>Data Protection Assessment Impact</b>	N/A
<b>Other</b>	N/A

## **10. BACKGROUND PAPERS**

10.1 None

## **11. APPENDICES**

11.1 Appendix 1 – Final Design

## **12. REPORT AUTHOR CONTACT DETAILS**

<b>Name</b>	Craig Innes
<b>Title</b>	Chief Officer, Commercial and Procurement Services
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<b>Tel</b>	01224 665650

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# Final Design : Stacked Format



**GENERATION**  
**ABERDEEN**

OUR CITY OF OPPORTUNITY

# Final Design : Landscape Format



**GENERATION** ABERDEEN  
OUR CITY OF OPPORTUNITY



# Final Design : Crest Combined Format



**GENERATION**  
**ABERDEEN**  
OUR CITY OF OPPORTUNITY

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## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Council
<b>DATE</b>	23 <sup>rd</sup> August 2023
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Aberdeen Market - August 2023 Update
<b>REPORT NUMBER</b>	RES/23/249
<b>DIRECTOR</b>	Resources
<b>CHIEF OFFICER</b>	Corporate Landlord
<b>REPORT AUTHOR</b>	Stephen Booth
<b>TERMS OF REFERENCE</b>	21

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### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide an update on the progress with the re-development of the site as 91 – 93 Union Street and 3 – 6 Market Street.

### 2. RECOMMENDATIONS

That the Council:

- 2.1 Note the report in relation to progress with the Project.

### 3. CURRENT SITUATION

- 3.1 Previous Council Instruction.

At its meeting of 14 December 2022, ([RES/22/290](#)) the Council noted the business case for Aberdeen Market and instructed the Director of Resources following consultation with the Chief Officer - Corporate Landlord to proceed with the negotiation and execution of contracts for delivery and report progress back to Council on a six monthly basis. This report provides an update on the project.

- 3.2 Operator Selection

A preferred operator is in place for the site following an extensive marketing campaign undertaken by external Chartered Surveyors. This exercise included engagement with local food and drink and retail operators along with directly targeting operators of similar venues throughout the UK. From this exercise detailed discussions and negotiations have been undertaken both in relation to agreeable terms but also in relation to the design of the building and the development of the concept.

Heads of Terms have now been finalised as has the overall design which has allowed a revised planning application ([Link to planning application](#)) to be

submitted for the project incorporating a revised and simplified layout. An abbreviated operating proposal from the operator is enclosed as Appendix A.

Members should note that the working title for the project from the operator is 'Union Street Market' although this may be subject to change.

### 3.3 Planning and Design Development

The revised planning application was validated in June 2023 and this is currently going through the process. Reaction to the revised scheme which sees spaces off Union Street and at the green 'more open', appear positive whilst allowing greater flexibility in the future use and operation of the scheme.

In advance of submitting the revised application, Planning Officers were consulted to review the updated layouts, and these were also presented to the Disability Equity Partnership (DEP).

The scheme is being developed with Hub North Scotland and our approach with them has moved to the next stage to allow detailed design development. It is anticipated that financial close will be met in January 2024.

As part of the design development to date, investigation and survey work has been carried out to confirm the site conditions. This has included ground penetrating radar (GPR) surveys to identify buried utility services in the surrounding areas, water pressure tests to confirm availability of water supply for the new development, 3D laser scans to accurately record the existing buildings and the site, CCTV surveys of the sewerage network to confirm size and location of pipework and investigation of the adjoining buildings on Union Street to ensure there are no structural implications from working against the gable walls.

In addition to this, investigation was required to confirm the ground conditions following the completion of the demolition works and this involved coring a number of holes through the existing reinforced concrete ground slab. This confirmed the depth of the slab across the site and enabled further investigation to be carried out by means of sampling and testing of the ground below the slab itself.

The outputs from these various investigative works have been used to inform the revised design that was submitted to planning and will be used further to develop the detailed design.

The Fire Strategy has been updated to reflect the revised design and this is currently being finalised with Zurich insurers to address some of the queries they have raised around building materials, sprinkler systems and alarm system coverage. Once this is agreed, the fire strategy and associated building details will form the initial building warrant application in August as part of a phased warrant programme agreed with Building Control.

The revised scheme provides greater opportunity around feature landscaping and lighting. This is being taken forward in consultation with the wider city

centre team to ensure external areas complement the streetscaping proposals that they are also working on.

### 3.4 Demolition and Site Works

There are some outstanding snagging works being pursued with the demolition contractor. This is the delaying the erection of the permanent hoarding around the site although this should be in place during August 2023. Discussions have progressed with the Roads authority around maintaining minimum footpath widths and ensuring necessary permitting is in place.

The pre-construction programme has been developed with all design team input, so it's critical that the design is now progressed to meet the agreed dates for work packages, tender enquiries etc.

A preferred Tier 1 Contractor is in place as we push towards commercial close, with the aim of having DBDAa and site start in place in early 2024. Construction plans are being developed and discussions have commenced with the Roads authority to agree suitable traffic management for the area during the site works. The bus priority zone in the city centre has been considered and this is influencing the proposed construction traffic routes, with the ultimate aim of ensuring public safety

The contractor and the design team have identified a number of suppliers for the various work packages, and these will form the basis of the competitive tendering process later this year to ensure best value.

### 3.5 Enabling Works

The team are currently looking at elements that could be progressed early as part of an enabling works package, including hoarding upgrades, partial slab removal, fill material removal and further survey works.

As part of their traffic management and site establishment, the contractor has proposed a phased approach that involves re-aligning sections of hoarding as the works progress. To give greatest flexibility and to ensure safe working room for their staff, new hoarding will be installed to the perimeter of the market site, and this is being proposed for August 2023.

Scottish Water has confirmed that rainwater attenuation is required at the development, so a buried storage tank will be installed as part of the main construction works. To facilitate this, a section of the existing concrete slab will need to be removed and proposals for this are being finalised and necessary permissions put in place to commence in September.

As a safety measure, the demolition contractor retained material on site and formed a temporary embankment to the retaining walls. This material will need to be removed from site to allow some further structural investigation work to be carried out in advance of main construction commencing and this is also likely to commence in September.

There is an opportunity to commence work at 91-93 Union Street, but this is dependent on erecting scaffolding to protect the public and to provide working room for the contractor. Initial discussions with the Roads Authority indicate that this is unlikely to be possible until early January 2024 to avoid any conflict with festive activities, such as erecting/removal of Christmas lights and festive parades.

Scottish & Southern Electricity (SSE) has an above ground junction box located in the footpath directly in front of the new Market Street entrance and investigation has commenced around relocating this box to Hadden Street. The timing for this has not been confirmed, but it is possible that this work could be carried out in advance of the main construction works.

### 3.6 District Heating

As previously confirmed, the new development will be supplied from the district heating system with the infrastructure extension being carried out by Aberdeen Heating & Power. ACC Energy team are reviewing this at present in terms of the route to provide greatest long term benefit.

### 3.7 Ancillary properties.

To consolidate title and control areas around the development, 4 retail units in Union Street were purchased either as part of the original purchase or the subsequent purchase. All 4 units are currently occupied by retail businesses albeit on relatively flexible short term leases to reflect the uncertainty of the construction period on the properties.

## 4. FINANCIAL IMPLICATIONS

- 4.1 The project remains within the capital spend parameters identified in the business case for the site.
- 4.2 Financial profiling will be further developed during design development and reported as part of the capital plan.
- 4.3. The project is part funded through levelling up funding although the monies allocated to the market project equate to costs in purchase and site clearance.

## 5. LEGAL IMPLICATIONS

- 5.1 Detailed Heads of Terms have been agreed and also approved by the council commercial property advisor for the site. Solicitors are now progressing the formal lease. External advice is being obtained to ensure that all legal implications are thoroughly addressed and mitigated.



## 6. ENVIRONMENTAL IMPLICATIONS

- 6.1 The project has been designed to reduce lifecycle costs and meet current environmental standards and the Scottish Government's Heat in Buildings strategy.
- 6.2 As noted the building will be connected to the District Heat network and as such the project will require to have the existing network extended from Broad street to the site. This is consistent with the wider strategic aims of the network. Whilst this will mean that the site is in theory 'gas' powered the opportunity exists to have the network de-carbonised in future tears.

## 7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
<b>Strategic Risk</b>	Risk of non - delivery and limited impact on city centre	Experienced delivery team and operator identified.	L	<b>Yes</b>
<b>Compliance</b>	n/a	n/a		<b>Yes</b>
<b>Operational</b>	Site development and operational Health and safety compliance.	Risks transferred to operator/ developer.	L	<b>Yes</b>
<b>Financial</b>	Increased construction costs.  Operator failure.	Experienced design team appointed with early contractor engagement.  A suite of KPIs is being developed with the operator to track performance and success of venue. Council will have step in rights based on commercial performance.	M  M	<b>Yes</b>
<b>Reputational</b>	Project not delivered or further extensions to programme.	Non-delivery of project or significant delay would have reputational damage to the council both with citizens and funding partners. The high-level design is now frozen to give certainty on design delivery	L	<b>Yes</b>
<b>Environment / Climate</b>	Enhanced carbon footprint of estates.	Designed developed to be energy efficient.	L	<b>Yes</b>

## 8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2023-2024</u>	
	Impact of Report
<b>Aberdeen City Council Policy Statement</b>  <u>Working in Partnership for Aberdeen</u>	
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	
Prosperous Economy Stretch Outcomes	Outcome 1: No one will suffer due to poverty by 2026: The project, through its business activities and economic initiatives, can create job opportunities and stimulate economic growth in Aberdeen. By generating employment and income opportunities for the local population, it can help uplift individuals and families out of poverty.
Prosperous People Stretch Outcomes	
Prosperous Place Stretch Outcomes	The development has been identified as a key site within the city centre masterplan in creating a 'destination' redeveloping a key site on Union Street but also by increasing connectivity between Union Street, the Green and the station beyond.
<b>Regional and City Strategies</b>	

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
<b>Integrated Impact Assessment</b>	Not required
<b>Data Protection Impact Assessment</b>	Not required
<b>Other</b>	Not required

## 10. BACKGROUND PAPERS

None

## 11. APPENDICES

11.1 Operator Statement – to follow

## 12. REPORT AUTHOR CONTACT DETAILS

<b>Name</b>	Stephen Booth
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# Aberdeen Market Overview



The McGinty's Group  
August 2023



# The McGinty's Group

Over the last 13 years, The McGinty's Group has become Aberdeen's leading hospitality operator, striving for success and growth through well-managed venues run by hard-working, enthusiastic people.

With a hands-on approach, the company has undertaken multiple projects from concept to completion, created strong management teams to oversee the operations of these venues and developed creative marketing strategies to successfully relaunch sites, with an emphasis on using the best local produce and suppliers.

Starting from the first venue we opened on Union Street in 2009, the business has grown to the present level of 10 hospitality venues across Aberdeen, employing over 250 staff and recently winning the Scottish Independent Multiple Operator of the Year in the highly acclaimed annual SLTN industry awards.



MG





# The Market Vision



With the amazing growth of the street food sector in recent times, the team have visited numerous sites across the UK and abroad to research the sector. We have worked in collaboration with Aberdeen City Council and their design team to refine the initial consented Aberdeen Market scheme with the ultimate aim to bring a new market offering to the city.







Working in collaboration with a carefully selected advisory team and industry partners, the following elements will be provided in the new market on completion.....

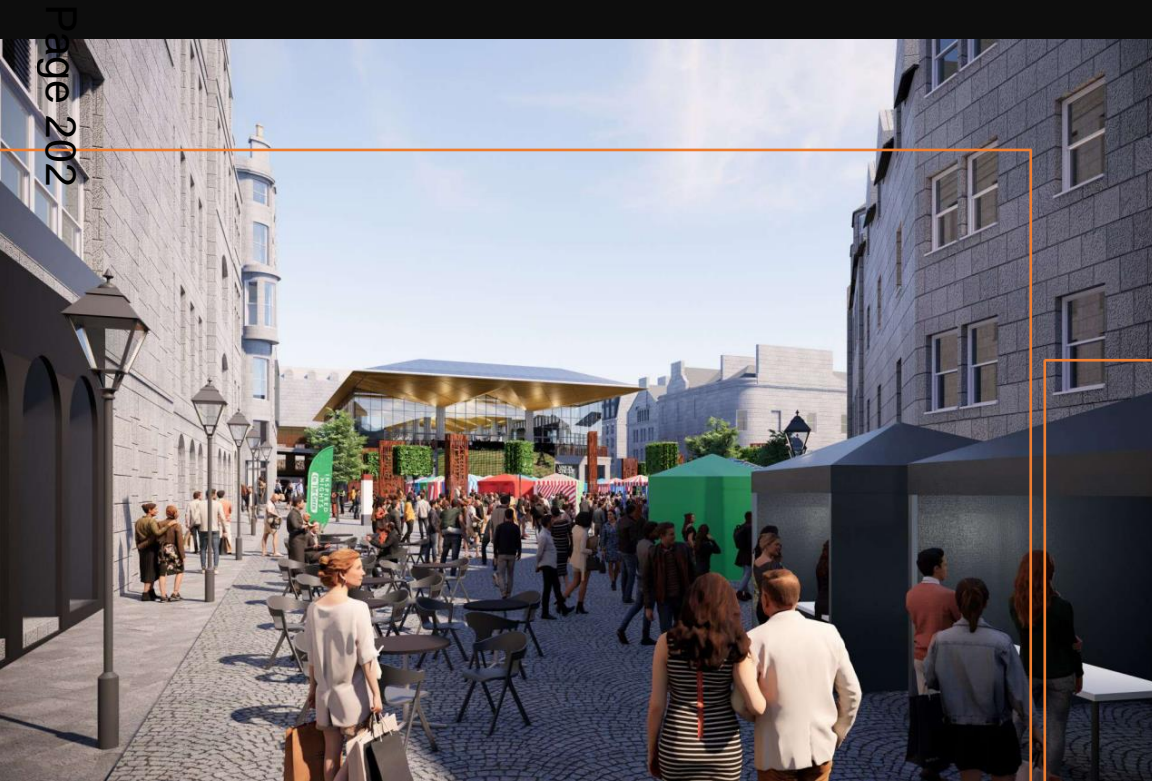
### 1 – Market Traders

Based on the upper level, with entrances from Union Street and Market Street, this section of the development will be largely closed to the elements allowing all year round operations. The retail offering will be provided in a mix of small compact retail spaces, more suited to single person operations as opposed to the larger retail units that are available on Union Street and shopping centres, together with more occasional stall opportunities.

This space is intended to create retail opportunities for independent traders offering a wide range of goods including artworks, jewellery, interiors, fashion, bakery, local produce and artisan food. There will also be the opportunity for local charities and community organisations to have a presence.

### 2 – Coffee Shop & View Bar

Also at upper level will be an all day operation that serves a range of cold and hot drinks from a central feature servery. The seating will spill on to an external balcony area that overlooks The Green.





### 3 – Food Market & Event Space

Connected by escalators and passenger lifts, this level will be the main food hall, with 10 kitchen units that will be let out to a diverse mix of local independent food vendors. Visitors to the market will be able to sit in the central seating section and pick individual items from the menus of the various food offerings available at that time.

The food hall area also doubles up as an events space with central stage offering opportunities to highlight and promote the local cultural scene, as well as acting as facility for events for schools, art organisations, amateur drama and dance. Just like the rest of the market operation, our events plan would work as a springboard for up and coming acts across the cultural spectrum – from comedy, to community events, to live music and DJs. A big screen will also show key cultural and occasional sporting events. The flexible seating area could also be reconfigured at quieter times during the day for wellbeing or community events.

A feature bar, run in collaboration with local operator Fierce Beer, will be situated at this level directly connected to the food market, offering a range of local craft beer, wines and spirits.

### 4 – External Market & Event Space

Situated outside the market building on The Green will be a large external event area. A range of external seating will also be available in order for the public to have the opportunity for city centre alfresco dining, linked to the food market.

This area will have the ability to host a wide selection of seasonal “pop up” markets and for this element, the team have engaged with Carol Fowler of Prime Events who has been lead organiser of The Taste of Grampian food and drink festival since its inception over 20 years ago.

A large digital screen, popular in other major UK cities, will be situated external to the main market building and will provide an area for people to watch major news, cultural and sporting events.

### 5 – Art

Throughout the development internally and externally, will be the opportunity for a variety of art pieces to be integrated with aspects of digital art, enhancing the cultural experience for visitors to the market.





This key strategic project of the Aberdeen City Centre Masterplan will create better pedestrian connectivity in the city centre integrating with the proposed urban realm upgrades to Union Street Central and The Green. Open 7 days a week, from early in the morning to the evening, the market's aim is to create a vibrant environment for local traders to show case the best the North East has to offer to locals and visitors to the area for generations to come..... revitalising the beating heart of our City Centre.

# The Market Aim



## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Council
<b>DATE</b>	23 <sup>rd</sup> August 2023
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Land Options within the Energy Transition Zone
<b>REPORT NUMBER</b>	RES/23/287
<b>DIRECTOR</b>	Steve Whyte
<b>CHIEF OFFICER</b>	Stephen Booth
<b>REPORT AUTHOR</b>	Stephen Booth
<b>TERMS OF REFERENCE</b>	Introduction 6

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### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide Council with an updated position on the planning status of sites under Council ownership at Aberdeen South Harbour. The report presents options to collaboratively develop three strategic sites within a strategic partnership with Energy Transition Zone Ltd (ETZ Ltd) and Port of Aberdeen (POA), owned and operated by Aberdeen Harbour Board (AHB) to drive a transition towards renewable energy technologies and sustainable practices. The report also considers how the resulting economic growth and benefits could directly uplift and empower the local community.

### 2. RECOMMENDATIONS

That Council:

- 2.1 Note that the Aberdeen Local Development Plan has now been approved and has designated sites at St Fittick's, Gregness and Doonies for development as part of the Energy Transition Zone (ETZ). The three strategic sites make up around 10% of the total ETZ area;
- 2.2 Note that Gregness OP62 and part of St. Fittick's OP62 is under the ownership of Aberdeen City Council but leased to the Aberdeen Harbour Board who have an option to purchase this land;
- 2.3 Approve that St Fittick's OP56 and Doonies OP61 be made available to support future investment and development in the Energy Transition Zone, whilst also improving local amenity;
- 2.4 Instruct the Chief Officer – Corporate Landlord that the St. Fittick's OP56 and Doonies OP61 sites are only to be made available for lease and must remain in Council ownership and that, furthermore, any such lease agreement is only to be entered into at the point where financial close is reached on a particular development;

- 2.5 Instruct the Chief Officer - Corporate Landlord to enter formal dialogue with Energy Transition Zone Ltd (ETZ Ltd) and Port of Aberdeen (PoA) to discuss the optimum partnership arrangements to take forward the future development of the sites and ensure the delivery of the outcomes identified by ETZ Ltd in their masterplan and in Aberdeen's Regional Economic Strategy;
- 2.6 Instruct the Chief Officer - Corporate Landlord, following consultation with the Chief Officer – Finance and Chief Officer – Governance, to consider as part of such potential partnership arrangements how returns from the sites could be re-invested in both the further development of the Energy Transition Zone and in the local community; and
- 2.7 Instruct the Chief Officer – Corporate Landlord to report the outcome of these discussions to the meeting of the Finance and Resources Committee in December 2023.

### **3. CURRENT SITUATION**

- 3.1 Aberdeen's economy has long been anchored to the oil and gas industry, making it highly susceptible to market fluctuations and shifts in global energy demands. As climate change concerns intensify, there is increasing pressure to decarbonise and adapt to a low-carbon economy. This approach has been endorsed in both the Regional Economic Strategy and the Council's ambitions to reach Net Zero and is key to future jobs and the region's competitiveness on the global stage.
- 3.2 In line with the 2015 Regional Economic Strategy, and subsequent City Region Deal, Aberdeen Harbour Board worked collaboratively with partners to deliver the extension to Aberdeen South Harbour. As part of this programme, Aberdeen Harbour Board took a short-term lease of four parcels of land in December 2016 and subsequently entered into an options agreement over three of those areas (the agreement excluded Walker Park). The option agreement provides that Aberdeen Harbour Board can trigger the option to purchase or agree a long-term ground lease of all or parts of the land.
- 3.3 In April 2021, Energy Transition Zone Ltd (ETZ Ltd) was established with the objective of positioning the North East of Scotland as a global leader in energy transition to net zero and becoming a net exporter of low-carbon products, services, technologies, and skills. Funded by the UK (United Kingdom) and Scottish Governments and Opportunity North East Ltd, ETZ Ltd operates as a private sector-led not-for-profit company with a clear commercial focus. ETZ Ltd have been successful in obtaining grant funding to service development sites in the Energy Transition Zone.
- 3.4 ETZ Ltd aims to create an integrated energy cluster focussed on delivery of net zero. The company will play a pivotal role in accelerating the delivery of net zero within Scotland and the UK by providing on-shore infrastructure to support and service established, emerging, and future low-carbon energy activities within a net zero exemplar environment.



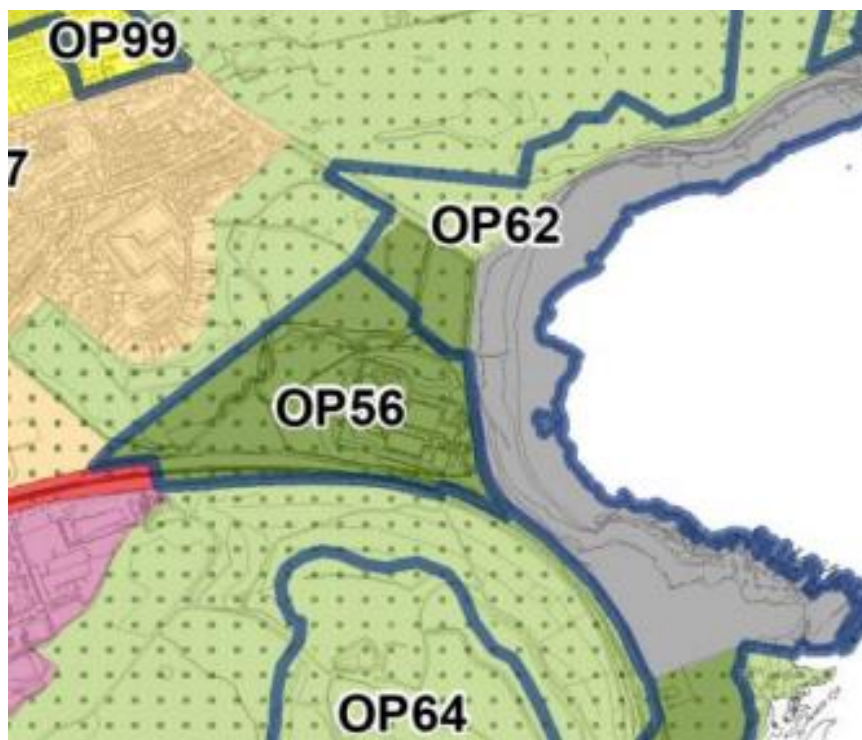
- 3.5 One of the key objectives of ETZ Ltd outlined in 1.1 of their masterplan is to ensure that any financial benefit from public sector funding or future income is reinvested into common interests for the benefit of all, promoting the development of energy transition activities in the region.
- 3.6 ETZ Ltd have recently submitted their masterplan for the Energy Transition Zone to Aberdeen City Council and this is currently undergoing a period of consultation. The Masterplan aligns with the adopted Local Development Plan and outlines the ambitions for the Energy Transition Zone, including detail on proposed community and environmental mitigations and enhancements. The Masterplan also describes how the three strategic sites identified contain a range of environmental and infrastructure assets, and the LDP (Local Development Plan) recognises that potentially significant opportunities exist in the area for net zero development and specialist port co-located activity.

## Land

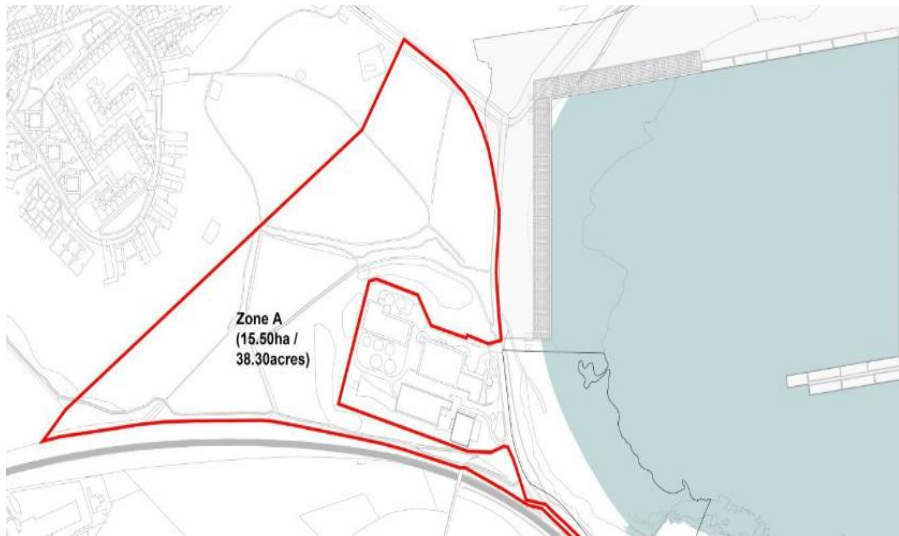
- 3.7 St. Fittick's (OP56 in LDP) is in Aberdeen City Council ownership. Aberdeen Harbour Board have an option over part of the area OP62 which is likely to be exercised.

At this stage, significant capital expenditure will be required to enable and service land suitable for future investment. The diagrams below show the area of St Fittick's Park that is included in the LDP along with the proposed development plan. ETZ Ltd have secured funding for the development of the site along with a range of environmental and other improvements including play areas, protected walkways, and interpretation.

- 3.8 Plan of St Fittick's



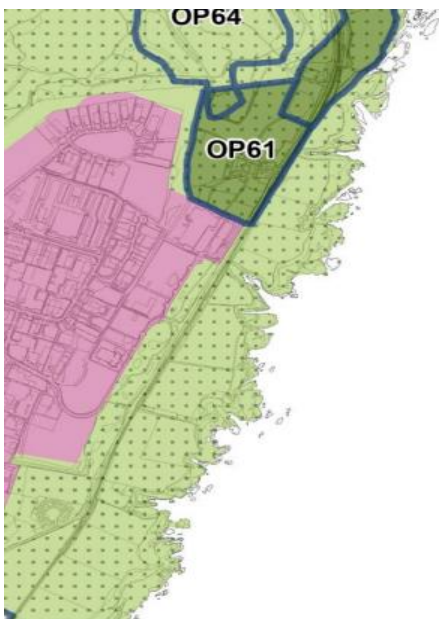


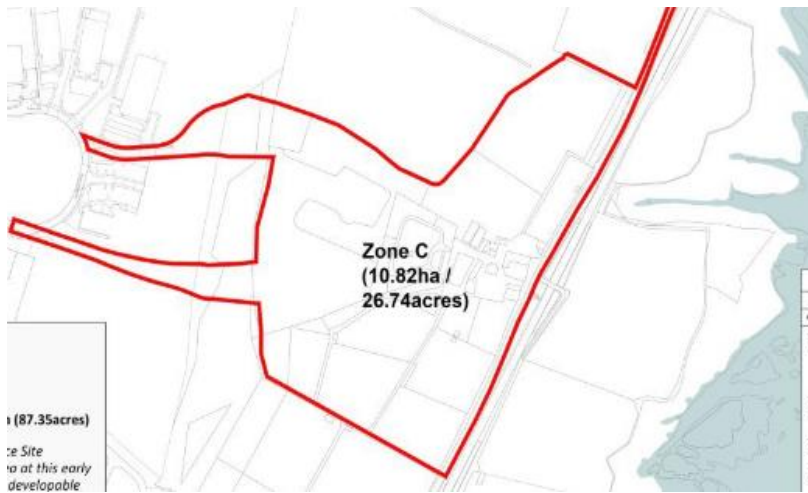


3.9 Doonies (OP61) is a greenfield site currently in agricultural use and in Aberdeen City Council ownership. The agricultural lease will end later this year giving the opportunity for the site to be redeveloped as part of the Energy Transition Zone.

Again, ETZ Ltd have a financial model to service the sites for Energy Transition related uses. The remaining land out with the ETZ will remain in Council ownership and is likely to be offered by ACC for short term agricultural related uses.

3.10 Plan of Doonies

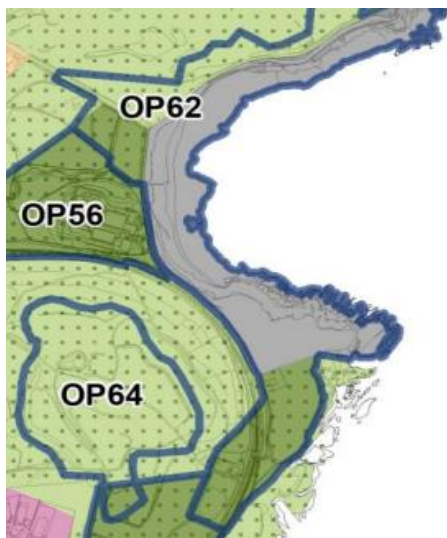




3.11 Gregness (OP62 Part) is under ownership of Aberdeen City Council but leased to the Aberdeen Harbour Board who have an option to purchase which is likely to be exercised. This site includes a substantial workshop facility.

3.12 Plan of Gregness – Aberdeen City Council ownership

Plan of Gregness – Allocation in Local Development Plan 2023





### Options Summary

#### 3.12 Option 1 - Do Nothing

If partners do not work together to develop these key strategic sites, it would be a missed opportunity for Aberdeen to diversify its economy and adapt to the changing energy landscape.

It would limit the ability to secure a return on the investment in the Energy Transition Zone and the Aberdeen South Harbour Expansion and limit investment to fund ongoing operations and improvements to the zone/community. Continued reliance on the oil and gas sector may lead to economic stagnation and vulnerability to market volatility. Furthermore, failing to address climate change and reduce carbon emissions could have severe environmental impacts, affecting the well-being of the community and potentially attracting regulatory penalties.

Taking no action would hinder the city's progress towards a sustainable future and could lead to social and economic disparities among residents who would otherwise benefit from investment in the community.

#### 3.13 Option 2 – Development by Aberdeen City Council

Consideration has been given to the Council developing the sites in isolation. This has been discounted for several reasons: -

- Inability to attract sufficient external funding to service sites
- Financial risk to the Council
- Abortive costs to ETZ Ltd in the significant planning and design development works undertaken to date.

- Loss of ability to jointly promote the sites area.
- Existing options arrangements Aberdeen Harbour Board has on sites

### 3.14 **Option 3 – Sale of Sites**

Consideration has been given to the Council simply selling its interest in the sites to a 3<sup>rd</sup> party, which would create the lowest risk to the Council. This has been discounted for the following reasons: -

- Guarantee of external funding being delivered on sites
- Lack of control over future development
- Lack of ability to ensure sites used for intended use
- Lack of ability to directly benefit local community from the development.

### 3.15 **Option 4 – Development in partnership with ETZ Ltd and PoA**

Conversations have taken place with ETZ Ltd over the future development of the sites and several opportunities have been discussed including a Joint Venture, with the potential to work collectively with the PoA (Port of Aberdeen) to promote the area and create the level of transformation and economic benefit envisaged.

A Joint Venture model with partners could:

- Secure external funding for site works
- Retain control over the type and scale of development
- Ensure development is taken forward
- Ensure the sites are properly promoted to create the best economic return
- Allow opportunities to be explored around the re-investment of any return in both the Energy Transition Zone and community.
- Optimise the use of ETZ funding by ensuring a VAT (Value Added Tax) efficient model, which will benefit the overall project

How a Joint Venture model could function requires to be worked up in further detail along with a range of other workstreams including further work on the financial model, site investigations, marketing approach etc.

Further to advancing these discussions, officers are seeking a decision that the Council approve the sites being taken forward as part of the Energy Transition Zone development.

If approved, a future report will be brought back identifying the optimal structure to allow the region to benefit from ETZ Ltd related funding.

The basic premise would be that the Council would contribute the land, ETZ Ltd would bring the funding to service the sites, and the parties would work together to find occupiers and a development model for developing the service sites. ETZ Ltd would be lead agency and carry the development risk with returns being reinvested in the Energy Transition Zone and local community.

### **3.15 Conclusions**

By leveraging the Council's and partners' assets and capabilities, the recommended option is to work in partnership to develop sites, to ensure that these sites become a catalyst for positive change, establishing Aberdeen as a hub for high value manufacturing, research, development, and implementation of cutting-edge technologies, supporting the community and contributing to a more sustainable and prosperous future aligned to the Regional Economic Strategy.

3.16 The proposed partnerships with ETZ Ltd and Port of Aberdeen will: -

- offer an innovative approach to leveraging public and private sector expertise and resources in the pursuit of net zero objectives.
- place significantly less pressure on Aberdeen City Council resource.
- streamline delivery of investment and demonstrate far stronger commitment to both investors and community.
- give the ability to secure the return of ETZ Ltd investment to fund ongoing operation and improvements to the Energy Transition Zone and local community.

## **4. FINANCIAL IMPLICATIONS**

4.1 There are no direct financial implications arising from the recommendations of this report. Further details of all financial implications will be considered in a future report.

## **5. LEGAL IMPLICATIONS**

5.1 There will be no direct legal implications until further discussions are held in relation to the nature and structure of any Joint Venture arrangement. Such discussions would require consideration of such matters such as:

- Subsidy Control
- Any community interest and options for community development funding
- Best Value for Council land

## **6. ENVIRONMENTAL IMPLICATIONS**

6.1 The proposed Joint Venture with ETZ Ltd aligns directly with Aberdeen City Council's commitment to environmental sustainability and achieving net zero objectives. By supporting energy transition projects, the joint venture will contribute to reducing carbon emissions and promoting environmentally friendly practices.

6.2 Partnership Agreements such as a Joint Venture strongly align with the core objectives and strategies of Aberdeen City Council (ACC) and play a pivotal role in achieving its business goals and long-term plans. As ACC collaborates with ETZ Ltd to establish new renewable energy sites across the city, formal partnerships directly support ACC's existing policies and strategies aimed at addressing climate change, promoting sustainable economic development, and transitioning towards a net-zero future.

- 6.3 ACC's vision, as outlined in the document "A climate-positive city at the heart of the global energy transition - A Vision & Prospectus for Aberdeen," focuses on making the city climate-positive while leading the world's rapid shift to a net-zero future. Leveraging its unique assets and capabilities to support the global energy transition, ACC aims to position Aberdeen as a pioneering city in the fight against climate change.
- 6.4 By supporting investment in renewable energy infrastructure and technology, ACC is taking a significant step towards realising its ambition of becoming a climate-positive city. The establishment of new renewable sites in partnership with ETZ Ltd signifies ACC's dedication to promoting clean energy adoption and reducing greenhouse gas emissions.

## 7. RISK

- 7.1 The recommendations contained within this report and the assessment of risk contained within the table below have been carefully considered against the Council's Risk Appetite Statement. The proposals set out in the recommendations are consistent with the Council's approved Risk Appetite Statement.
- 7.2 The full risks of Partnership/JV models will be reported back to Committee once the heads of terms have been established.

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *Taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
<b>Strategic Risk</b>	If partners do not work together to develop these key strategic sites, it would be a missed opportunity for Aberdeen to diversify its economy and adapt to the changing energy landscape.	Approve the recommendations within this report.	L	Yes
<b>Compliance</b>	Compliance with relevant commercial legislation including trading, procurement, and Subsidy Control.	Full legal review of proposals to be completed prior to entering into any agreements.	L	Yes
<b>Operational</b>	The sites if empty will require	Risks in this area will be managed in	L	Yes



	continued management by the council.	line with the risks around all council land and buildings.		
<b>Financial</b>	A Joint Venture does not perform against the financial model	The financial model will be overseen and managed by the ETZ Board which includes observers from ACC and UK/SG so early intervention for alternative models can be addressed if required.	M	Yes
<b>Reputational</b>	<p>Failure to obtain Council approval to enter into partnership agreements to develop land may impact on the reputation of the Council and Aberdeen's leading position in Energy Transition and its commitment to support ETZ Jobs and Skills plan that was submitted to ACC.</p> <p>The proposals, if delivered, will see greenfield land developed for business use, which may create some objections within the local community and beyond.</p>	<p>Approve the recommendations within this report.</p> <p>ETZ Ltd have already undertaken significant community engagement, along with the LDP having gone through external scrutiny. A range of environmental improvements are proposed as part of the project.</p>	L  M	Yes
<b>Environment / Climate</b>	Failure to obtain approval to enter partnerships to develop land may impact on Aberdeen's Net Zero Targets	Approve the recommendations within this report. The submitted ETZ masterplan and future PPIP application will consider environmental impacts in detail and will seek to achieve net positive enhancement on biodiversity and a range of measures to mitigate any environmental impacts, for example a commitment to improve current poor	L	Yes

		water quality in East Tullos Burn		
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## 8. OUTCOMES

<u><a href="#">COUNCIL DELIVERY PLAN 2023-2024</a></u>	
	<b>Impact of Report</b>
<p><b>Aberdeen City Council Policy Statement</b></p> <p><u><a href="#">Working in Partnership for Aberdeen</a></u></p>	<p>The proposals in this report support the following aspects of the Policy Statement:</p> <p>Empowering Aberdeen's Communities:</p> <ul style="list-style-type: none"> <li>• The actions recommended in the report will not only empower Aberdeen's communities but also ensure that a portion of the revenues generated from various initiatives is reinvested directly back into the community.</li> <li>• Through these efforts, local communities will have greater control over the services and facilities they need, leading to more impactful and tailored solutions that directly address their specific needs and aspirations.</li> <li>• Enabling residents to have a say in spending priorities and ensuring that a fair share of resources goes back into the neighbourhoods that contribute to the city's prosperity.</li> </ul> <p>Building a Greener and Sustainable City</p> <ul style="list-style-type: none"> <li>• The report's emphasis on a Joint Venture (JV) partnership with ETZ Ltd to pursue net-zero objectives demonstrates a commitment to addressing the climate emergency.</li> <li>• By working with partners, including the private sector and the government, the report aims to ensure a just transition to a carbon-neutral economy and promote sustainable economic development.</li> </ul> <p>A Prosperous City</p> <ul style="list-style-type: none"> <li>• The report acknowledges that Aberdeen and the North East have been significant drivers of the Scottish and UK economies. To ensure continued prosperity, the report emphasises the need for a genuine partnership with the private sector, third sector, residents, and the government.</li> <li>• The report advocates for the development of a sustainable and inclusive economy, in line with the managed transition to a carbon-neutral economy. By stimulating sustainable economic development and collaborating with businesses, the report aims to foster innovation and entrepreneurship, creating new employment opportunities and driving economic growth.</li> </ul>

[Aberdeen City Local Outcome Improvement Plan 2016-26](#)

<p>Prosperous Economy Stretch Outcomes</p>	<p>The planned JV will contribute to all three economy stretch outcomes.</p> <p>Outcome 1: No one will suffer due to poverty by 2026: The joint venture, through its business activities and economic initiatives, can create job opportunities and stimulate economic growth in Aberdeen. By generating employment and income opportunities for the local population, it can help uplift individuals and families out of poverty.</p> <p>Outcome 2: 400 unemployed Aberdeen City residents supported into Fair Work by 2026: Formal partnerships such as a joint venture can play a vital role in supporting the Fair Work agenda by offering employment opportunities to unemployed residents in Aberdeen. Through its operations and workforce requirements, a joint venture can actively collaborate with local employment agencies and training institutions to identify and recruit suitable candidates. Moreover, it can work to ensure fair wages, equal opportunities, and employee well-being, fostering an environment of Fair Work for its workforce.</p> <p>Outcome 3: 500 Aberdeen City residents upskilled/ reskilled to enable them to move into, within and between economic opportunities as they arise by 2026: A joint venture will be committed to driving Aberdeen's transition towards a sustainable, net-zero future. As part of this vision, the joint venture recognises the significance of a just transition from traditional oil and gas industries to the burgeoning green economy. The initiative will not only create employment prospects for individuals but also contribute to a greener and more resilient economy that benefits the entire community.</p>
<p>Prosperous People Stretch Outcomes</p>	<p>The planned Joint venture is poised to play a vital role in supporting the delivery of Stretch Outcome 7, which aims to ensure that "95% of children living in our priority neighbourhoods (Quintiles 1 &amp; 2) will sustain a positive destination upon leaving school by 2026."</p> <p>Through its commitment to fostering a green economy and sustainable job creation, the joint venture will create opportunities for skill development and employment within these priority neighbourhoods. By providing avenues for young people in these areas to access meaningful and stable career options, the joint venture aims to contribute significantly to the achievement of this Stretch Outcome. By empowering and uplifting the communities in SIMD (Scottish Index of Multiple Deprivation) Quintiles 1 &amp; 2, the joint venture aims to enhance social mobility, reduce disparities, and provide a brighter future for the youth in these neighbourhoods.</p>
<p>Prosperous Place Stretch Outcomes</p>	<p>The planned joint venture, in collaboration with ETZ Ltd, holds great promise in supporting the delivery of Place</p>

	<p>Stretch Outcome 13, which is centred around addressing climate change by committing to reduce Aberdeen's carbon emissions by at least 61% by 2026 and adapting to the impacts of our changing climate.</p> <p>ETZ Ltd, as a key partner in this endeavour, brings expertise in sustainable technologies and renewable energy solutions. By leveraging ETZ Ltd.'s knowledge and experience, the joint venture aims to play a vital role in facilitating the region's transition away from its historically dominant oil and gas sector. This transition will not only contribute to emission reduction targets but also create new job opportunities in green industries and foster the development of innovative technologies that align with the city's sustainability goals. Together, they will pave the way for a greener and more resilient future for Aberdeen and its communities, shaping the region as a hub for sustainable practices and advancements in the face of the global climate challenge.</p>
<p><b>Regional and City Strategies</b></p>	<p>The proposals in this report demonstrate a joint venture with the established ETZ Ltd which will further enhance the Local Development Plan, the Strategic Development Plan, and Regional Economic Strategy, as well as the Regional Skills Strategy, City Centre Masterplan and Net Zero Route map.</p> <p>The joint venture will collaborate with ETZ Ltd to develop three key sites across Aberdeen, driving substantial investments, job creation, and skill development in the energy transition sector. By synergising efforts with ETZ Ltd, the joint venture aims to accelerate the region's transition away from a dominant reliance on the oil and gas sector, actively promoting the adoption of renewable energy technologies and sustainable practices. This collaboration will unlock new employment opportunities, stimulate innovation, and fortify the city and region's economic future, contributing significantly to Aberdeen's carbon emission reduction targets and effectively addressing the impacts of climate change.</p>

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Not required at this stage.
Data Protection Impact Assessment	Not required
Other	Not required

## 10. BACKGROUND PAPERS

10.1 [ETZ Draft Masterplan March 2023 V8 update clean \(aberdeencity.gov.uk\)](https://www.aberdeencity.gov.uk)

## 11. REPORT AUTHOR CONTACT DETAILS

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