

ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme
DATE	12 th September 2019
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Union Terrace Gardens Progress Report
REPORT NUMBER	RES/19/259
DIRECTOR	Steve Whyte- Head of Resources
CHIEF OFFICER	John Wilson- Chief Officer Capital
REPORT AUTHOR	Tara Gavan- Senior Project Officer
TERMS OF REFERENCE	1.1

1. PURPOSE OF REPORT

The purpose of this report is to update the committee on progress of the delivery of Union Terrace Gardens (UTG) project which has an anticipated completion date of Summer 2021.

2. RECOMMENDATION(S)

That the Committee :-

- 2.1 Notes the progress achieved in the Union Terrace Gardens transformation.
- 2.2 Instruct the Chief Officer Capital to provide a further update on progress at the Capital Programme Committee in January 2020.

3. BACKGROUND

- 3.1 Reference is made to report RES/19/259 submitted to the Capital Programme Committee on 3 June 2019, which considered the progress of the project's delivery at that time.
- 3.2 The UTG project will see the development of three new buildings and walkway structures, path network, improved events space and landscaping and restoration of Union Terrace arches and Victorian toilets.

3.3 This report provides an update on the progress made with the project's delivery since that committee meeting.

Key Milestones

3.4 The contractor to undertake the works for the regeneration of Union Terrace Gardens is Balfour Beatty.

3.5 Following contract award, the design team (LDA Design, Stellan Brand and Arup) were novated to Balfour Beatty. The team have entered the design development period. Internal meetings and wider engagement have been taking place to agree items such as road traffic orders, traffic management and to progress statutory consents ahead of site possession.

3.6 The contractor's work programme is outlined below

Table 1: Key Milestones

<u>Milestone</u>	<u>Indicative Timescale for Completion</u>
Contract Signed	Completed July 2019
Design Team novation to contractor	Completed July 2019
Closing of slip road	September 2019
Stakeholder Engagement	August 2019
Pre-Construction Surveys	August 2019
Planning Approval	On-going to align with programmed works
Site Possession	September 2019
Erect Hoarding & Signage	September 2019
Initial Site Survey & Setting Out	September 2019
Form Contractors Compound	September 2019
Listed Building Works Approval	February 2020
Union Street Bridge	January 2020
Union Terrace Balustrades & Jack arching	November 2020
Lighting Feature	December 2020
Union Street Pavilion Inc. Victorian Toilets	January 2021
Burns Pavilion	February 2021
Site Wide Landscaping & Lighting	March 2021
Rosemount Pavillion	March 2021

Arches	March 2021
Walkways	April 2021
Demobilisation & Handover	May 2021
Soft Landings Period	June 2021
Construction End	Summer 2021

- 3.7 It is noted that a key element of the project is the improvement works to Union Bridge, providing an enhanced anti-suicide deterrent. This is included within the first work packages undertaken by the contractor.

4. FINANCIAL IMPLICATIONS

Capital Costs

- 4.1 The capital cost for the construction phase of the scheme is £25.7m.
- 4.2 As agreed by Council in March 2019, the project will be funded by the City Centre Masterplan within the General Fund Capital Programme
- 4.3 There is the opportunity to collaborate with Sustrans to create active travel links around UTG and apply for further funding towards the capital costs of the paths and walkways. The project team are currently awaiting the outcome of the 2019 submission.
- 4.4 Funding opportunities have also been identified for other elements of the project, including preservation of the listed Victorian Toilets and installation of art works. Due to time restrictions associated with external funding bodies – such as projects being completed with 12 months – it is intended that these applications will be developed in 2019/20.

Gross Budget	Spend to date
£28.3m	£2.3m

5. LEGAL IMPLICATIONS

Network Rail

- 5.1 Aberdeen City Council (ACC) entered into a Basic Asset Protection Agreement (BAPA) with Network Rail in October 2017 to allow ACC to carry out the proposed development of Union Terrace Gardens with Network Rails resource. Balfour Beatty have now been granted permission to act on ACC's behalf in relation to the BAPA.

Insurance

- 5.2 In order to purify one of the conditions of the contract, Aberdeen City Council have insured the arches.

Contract

- 5.3 Aberdeen City Council have entered into a contract with Balfour Beatty for the final design and construction works for the regeneration of Union Terrace Gardens in July 2019.

6. MANAGEMENT OF RISK

- 6.1 There is reputational risk to the Council, and wider city centre, of not delivering the key elements of the CCMP, and specifically not responding to the demand for a regenerated UTG.

- 6.2 The table below provides a summary of the key risks to the project.

	Risk	Low (L), Medium (M), High (H)	Mitigation
Financial	Final cost of the project exceeds project budgets	M	A detailed cost plan with bill of quantities has been prepared by the project's quantity surveyors (McLeod & Aitken). Development costs have been tested with key suppliers for robustness and confirmed through the tender process. External funding will be sought to support any overspend. To mitigate cost to the council.
	Revenue income assumptions are not achieved and there is a revenue cost pressure	M	Cautious assumptions have been made to date and a further market testing on the commercial space was undertaken by CBRE in March 2018 to get an independent assessment of the leisure, restaurant and cafe market and

			potential rental income in Aberdeen.
Legal	<p>Legal Challenge</p> <p>Failure to reach agreement with Network Rail in respect of land acquisition/ title boundary</p> <p>Failure to reach agreement with the planning authority in respect to Listed Building Consent</p>	<p>L</p> <p>L</p>	<p>The construction contractor tender has been undertaken with procurement and legal support.</p> <p>Regular meetings have been held with Network Rail and a draft agreement has been prepared.</p> <p>The contractor has identified this work package and will be responsible for concluding listed building consent with support from the novated design team.</p>
Employee	None	L	Not Applicable
Customer	Poor communications with stakeholders and users of UTG	L	<p>A detailed communication protocol will be established to keep stakeholders and users informed during the construction period.</p> <p>Further engagement with the community will be provided by appointing school children as a learning opportunity.</p>
Environment	Unexpected site and ground conditions	M	Detailed site investigations have been undertaken in advance of construction works.
Technology	None	L	NA
Reputational	Delay in construction	M	This will be managed through external construction project management as well as contract management structures within the

			Council's capital cluster. However it is key to note the project spans over 2 winters which may impact the project with adverse weather conditions.
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7. OUTCOMES

7.1 The potential impact of the UTG project has been considered in relation to its alignment to the Local Outcomes Improvement Plan process.

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

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

Design Principles of Target Operating Model	
	Impact of Report
Customer Service Design	None
Organisational Design	None
Governance	None
Workforce	None
Process Design	None
Technology	None

Partnerships and Alliances	Positive
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8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	Full EHRIA undertaken in June 2019 Not required for this report
Privacy Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not required

9. BACKGROUND PAPERS

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

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

CCMP and Delivery Plan

http://www.aberdeencity.gov.uk/council_government/shaping_aberdeen/City_Centre_Masterplan.asp

10. APPENDICES (if applicable)

None

11. REPORT AUTHOR CONTACT DETAILS

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