

ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme Committee
DATE	24 March 21
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Union Terrace Gardens: Project Update
REPORT NUMBER	RES/21/063
DIRECTOR	Steve Whyte, Director Resources
CHIEF OFFICER	John Wilson, Chief Officer Capital
REPORT AUTHOR	Tara Gavan
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 project which has an anticipated completion date of Winter 2021.

2. RECOMMENDATION(S)

That the Committee :-

- 2.1 Notes the progress achieved to deliver the Union Terrace Gardens redevelopment.

3. BACKGROUND

- 3.1 Reference is made to report RES/20/206 submitted to the Capital Programme Committee November 2020, which considered the progress of the project's delivery at that time.
- 3.2 The construction timeline has been thoroughly assessed over the last quarter to allow officers to report an anticipated completion date. Impacts to the supply chain, resource and prospective unknowns (such as site closure), due to the impact of COVID-19, continue to create a risk to the project, with the programme remaining caveated at this time by the contractor.
- 3.3 The programme has a provisional completion date of Winter 2021, with landscaping potentially completing in 2022 as previously reported. Officers are continuing to work closely with the contractor and will continue to report any changes that may impact the target completion. The time lost from the closure of the site due to the first lockdown in Spring 2020 means seasonal planting originally scheduled for 2021 will have to wait until 2022 when the planting season resumes. Planting during the winter is not feasible.

- 3.4 The erection of the buildings started in Winter 2020. Good progress has been made to date, with the formation of the pavilions now at an advanced stage. As part of the construction works the existing jack arches along Union Terrace are on target for completion in Spring 2021 whereby, they will have been strengthened.
- 3.5 Works to the three walkways are on programme, with base structures to two of the walkways now complete. The final walkway requires temporary rail possessions from Network Rail, and these have now been agreed and should be completed by the Summer 2021.
- 3.6 On completion of the construction of the three walkways the final cladding works will be applied to finish the work packages for each walkway. This will include any necessary planning consents required and the Contractor is working closely with the Planning Authority on this.
- 3.7 The purification process in relation to the conditions associated to both the Planning and Listed Building Consents respectively continues to progress to ensure construction timelines can be achieved.
- 3.8 Finally, in relation to the works on Union Bridge the contractor has indicated that, subject to agreement with Network Rail, these works will be complete by early May 2021.
- 3.9 The hoarding surrounding the site will remain in place until practical completion although the exact location of them will hopefully be altered (that is they will cover a reduced footprint around the site) to allow better access around the gardens but this is wholly dependent on the delivery of the revised programme.
- 3.10 The road layout for Union Terrace has been agreed in principle with final design packages nearing completion. It is anticipated the Roads Construction Consent for Union Terrace will be submitted by the Contractor to the Council for approval imminently, along with the associated traffic regulation order (TRO).
- 3.11 The marketing of the new commercial units within the project will be undertaken by FG Burnett on behalf of the Council. It is anticipated that the formal marketing exercise will begin in Spring 2021, but soft market testing has already begun. Indeed, the Council has already been contacted by prospective businesses showing an interest in acquiring space within the gardens. The outcome of the marketing exercise will be reported in due course.
- 3.12 The look ahead for the programme is noted below within Table 1.

Table 1: Key Milestones 2021

Milestone	Anticipated Completion
Union Terrace Balustrades and Jack Arch Replacement	Spring 2021
Union Bridge	Spring 2021
Lighting Feature	Summer 2021

Burns Pavilion	Summer 2021
Rosemount Pavilion	Summer 2021
Union Terrace Improvements	Autumn 2021
Union Street Pavilion Inc Victorian Toilets	Autumn 2021
Arches	Autumn 2021
Site Wide Landscaping + Lighting	Winter 2021/ 2022*
Walkways	Autumn/ Winter 2021
Demobilisation + Handover	Autumn/ Winter 2021
Soft Landings Period	Autumn/ Winter 2021
Construction End	Autumn/ Winter 2021

* As noted previously due to the impacts of COVID-19, officers are continuing to assess the impact on the planting season for completing the landscaping. This is currently indicative; however the contractor may be required to return to site to complete aspects of the landscaping in 2022.

3.13 Communication & Community Engagement

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

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

3.14 Officers are aware that engagement with primary schools will need to commence in the coming months with regard to new tree planting.

3.15 A visual timeline has been displayed along the Union Street hoarding to represent the transformation of the gardens over the years.

4. FINANCIAL IMPLICATIONS

Capital Costs

4.1 The UTG project will see the development of three new buildings and walkway structures, path network, improved events space and landscaping and restoration of Union Terrace arches and Victorian toilets.

4.2 The capital cost for the construction phase of the scheme is £25.7m.

Gross Budget	Spend to date
£28.3m	£9.0m

5. LEGAL IMPLICATIONS

Network Rail

5.1 The legal agreements between Aberdeen City Council and Network Rail for a lease of the land concerning the Community Garden and air rights for the area above the existing turntable pit have progressed within the period. Approval in

principle was granted in December 2020, allowing for works to progress prior to the formal execution of the agreements.

- 5.2 The construction activities related to 3.7 are classified as high risk within Network Rail's bridging agreement. Increased Public Indemnity Insurance is required to be in place for this activity, which is being finalised between project parties. It is important to note this is a standard requirement due to the proximity to the rail line.

6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	N/A		
Compliance	N/A		
Operational	Legal Challenge	L	The construction contractor tender has been undertaken with procurement and legal support.
	Failure to reach agreement with Network Rail in respect of land acquisition/ title boundary	M	The leasing agreement has been agreed in principle and in the process of formal execution.
	Failure to reach agreement in relation to the bridging agreement with Network Rail.	M	The bridging agreement has been agreed in principle and in the process of formal execution following implementation of required insurance.
	Failure to reach agreement with the planning authority in respect to Listed Building Consent conditions	M	The contractor has identified this work package and will be responsible for concluding listed building consent with support from the novated design team. A dedicated weekly workshop alongside additional resource from the contractor is currently supporting this process.
	COVID-19	M	The Construction Programme has been updated accordingly to

			<p>reflect the Extension of Time application pertaining to the period of suspension.</p> <p>This programme remains caveated at this time due to the current number of unknowns.</p>
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. The commercial marketing of the buildings has now been awarded to mitigate the risk.
Reputational	Poor communications with stakeholders and users of UTG	L	A detailed communication protocol is established to keep stakeholders and users informed during the construction period.
Environment / Climate	Unexpected site and ground conditions	L	Following extensive site investigations, additional Pre-construction surveys were carried out by the contractor with no issues raised.

7. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report

<p>Aberdeen City Council Policy Statement</p>	<p>Completion of the project will support increasing the city centre footfall through the delivery of the City Centre Masterplan / Union Terrace Gardens.</p>
<p>Aberdeen City Local Outcome Improvement Plan</p>	
<p>Prosperous Economy Stretch Outcomes</p>	<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>
<p>Prosperous People Stretch Outcomes</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</p>

	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.
Prosperous Place Stretch Outcomes	<p>For Aberdeen to be globally competitive, the quality of the 'place', the commercial space and the public realm around it all have a role. Stakeholder engagement revealed that the 'poor state' of the City Centre is one of a number of issues identified as a common theme 'In terms of the attractiveness and marketing of the city to attract workers, visitors and investment...' and 'A high quality of life is integral to attracting and retaining the talent and investment needed to grow the economy. This sense of place, with a key emphasis on the city centre, is crucial in underpinning economic growth and essential in underpinning the necessary infrastructure requirements.'</p> <p>One of the key goals of the project is to contribute to the improvement of the city centre and improved safety, access and atmosphere.</p>

8. IMPACT ASSESSMENTS

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

9. BACKGROUND PAPERS

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

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

CCMP and Delivery Plan

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

10. APPENDICES

N/A

11. REPORT AUTHOR CONTACT DETAILS

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