

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

Report Name	External Transportation Links to Aberdeen South Harbour – Progress Update
Lead Officer	John Wilson
Report Author	Ross Stevenson
Date of Report	9 September 2022
Governance	City Region Deal Joint Committee

1:	Purpose of the Report
i.	At its meeting on 10 June 2022, the Joint Committee asked for an update report to the External Transportation Links to Aberdeen South Harbour project with details of a timeline/ programme of works to be submitted to the meeting on 9 September 2022”
ii.	This report seeks to update the Joint Committee on the current progress and programme scenarios for the External Transportation Links to Aberdeen South Harbour.

2:	Recommendations for Action
i.	Instruct the Chief Officer Capital, Aberdeen City Council, to progress the South Harbour Link Road in line with the “best-case” programme which delivers road opening within Q2 2026 by starting all processes at the earliest available opportunity.
ii.	Note the risk for the wider project programme to extend beyond the timescales of the Aberdeen City Region Deal and instruct the Chief Officer Capital, Aberdeen City Council, to maintain dialogue on this matter with Transport Scotland/ Scottish Government and UK Government as a standing item on the Transportation Working Group.
iii.	Instruct the Chief Officer Capital, Aberdeen City Council, to review project milestones and spend profile on this basis and submit a Change Request as necessary.

3: Summary of Key Information

- i. As advised in the verbal update to the Joint Committee of 27 May 2022, the updated Strategic Business Case was accepted by both Governments on 31 March 2022. Subsequently the procurement exercise for the appointment of technical advisers, to progress the Design Manual for Roads and Bridges (DMRB) Stages 2 & 3 and the Outline Business Case has been undertaken and is now complete.
- ii. The Aberdeen City Region agreement sets out a commitment by the UK and Scottish Governments to investing up to £25 million, over ten years from its signing, in supporting state-aid compliant roads infrastructure to maximise the impact of the Aberdeen South Harbour project, at Nigg Bay, on the wider regional economy, subject to a satisfactory business case.
- iii. The External Transportation Links to Aberdeen South Harbour project is being progressed by Aberdeen City Council, as Local Roads Authority. In accordance with Transport Scotland's Guidance on the development of Business Cases, the project has progressed through the Scottish Transport Appraisal Guidance (STAG) Stages 1 and 2, and a preferred corridor option was agreed by Aberdeen City Council at the City Growth and Resources Committee in February 2021.
- iv. An updated Strategic Business Case (SBC) was subsequently produced for the preferred option and approved by both Aberdeen City Council's City Growth and Resources Committee and Aberdeen City Region Deal Joint Committee in August 2021 before being submitted to the UK and Scottish Government for approval to proceed. Following feedback and further refinement of the updated SBC, the Governments accepted the SBC on 31 March 2022. This permitted the drawing down of the £1.2m of funding for progression of the next phase.
- v. The next phase of the project is the Route Option Assessment (DMRB Stage 2), followed by Scheme Assessment (DMRB Stage 3) where the preferred corridor will be taken through the preliminary and more detailed design process considering likely environmental, economic, traffic and engineering aspects. In line with government guidance, an Outline Business Case, OBC, for the project is also required, and this will be developed in tandem with DMRB Stage 2 & 3 work.
- vi. Immediately following the funding approval for this next stage, tender documents for the appointment of technical advisers were finalised, with a mini-competition via the Scotland Excel Framework for Engineering and Technical Consultancy, Lot 1, run during May. Tender submissions were reviewed and evaluated during June.

3: Summary of Key Information

- vii. In June 2022 Sweco UK Ltd were appointed to the project team as technical advisers, to progress the Design Manual for Roads and Bridges (DMRB) Stages 2 & 3 and the Outline Business Case for Aberdeen South Harbour Link Road.
- viii. In July 2022 a Change Request “Additional Drawdown Request – Budget Adjustment DMRB 2/ 3, OBC & Planning” outlining the increase in costs for the initial commission and to facilitate the procurement of associated ancillary works and services was approved by Programme Board and officials in the UK/ Scottish Governments.
- ix. A key initial work package included within the commission relates to the preparation of an Inception Report. As part of this work package the technical advisers are tasked with developing a programme for their commission and also reviewing the overall project programme and identifying the best and worst case scenarios, identifying risks, highlighting opportunities to accelerate the project, and measures to mitigate risks where possible.
- x. In parallel with the project programme the project team have been developing an initial outline procurement strategy for the project with a key aim of delivering the project within the ACRD funding timescales.

DMRB Stage 2/3 and OBC

- xi. Having initially reviewed the commission programme it has been identified that there is potential for the next stages, DMRB 2/3 and OBC, to delivered within 17 months. This is 10 months quicker than identified within the Strategic Business Case, SBC, however this is a best-case scenario assuming no delays caused by any of the statutory and governance processes. These timescales reflect the best case as detailed further in this report.

Milestone	Updated SBC	Revised
Appointment of Consultants	29/04/2022	27/06/2022
Handover of Stage 2 Report and OBC	09/12/2022	20/01/2023
Stage 3 Complete	29/03/2024	16/10/2023
Submission of Planning Application	13/09/2024	20/11/2023

Best- and Worst-Case Project Programme

- xii. On 4 February 2022 the Joint Committee sought assurances from officers that acceleration of project timescales was being actively

3: Summary of Key Information

considered, with members expressing desire that the project be delivered at the earliest available opportunity. Having been set this objective, a programme optioneering exercise has been undertaken whereby iterations of project timelines have been considered.

- xiii. To address this, aid understanding of the projects current position and possible outcome, an initial exercise to produce 3 potential programmes, a “traditional” programme, whereby the scheme progresses sequentially through each required process, an accelerated “best-case” programme where processes are undertaken at the earliest reasonable opportunity, and a “worst-case” programme, where some key risks are realised with their subsequent impact on project programme. (See appendix A)
- xiv. The traditional project programme assumes the need to Compulsory Purchase 3rd party land but does not include the need for a Public Inquiry. This programme indicates that the primary objective of road opening is within the timescales for the Aberdeen City Region Deal, by February 2027.
- xv. The best-case accelerated project programme removes the hold point/ approvals after each stage, allowing subsequent stages to proceed whilst approvals are sought. This programme optimistically assumes that the preferred solution can be developed without the need to Compulsory Purchase 3rd party land, that there is no requirement for an Environmental Statement, and requires that the detailed design and procurement of contractors can commence prior to the determination of the planning process. This optimised and optimistic programme suggests that without any adverse event road opening could be achieved by Q2 2026,
- xvi. The worst-case programme includes for an objection to the Compulsory Purchase Order resulting in a Public Inquiry, this delays project delivery until Q4 2027.
- xvii. It is likely, in all instances including scenarios where road opening is within the timescales of the ACRD, that project costs will be incurred: contractual settlement/ defects correction, monitoring and evaluation, beyond the timescales for the ACRD. The Aberdeen City Region Deal funding is agreed up to March 2027 therefore options for post Deal costs are being discussed with partners and UK/SG.

Key Risks to Project Timeline

- xviii. The key risks which would prevent the delivery of the “best case” project programme largely relate to the successful conclusion of the statutory processes, such as planning approval, land acquisition, promotion of Road/ Traffic Orders, and also the interactions with third party apparatus such as utilities, and Network Rail.

3: Summary of Key Information

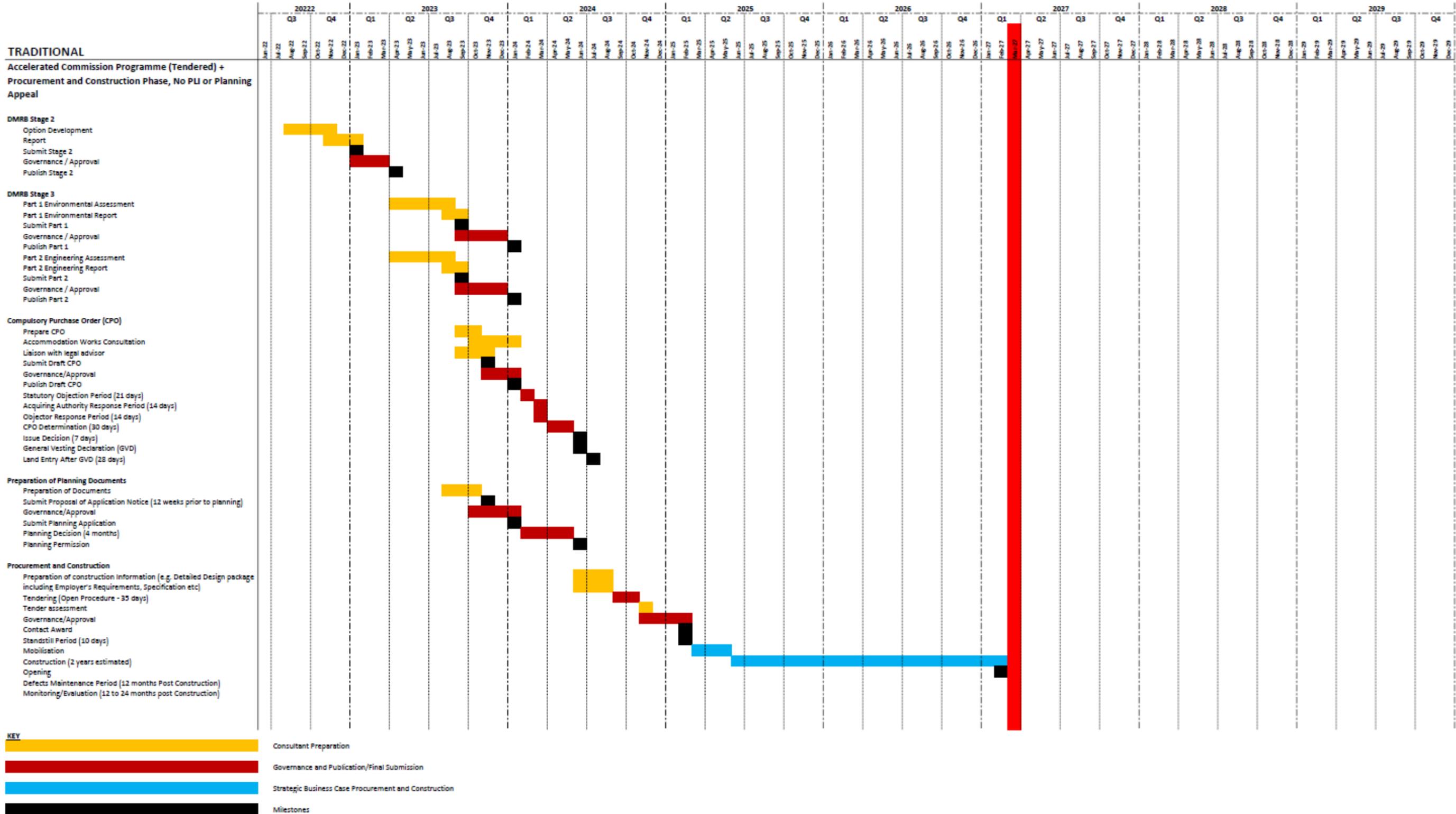
- xix. Any solution developed will primarily involve the upgrade of existing road alignments and as such risks associated with the planning process over large parts of the route are considered low. Due to the nature and environment of this existing route and the scale of proposal the requirement for an Environmental Statement is considered low. These risks will be further mitigated by early engagement with the planning and environmental authorities. Additionally, any likely solution will predominantly be within the bounds of the public road, or within land owned by Aberdeen City Council, the risk of delay associated with the acquisition of land is also considered relatively low. These risks will remain during the assessment process however as the scheme develops the extents can be refined.
- xx. Objections to Road and Traffic Orders are likely, depending on the nature and grounds for objection this process could potentially introduce delays to the scheme, in a worst-case scenario certain objection may result in a requirement for determination by Scottish Ministers. In these instances, consideration will need to be made whether the scheme progresses whilst any objections are considered, with the possibility that any adverse decision requires any progress to be reverted. High quality stakeholder and public engagement at an early stage can offset some of these risks or allow issues to become known at an early stage.
- xxi. Notices under the New Roads and Streetworks Act 1991 have been issued to all of the statutory undertakers likely to be impacted by the scheme. This is the initial enquiry stage to identify the presence of any apparatus, and the potential requirements to relocate or replace. Given the nature and environment of the land through which this scheme passes it is considered unlikely that any significant apparatus will result in unpredicted delays to the scheme.
- xxii. Any developed solution will require the construction of a new bridge over the Aberdeen to Edinburgh Waverley railway line. Discussions with Network Rail have commenced however there is a risk that approvals and track possessions will have a significant impact on project timelines.
- Further Work**
- xxiii. The procurement and construction phase of the project has been reviewed and each of the project programmes has an estimated 33 months to road opening. This is based on the standard “Build Only” form of construction contract which is traditionally used by Aberdeen City Council for road construction. Further work is underway on the development of a procurement strategy to identify the opportunities and risks associate with alternative procurement routes, this may result in further refinement of this stage in the project programme.

4: Finance and Risk

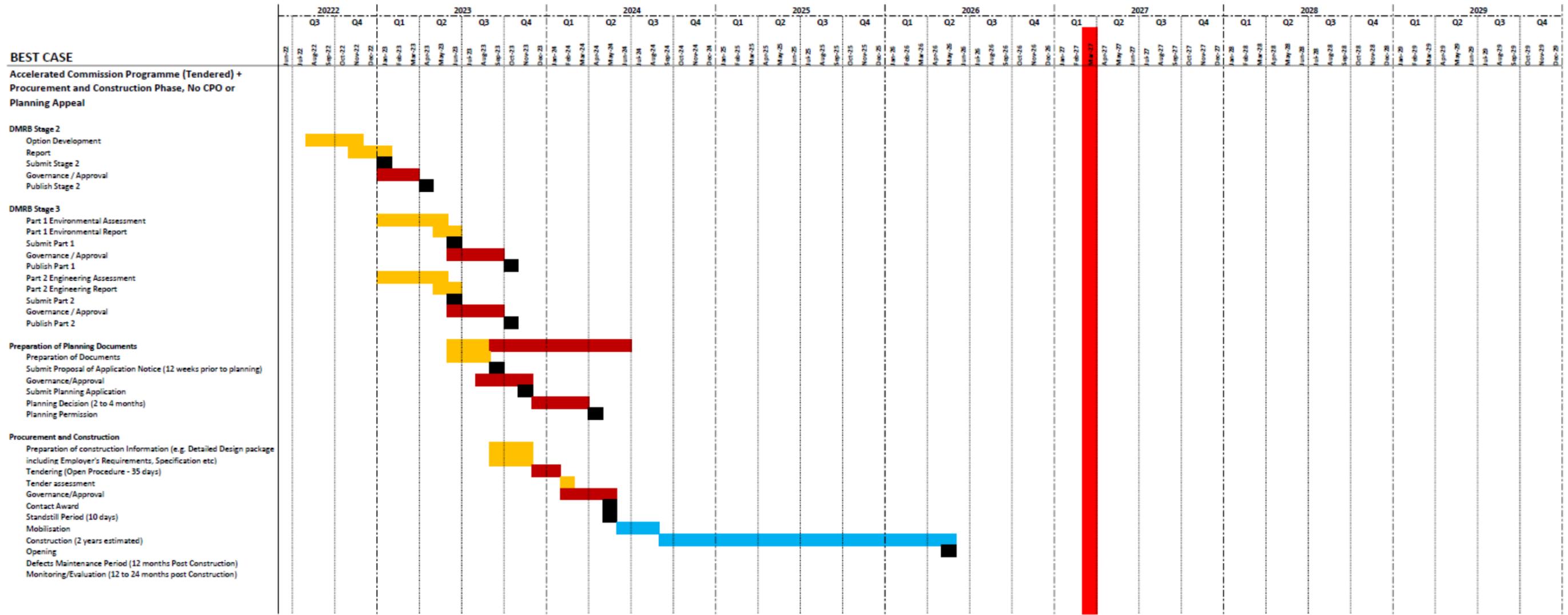
- i. Following the award of the contract for technical advisors, to undertake the DMRB Stage 2/3 and OBC, a Change Request “Additional Drawdown Request – Budget Adjustment DMRB 2/ 3, OBC & Planning” was submitted outlining the increase in cost for the commission and also the likely increase to supplementary works and surveys. The Change Request detailed an increase in drawdown from £1.2million to £1.7 million was approved.
- ii. On agreement to progress with the best-case scenario, an updated financial profile will be developed as part of a detailed project programme and submitted to the Programme Board and UK/ Scottish Government as a change request.
- iii. Adopting the best-case programme, progressing with DMRB Stage 3, prior to the approval of Stage 2, may result in elements of Stage 3 work being amended, repeated or aborted, should approvals / feedback require an alternative design solution. There is a risk that this may result in an increase to design cost and time, early and regular dialogue with key stakeholders should reduce this risk.
- iv. There is a risk that an accelerated project programme may require additional resource/ increased scope, over and above that provided within the approved SBC, possibly requiring additional funding over the £1.7million already agreed from the £25million allocation and this would require a further change request. The overall project estimate remains within the current ACRD budget allocation of £25million.
- v. Ongoing global factors are having a significant impact on the supply of construction materials with associated impact on overall scheme costs, as such the Project Team will regularly review the scheme cost estimate.
- vi. The project will require subsequent approvals through future Business Cases, so completion dates are being recorded and monitored as a risk. The Programme Team will look at accelerating the work and managing grant funding within the ACRD envelope in discussion with the UK and Scottish Governments.
- vii. Any land acquisition not able to be acquired via voluntary means would require a Compulsory Purchase Order process which would introduce both a programme and financial risk. Other significant risks identified are Traffic Regulation Orders, Planning and other approvals required and the detail of this will be developed as part of the design process. There will also be significant interface with Network Rail as part of the design development for the road-over-rail bridge.

Appendix A – Simplified Project Programmes

Traditional Programme



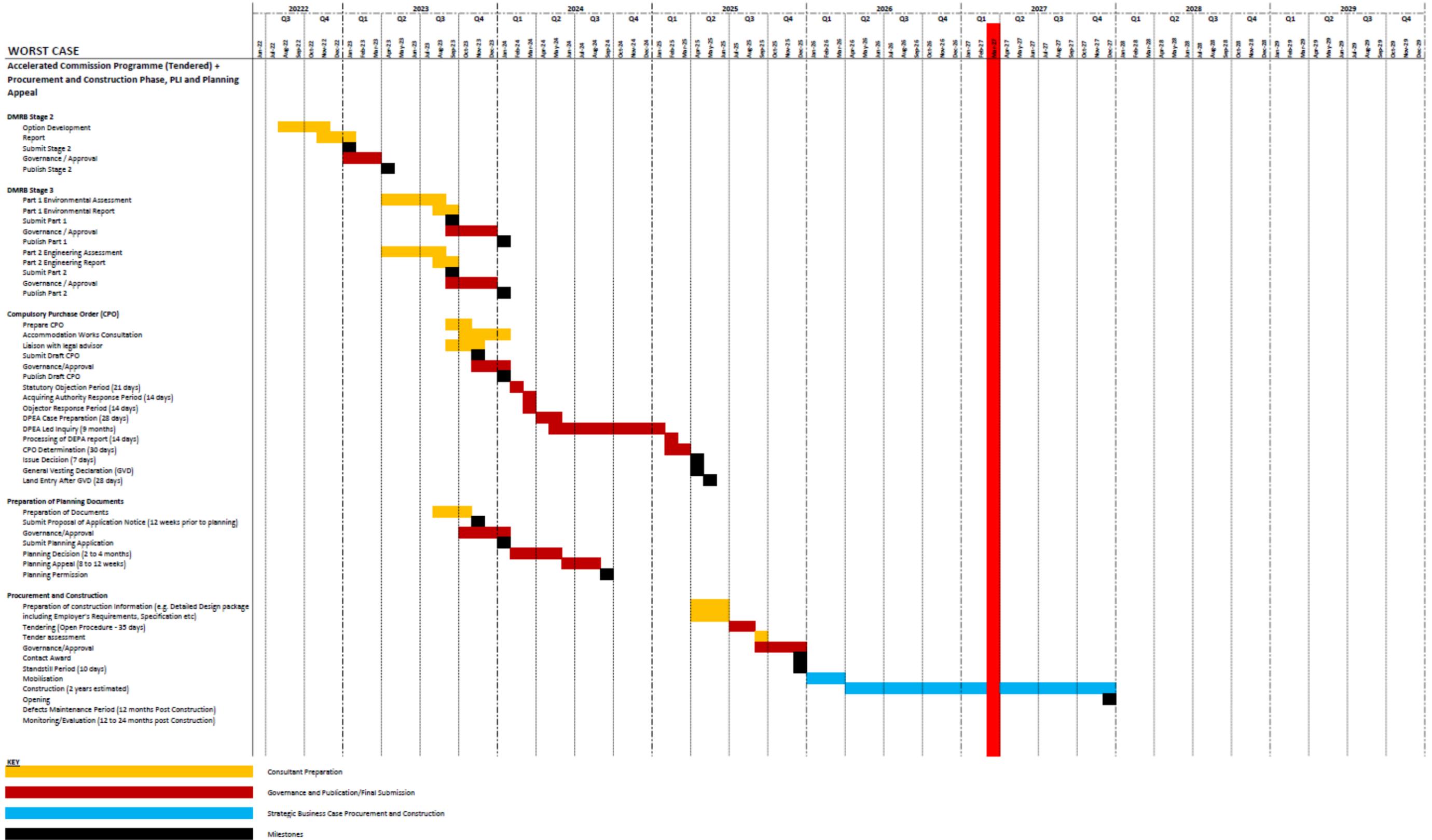
Best Case Programme



KEY

	Consultant Preparation
	Governance and Publication/Final Submission
	Strategic Business Case Procurement and Construction
	Milestones

Worst Case Programme



Appendix B

