

ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme Committee
DATE	9 February 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Union Terrace Gardens: Project Update
REPORT NUMBER	RES/22/019
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 project completion date of Spring 2022.
- 1.2 Prior to the full reopening of the Union Terrace Gardens to the general public there will be a post project completion period which will act as a 'soft-landings' period. This strategy is being adopted to try and ensure that the transition from construction to occupation is as smooth as can be and any outstanding snagging is minimised.

During this period Council officers will have the opportunity to familiarise themselves with the practical context of the project 'operating and maintenance' manuals, and the pragmatic operation and maintenance of the garden and the new pavilions.

This period will also allow time for the vast array of new soft landscaping; trees, shrubs and grass to become further established in the soils, primarily in the lower section of the gardens.

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/21/204 submitted to the Capital Programme Committee September 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 over Q3 and Q4 of 2021. This has allowed officers to report on the anticipated completion date. The following matters previously reported continue to effect progress,
 - Impacts to the supply chain and on-site resource due to the sustained impact of COVID-19 and the emergence of new variants.
 - A nationwide, built up demand for construction materials has been evident throughout the industry since early May 2021.
- 3.3 The programme has a completion date of Spring 2022. With the exception of two retaining walls, all other major building and civil engineering construction works were complete prior to the festive break. Site wide, hard and soft landscaping works continue at pace. 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 2021 will have to wait until 2022. Preparation works have begun for the planting of the remaining mature trees.
- 3.4 Works on all three walkways continue with waterproofing and landscaped paving works progressing towards completion.
- 3.5 Feature cladding works to all three walkways is expected to commence over the course of February.
- 3.6 The purification process in relation to the conditions associated to both the Planning and Listed Building Consents respectively are drawing to a conclusion. The purification process will continue to ensure construction timelines can be achieved.
- 3.7 The hoarding surrounding the site will remain in place until practical completion although the exact location of the hoarding will hopefully be altered (that is they will cover a reduced footprint around the site) to allow better access around the surrounding roads and footways but this continues to be wholly dependent on the delivery of the programme.
- 3.8 All three new pavilion buildings are now wind and watertight. Internally, mechanical, electrical and plumbing works and joinery fit out are at an advanced stage.
- 3.9 Formal marketing operations for the three pavilion buildings went live in Spring 2021, there has been positive interest in all three pavilions. Viewing opportunities for prospective tenants commenced in August 2021.

Following a successful closing date, a preferred tenant has been selected and the Rosemount Pavilion is now under offer.

A closing date of Friday 11 February 2022 has been set for the Burns Pavilion.

Marketing continues with the Union Pavilion, viewings and second viewings are currently underway with a closing date still to be confirmed.

3.10 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	£23.2m

5. LEGAL IMPLICATIONS

5.1 No new matters other than those previously reported

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	M	The leasing agreement has been agreed, confirmation

	<p>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>M</p>	<p>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	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.
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.
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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	
Prosperous Economy Stretch Outcomes	<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 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

CH/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_aberdeens/City_Centre_Masterplan.asp

10. APPENDICES

Appendix 1 – progress photographs

11. REPORT AUTHOR CONTACT DETAILS

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