

ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme Committee
DATE	15 September 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Union Terrace Gardens – project update
REPORT NUMBER	RES/22/196
DIRECTOR	Steve Whyte
CHIEF OFFICER	John Wilson
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.

2. RECOMMENDATION(S)

That the Committee :-

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

3. CURRENT SITUATION

Background

- 3.1 Reference is made to report RES/22/019 submitted to the Capital Programme Committee February 2022, which considered the progress of the project's delivery at that time.
- 3.2 The Union Terrace Gardens 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.
- 3.3 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>

Design

- 3.4 All design packages are now complete. The purification process in relation to the conditions associated to both the Planning and Listed Building Consents respectively continues to progress and is nearing completion to ensure construction timelines can be achieved.

On site works

- 3.5 Over the last number of months hard and soft landscaping works have continued as materials have been delivered throughout the gardens. Hard landscaping works are almost complete throughout the new Rosemount Plaza area with landscaping along the arches level also nearing completion. Works pertaining to the lower gardens have commenced and are progressing as the working site boundaries constrict. Landscaping material supply generally, still continues to be a cause for concern.

- 3.6 Works on all three walkways continue with waterproofing and surface works complete. Cladding work to walkway one is nearing completion with cladding works progressing on walkway two and walkway three.

- 3.7 All three new pavilion buildings are now complete with snagging and mechanical and electrical final commissioning works underway.

- 3.8 Rosemount Pavilion is now let to Celera Support Services Limited trading as Common Sense Coffee House and Bar. Entry was mid-August, and the Tenant is currently undertaking fit out works with a view to commence trading early September.

Robust marketing operations continues for the remaining Union and Burns Pavilions by the Councils marketing agent FG Burnett. All enquires are being followed up and viewings continue to be held with interest parties. Now that the pavilions are close to completion there are proposals for an enhanced marketing campaign including digital fly throughs and short media videos.

- 3.9 The hoarding surrounding the site was scaled back earlier in the year to allow improved access along new pavement areas on Union Street, Union Terrace and Rosemount Viaduct. The remaining hoarding will remain in place until practical completion although the exact location of the hoarding will hopefully be altered again prior to the full reopening of the gardens but this continues to be wholly dependent on the delivery of the programme.

Timescale

3.10 The construction timeline has continued to be assessed in detail over Q1 and Q2 of 2022. The main contractor had reported an anticipated completion date of Autumn 2022. The following matters previously reported to Committee 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.
- Brexit
- A nationwide, built up demand for construction materials which has been evident throughout the industry since early May 2021.
- Construction inflation
- Further financial risks from the war in the Ukraine resulting in supply chain volatility, and rising inflation, to levels not seen for four decades.

4. FINANCIAL IMPLICATIONS

Capital Costs

4.1 In light of external factors impacting the delivery and financial viability of Capital projects as reported to the City Growth and Resources Committee meeting on Tuesday 21 June 2022, a review and reprofile of this project was carried out.

The outcome of that review and subsequent approved funding is reported as shown in the following table. As agreed at Full Council on 24 August 2022 the budget for the Union Terrace Gardens project has been revised to £29.8 million.

Budget	
General Fund Capital Programme	£29.8m
Spend to date	

5. LEGAL IMPLICATIONS

5.1 No new matters other than those previously reported

6. ENVIRONMENTAL IMPLICATIONS

6.1 There are no direct environmental implications arising from the recommendations of this report. Environmental implications have been comprehensively considered within all aspects of project design stages as well as during statutory applications. Subsequent environmentally informed design has progressed as outlined within the below applications which have been considered and reviewed against relevant statutory environmental standards and resultant planning policy.

The associated approved, compliant information can found contained within documents relating to the below applications:

*Detailed Planning Permission
170497/DPP*

<https://publicaccess.aberdeencity.gov.uk/online-applications/caseDetails.do?caseType=Application&keyVal=OPFNO6BZ01U00>

*To include but not limited to:
Design and Access Statement
Drainage Assessment & Flood Risk Report
Ecology Surveys
Arboricultural Impact Assessment*

*Listed Building Consent
170496/LBC*

<https://publicaccess.aberdeencity.gov.uk/online-applications/applicationDetails.do?activeTab=documents&keyVal=OPFNLQBZ01U00>

*To include but not limited to:
Planning supporting statements
Conservation Statement Part 1 – 3 including addendums
Arboricultural Impact Assessment
Landscape Specification*

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	In light of on-going external pressures there is a live risk that this may have bearing on the project budget. It could be considered that there is a strategic risk that failure to deliver the project will lead to a wider failure to deliver the strategy City centre Masterplan.	Maintain close collaboration with ACC colleagues and external project parties to ensure the requirements of the brief are met.	M	Yes
Compliance	Failure to comply with project protocols	Increase site visits and monitoring of the construction works.	L	Yes
Operational	Staff both internal and external Legal Challenge	Continue to maintain close collaboration with the project parties to ensure adequate staffing is available. The construction contractor tender	L L	Yes

		has been undertaken with procurement and legal support.		
	Failure to reach agreement with Network Rail in respect of land acquisition/ title boundary	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.	L	
	Failure to reach agreement in relation to the bridging agreement with Network Rail.	The bridging agreement has been agreed.	L	
	Failure to reach agreement with the planning authority in respect to Listed Building Consent conditions	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. The process is nearing a conclusion as the project progresses.	L	
	COVID-19	The Construction Programme has been updated accordingly to reflect the	M	

		Extension of Time application pertaining to the period of suspension		
Financial	Inability to deliver the Council's desired outcomes within the approved budget.	The estimated spend profile is being constantly updated as the design of the project progresses. Take immediate action if the estimated cost exceeds the approved budget.	H	Yes
Reputational	Poor communications with stakeholders and users of UTG	A detailed communication protocol is established to keep stakeholders and users informed during the construction period.	L	Yes
Environment /Climate	That the design of the proposed building increases the Council's carbon footprint and has an adverse effect on the environment	Design proposals were developed in accordance with Policy and statutory conditions of the time. ensuring that environmental risks remain low.	L	Yes

8. 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	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

	<p>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, Schoolhill and the Art Gallery, as well as considering 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>
Prosperous People Stretch Outcomes	<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>
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</p>

	<p>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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9. IMPACT ASSESSMENTS

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

10. 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

11. PROGRESS PHOTOS



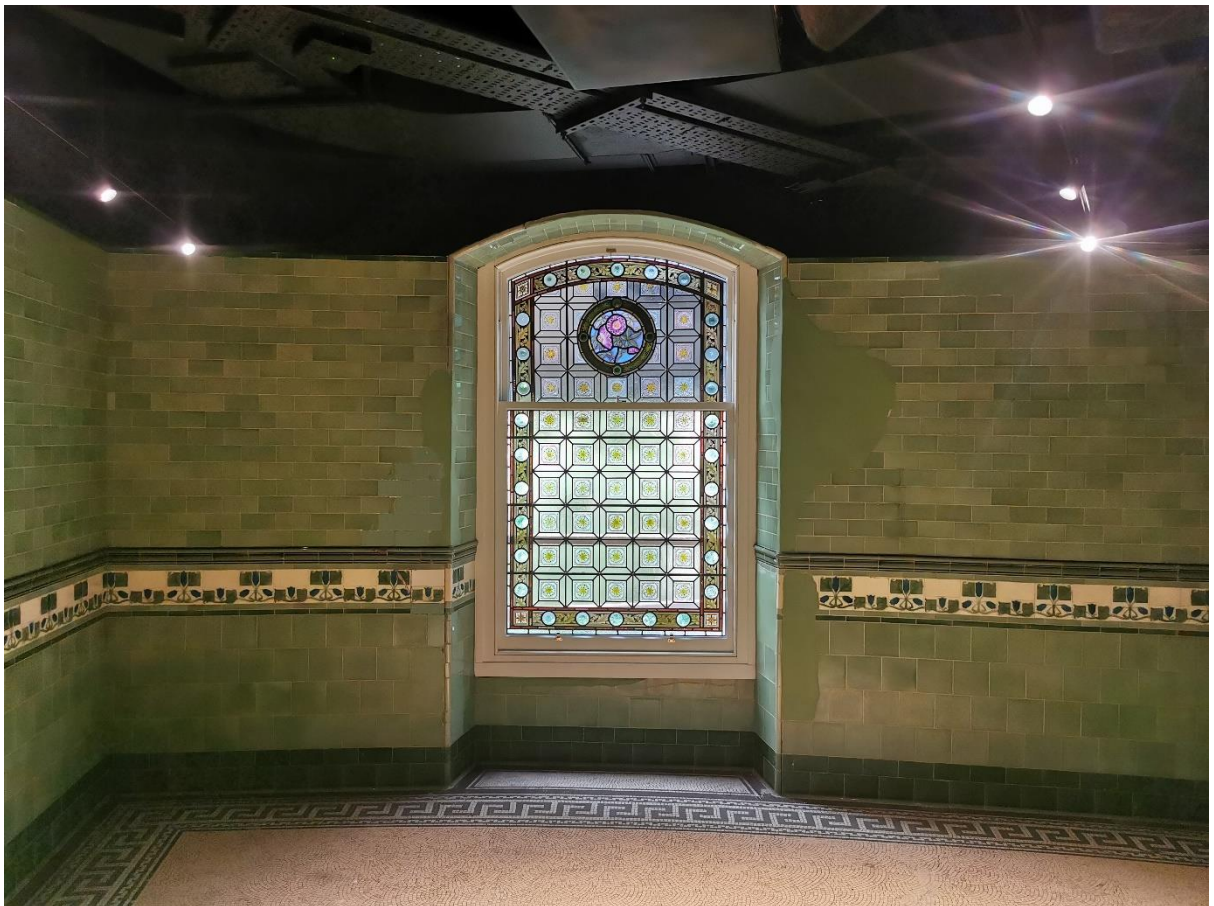
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12. REPORT AUTHOR CONTACT DETAILS

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