

ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme Committee
DATE	22 September 2021
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Union Terrace Gardens: Project Update
REPORT NUMBER	RES/21/204
DIRECTOR	Steve Whyte, Director Resources
CHIEF OFFICER	John Wilson, Chief Officer Capital
REPORT AUTHOR	Scott Whitelaw
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

- 2.1 That the Committee notes the progress achieved to deliver the Union Terrace Gardens redevelopment.

3. BACKGROUND

- 3.1 Reference is made to report RES/21/063 submitted to the Capital Programme Committee March 2021, which considered the progress of the project's delivery at that time.
- 3.2 The construction timeline has continued to be assessed in detail for Q2 and Q3 of 2021. This has allowed officers to refine an anticipated completion date.

Impacts to the supply chain and on-site resource continue due to the sustained impact of COVID-19.

A nationwide, built up demand for construction materials has been evident throughout the industry since early May 2021. These matters continue to present risks to the project.

- 3.3 The programme has a provisional completion date of Winter 2021, with landscaping completing in 2022 as previously reported. Officers are continuing to work closely with the main 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 early 2021 will have to wait until the next available weather window in early 2022 when the planting season resumes.

- 3.4 Construction of all pavilions is now at an advanced stage. The erection of all three pavilion building foundations and structural steelwork is complete, with curtain glazing and external cladding works on-going. As part of the construction works the strengthening of the existing jack arches along Union Terrace is now complete.
- 3.5 Foundation works for all three walkways are complete, with structural and secondary steel work being prepared, ready for external feature cladding. Temporary rail possessions from Network Rail were in place in early August 2021 to facilitate the nightshift lifting of walkway steel structure over the Denburn railway lines into position within the gardens.
- The pre-fabricated Walkway 1 steelwork from Union Street leading into the gardens, sweeping past the Union Street pavilion and landing close to the Burns Pavilion is now in place. Refer to Appendix 1: Progress Photographs.
- 3.6 Cladding works to all three walkways is expected to be complete in Autumn/Winter 2021.
- 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 The hoarding surrounding the site will remain in place until practical completion although the exact layout will continue to be assessed in order to allow better access around the surrounding roads and footways. Achieving this reduced footprint of restricted spaces is wholly dependent on the delivery of the programme.
- 3.9 The road layout for Union Terrace has been agreed with final design packages complete. The Roads Construction Consent for Union Terrace along with the associated traffic regulation order (TRO) have been submitted by the Contractor to the Council for approval.
- 3.10 Marketing of the three new pavilion commercial units within the project is being undertaken by FG Burnett on behalf of the Council. Formal marketing operations went live in Spring 2021, there has been positive interest in all pavilions. Viewing opportunities for prospective tenants commenced in August 2021.
- 3.11 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	Complete
Union Bridge	Complete
Union Bridge lighting feature	Cancelled*
Burns Pavilion	Autumn 2021 **
Rosemount Pavilion	Autumn 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

* We have been unable to develop the Union Bridge lighting design proposals into a workable solution that will allow ACC maintenance teams to inspect and test in the future. Despite best efforts to facilitate practical access to fixtures and fittings there are a number of technical difficulties as to why we have been unable to reach a solution mainly in relation to the existing construction, the resultant existing levels and fitting of fixtures into the available space. Union Bridge is also a listed structure.

** Shell and core complete, internal fit out works ongoing

*** 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 will require 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>

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	£15.0m

5. LEGAL IMPLICATIONS

Network Rail

5.1 Network Rail's bridge agreement was concluded in summer 2021, construction activity in respect of this agreement has since been undertaken and is complete.

Similarly, the Network Rail airspace agreement with parties was also concluded in summer 2021.

6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	N/A		
Compliance	N/A		
Operational	<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 in relation to the bridging agreement with Network Rail.</p> <p>Failure to reach agreement with the planning authority in respect to Listed Building Consent conditions</p> <p>COVID-19</p>	<p>L</p> <p>L</p> <p>L</p> <p>M</p>	<p>The construction contractor tender has been undertaken with procurement and legal support.</p> <p>The leasing agreement has been agreed, confirmation of 'good title' to be provided in order to conclude matters. Access to historic title records restricted at the moment due to COVID.</p> <p>The bridging agreement has been agreed.</p> <p>The contractor has identified this work package and will be responsible for concluding listed building consent with support from the novated design team. A dedicated weekly workshop alongside additional resource from the contractor is currently supporting this process.</p> <p>The Construction Programme has been updated accordingly to reflect the Extension of Time application pertaining to the period of suspension.</p>

Financial	Final cost of the project exceeds project budgets	H	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	
Aberdeen City Council Policy Statement	Completion of the project will support increasing the city centre footfall through the delivery of the City Centre Masterplan / Union Terrace Gardens.

Aberdeen City Local Outcome Improvement Plan	
<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 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 Stretch Outcomes</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</p>

	<p>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>
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8. IMPACT ASSESSMENTS

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

9. BACKGROUND PAPERS

- CHV/17/048 - City Centre Masterplan Project EN10: Union Terrace Gardens – Outline Design, Business Case, Development Costs and Procurement Strategy
- OCE/15/021 - Aberdeen City Centre Masterplan and Delivery Programme
- CCMP and Delivery Plan
http://www.aberdeencity.gov.uk/council_government/shaping_aberdeencity/City_Centre_Masterplan.asp

10. APPENDICES

N/A

11. REPORT AUTHOR CONTACT DETAILS

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Appendix 1 progress photographs



