

ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme
DATE	22 January 2020
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Union Terrace Gardens: Project Update
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

- 1.1 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. The regeneration of Union Terrace Gardens is a key project within the City Centre Masterplan.

2. RECOMMENDATION(S)

That the Committee :-

- 2.1 Notes the progress achieved in the Union Terrace Gardens redevelopment.

3. BACKGROUND

- 3.1 Reference is made to report RES/19/259 submitted to the Capital Programme Committee September, 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. One of the key desires for the project was to enhance the park by including new planting and better tree management aims to strike a balance between retaining green space and the historic features of the gardens.

Key Milestones

3.3 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	Completed August 2019
Stakeholder Engagement	Completed August 2019
Pre-Construction Surveys	Completed August 2019
Site Possession	Completed September 2019
Erect Hoarding & Signage	Completed September 2019
Initial Site Survey & Setting Out	Completed September 2019
Form Contractors Compound	Completed September 2019
Union Street Bridge	Spring 2020
Union Terrace Balustrades & Jack arching	Winter 2020/21
Lighting Feature	Winter 2020/21
Union Street Pavilion Inc. Victorian Toilets	Spring 2021
Burns Pavilion	Spring 2021
Site Wide Landscaping & Lighting	Spring 2021
Rosemount Pavilion	Spring 2021
Arches	Spring 2021
Walkways	Spring 2021
Demobilisation & Handover	Spring 2021
Soft Landings Period	Summer 2021
Construction End	Summer 2021

Progress Update

3.4 Balfour Beatty is continuing to develop the technical design in collaboration with the Design Team (LDA, Stellan Brand and Arup). Design workshops are currently held bi-weekly in Glasgow, led by Balfour Beatty's Design Manager.

- 3.5 Improvement works are now underway through the design for Union Bridge which is intended to improve the suicide deterrent measures with the current barriers providing such mitigation until this element of the project is complete.
- 3.6 The contractor has carried out a number of trial holes on Union Terrace to establish the extent of works required for the jack arch slab replacement and to confirm the position of the SGN gas main.
- 3.7 Sanitisation of the Victorian Toilets has been completed, prior to conducting further investigative works within the building.
- 3.8 It should be noted that to facilitate the construction works Union Terrace will be one-way (half-road width) from Union Street to Rosemount Viaduct from the end of January 2020.
- 3.9 It is important to note that within the planning approvals, the car parking located on Union Terrace is being removed. This however excludes disabled parking which is being relocated to the east side of Union Terrace next to the park. A section 56 will be submitted 6-9 months prior to project completion.
- 3.10 Community engagement is continuing to take place, particularly with schools. Contractor Balfour Beatty recently conducted modelling workshops at Harlaw Academy and Aberdeen Grammar School. Part of the goal was to encourage youngsters to develop new skills and to consider potential career paths. Plans for more school projects are being developed.

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 for the creation of the public realm space at the Rosemount pavilion.
- 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 2020.

Gross Budget	Spend to date
£28.3m	£ 3.7m

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.
- 5.2 Site possessions are scheduled with Network Rail in January 2020.

Insurance

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

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.

	Revenue income assumptions are not achieved and there is a revenue cost pressure	M	<p>To mitigate cost to the council.</p> <p>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.</p>
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. The site possession dates are agreed with NWR for January 2020.</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. The contractor has appointed a conservation architect to support the process.</p>
Employee	None	L	Not Applicable
Customer	Poor communications with stakeholders and users of UTG	L	A detailed communication protocol will be established to keep stakeholders and users informed during the construction period.

Environment	Unexpected site and ground conditions	M	Detailed site investigations have been undertaken in advance of construction works. The ground risk lies with the contractor, however any delay incurred will impact the timeline.
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.

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	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>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>
<p>Prosperous People</p>	<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 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>
<p>Prosperous Place</p>	<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>

	One of the key goals of the project is to contribute to the improvement of the city centre and improved safety, access and atmosphere.
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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

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

Tara Gavan
Senior Project Officer
Tgavan@aberdeencity.gov.uk
01224522806