

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	1 February 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Capital Programme Delivery: Projects Update
REPORT NUMBER	RES/23/043
DIRECTOR	Steve Whyte
CHIEF OFFICER	John Wilson
REPORT AUTHOR	John Wilson
TERMS OF REFERENCE	1.1

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to summarise the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts.
- 1.2 In addition, the report highlights those issues considered worthy of particular note which are specific to individual programmes/projects.

2. RECOMMENDATION(S)

That the Committee :-

- 2.1 Note the status of delivery of the Section 3.0 highlighted programmes/projects contained within the approved Capital Programme; and
- 2.2 Instruct the Chief Officer-Capital to report to the next appropriate Finance and Resources Committee his findings following a review of next steps options for the delivery of the new housing sites at Craighill and Kincorth.

3. CURRENT SITUATION

Background

- 3.1 At the Council meeting on Wednesday 24 August 2022 the Committee considered the report Council Financial Performance – Quarter 1, 2022/23 RES/22/131, which contained within it an Appendix 5 – Reprofiling of Capital Programmes.
- 3.2 The first update on the delivery of the Capital Programmes following the change to the Council's committee structures was submitted to the Finance and Resources Committee on Wednesday 7 December 2022. There was an action from that committee to note that a meeting would be arranged with elected

members from opposition parties, the Partnership and relevant officers, in order to investigate if a more robust reporting style in relation to capital projects could be utilised for this Committee.

3.3 This meeting was convened on 13 January 2023 and the agreed report content/style is contained within this report which incorporates a supporting Annex for relevant projects mentioned within the report.

3.4 This report continues to review the approved General Fund and Housing Capital Programmes/projects in terms of timeline delivery and financial viability.

General Fund Capital Programme (GFCP)

3.5 The GFCP is divided into the following sections for budgeting purposes;

- Projects Due for Completion
- Rolling Programmes
- City Region Deal
- Fully Legally Committed Projects
- Partially Committed Legal Projects
- Projects with Indicative Budgets

These headings reflect the legal status of the contracts involved in delivery of the projects. To an extent this dictates the level of flexibility that the Council has in terms of reprofiling, pausing or cancelling projects. This is explained in more detail in the following sections.

3.6 Projects Due for Completion: The projects listed within this section are expected to complete in the current financial year. In many cases, the works are already physically complete, and the budgets relate to payment of final fees or outstanding contractor claims. Projects within this section continue to be closed out.

3.7 Rolling Programmes: These programmes relate to the on-going investment in sustaining the Council's existing asset base i.e. investment in buildings, roads, fleet and ICT. To date these programmes of work continue to be delivered as planned however as noted at the last update report in December 2022, officers continue to monitor the tender offers as individual projects are brought forward. There is still fluctuation in the prices of commodities, materials and labour supply.

What this means in practice is, given current market conditions and cost inflation pressures, with the approved budgets being retained unchanged, it is likely the volume of work delivered under each project line is likely to be reduced.

3.8 City Region Deal: This section of the GFCP relates to the Council's funding commitment to the Aberdeen City Region Deal (£10m). It also includes those projects funded by the City Region Deal that the Council has been asked to lead on as they directly relate to investment in Council-owned infrastructure.

The current 5-year total of this section of the GFCP is just under £30m.

The key significant project within this section is delivery of the new External Transportation Link to the new Aberdeen South Harbour with an approved budget of £25m.

Delivery and governance of this project is being reported to the City Region Deal Joint Committee.

- 3.9 Fully Legally Committed Projects: This section contains those projects which have progressed to tender and subsequent engagement of a contractor. Most of these projects are “on site”, though a number have already progressed to Practical Completion; the budgets remaining relate to settlement of final claims from the contractor(s) involved.
- 3.10 The current 5-year total of this section of the GFCP approved in March 2022 is just under £100m. Having reviewed this section the projects which merit an update are as follows;

Union Terrace Gardens

- 3.11 The project achieved Practical Completion on Thursday 22 December 2022. As noted previously the central lawn area is not grass turfed.
- 3.12 A new turf will be placed after the forthcoming Spectra lightshow event in February 2023 as soon as the weather conditions are considered favourable. The public will be advised to stay off the new turfed lawn for a number of weeks to enable the new turf to become established.
- 3.13 A snagging list of internal and external works has been agreed with the Principal Contractor and these works will be carried out over the coming weeks and months. The snagging is minor in nature and includes, but is not limited to such items as, ironwork adjustment, pointing, kerbing and drainage. In addition, circa 12 months post completion a Project Evaluation Report will be prepared.

Countesswells Primary School

- 3.14 Good progress continues with the construction works and the expectation is still for the new school to be open in Spring/Summer 2023, as planned. Members should note that the delivery of the new school will be completed before there is any further significant progress relating to Developer Obligation funding.
- 3.15 As reported previously, there are existing developer obligations in accordance with an agreed Section 75 agreement, however members will be aware the developer Countesswells Development Limited went into administration. Officers are still seeking clarification on what this means in relation to funding and other related commitments.

Torry Primary School and Hub

- 3.16 The works are progressing with the construction circa 60% complete. The expectation is the school will be complete by Autumn 2023, as planned.

Tillydrone Primary School

- 3.17 As provided in a verbal update to the last committee in December 2022, following a number of requests from tendering parties, the tender return date was extended to 23 January 2023. The Capital Cluster are currently assessing/evaluating the submitted tenders.
- 3.18 The target date for completion within the tender documentation is Summer 2024. We have to wait until the tender assessment has been completed before strong assurances can be provided in meeting the aspired completion date. However it should be noted that there weren't any significant issues raised during the tender period which would suggest the timeline needs to be extended. To date the view held is that the Summer 2024 target date will still be achievable.

B999 Shielhill Road Junction

- 3.19 As reported previously, the project's delivery timeline will be determined by the time taken to obtain the necessary land to build the scheme.
- 3.20 Since May 2022 alignment and junction design work has continued. Finalisation of the land footprint has been delayed due to complications arising from the existing culvert and SSE transmission apparatus. Issues should be resolved soon allowing the land footprint to be finalised and landowner negotiations to commence later this financial year.

South College Street Junction Improvements (Phase 1) Construction

- 3.21 Local company W M Donald has been appointed as the main contractor for the project. The main project works commenced on site in June 2022. Works are progressing and the completion date is still expected to be Spring 2023.
- 3.22 Significant progress has been made on carriageway widening activities on Palmerston Place and South College Street between its junctions with Wellington Place and Millburn Street. The creation of the new junction on North Esplanade West with Palmerston Place is also taking shape.
- 3.23 The project requires a significant number of utility apparatus diversions, a number of which lie on the work programmes critical path. The performance of some public utility contractors has been a cause for concern, however, issues have been escalated within the organisations and the project has witnessed an improvement.

Energy from Waste (EfW) Construction

- 3.24 Works are progressing and the completion date is still expected to be Summer 2023. As noted previously the delivery of the project to date has been hampered by several issues, both internally and externally. There is still a significant risk that external impacts may continue to affect the anticipated delivery timeline and budget.
- 3.25 The Principal Contractor continues to receive and manage the three councils' waste. Once hot commissioning starts at the NESS Energy facility, the Councils will begin to deliver waste to the site according to the needs of the commissioning programme.
- 3.26 The Contractor's current expectation is the hot commissioning will commence in February 2023. The Capital Cluster Project Management Team are maintaining close liaison with their Waste Operations and Protective Services colleagues to ensure a smooth transition for depositing residual waste to the new facility.
- 3.27 With reference to paragraph 3.24 above, the Contractor is seeking recompense through the Contract.
- 3.28 The Contractor has sought adjudications to consider several contractual matters. These are in the form of claims for both time and money. To date these claims have been successfully defended and dialogue has been opened to seek resolution of matters outwith the adjudication/arbitration mechanisms. As claims are submitted, they are being considered in accordance with the contract between the parties and as such additional expenditure will be incurred in protecting the Councils' position. At this stage these costs can be accommodated within the approved project budget.

New Mortuary at Aberdeen Royal Infirmary (ARI)

- 3.29 As noted previously work commenced on the new Mortuary at Aberdeen Royal Infirmary (ARI) on Monday 10 October 2022
- 3.30 The project is still at an early stage with the Principal Contractor advancing his design work packages. He has also placed some, but not all, advance orders for materials and commodities, such as but not limited to, structural steelwork, timber trusses, roof cladding, windows and doors.
- 3.31 Vegetation strip with following Ground Penetration Survey (GPS) is now complete which enabled the site establishment. Sub structure and retaining wall works (where necessary) and drainage works are now being taken forward.
- 3.32 The project is planned to be complete in Spring 2024.

Housing Revenue Account (HRA)

- 3.33 As reported to the last committee an assessment was made of indicative tender costs for all four new Council-Led housing sites at Kaimhill, Tillydrone, Craighill and Kincorth. It was accepted that in light of the inflationary pressures and increased costs in the housing sector, following consultation with the Chief Officer - Finance, that the Kaimhill and Tillydrone projects should be completed but to suspend all works at Craighill and Kincorth.
- 3.34 The outstanding contract negotiations for the Tillydrone project have now been concluded and an award letter has been issued with final contract details being concluded. The final packages for Kaimhill are being agreed which will allow the final contract documentation to be agreed and signed. To date the contractor has been awarded the majority of the works packages and works are ongoing on site.
- 3.35 The two remaining projects at Craighill and Kincorth are at a stage where the enabling works for both projects are complete. Consideration is underway for the next steps for both projects. This entails the following;
- i) Works to make the sites safe and secure such as boundary fencing and monitoring of both sites going forward.
 - ii) Consideration of progressing value engineering savings for both projects to reduce their cost.
 - iii) Consideration of an alternative phasing strategy for both sites, effectively extending the construction period and spreading the costs over a longer period.
- 3.36 With reference to 3.35 (ii) and (iii) above, whilst initial consultations have demonstrated a shared willingness to work constructively in the optimisation of the schemes, further consultation with housing and planning and building control colleagues will be required to determine what changes/options will be considered acceptable but also to understand what the programming implications would be, should options/changes be accepted as a way forward.
- 3.37 It should also be noted that there are ambitions within the Scottish Government to move to ensure all new housing in Scotland is built to Passivhaus standard. This move has the potential to increase construction costs of new housing to a level beyond our current build specification and works will be advanced to identify anticipated cost differentials and revised consenting strategies reviewed to optimise capital cost.
- 3.38 As part of this work it is recommended that consideration is given to updating the “gold standard” specification to focus upon the Council’s aim of meeting net zero targets as it applies to each of the housing units. There will be a focus on

enhancing the overall building fabric to increase the insulation qualities which in turn will look to continue to improve the heat efficiency of the properties. There will also be a review to confirm that the individual properties are constructed to the optimum size, to ensure high quality accommodation for the tenants, whilst minimising challenges around the cost of living crisis and fuel poverty. This approach will inform specific project cost savings to each project but maintain the high quality provision of new social housing that the Council has already established across the other schemes built in the city.

- 3.39 Following initial constructive discussions with colleagues in ACC planning regarding potential design changes to the consented schemes at Kincorth and Craighill it is recommended that the re-design process is undertaken now to ensure that we are able to have “shovel ready” projects, designed at a more cost effective level with all the necessary consents to allow us to take advantage of any future funding streams should the financial situation improve. This will also allow us to be ahead of any potential future building regulation changes that may add additional costs to the projects. Part of this work will review the options to phase the developments to allow cashflow management in line with our own requirements.
- 3.40 When the work outlined above is concluded a proposal will be brought back to committee for consideration and approval. Part of this recommendation will be whether to instruct further design work to have elements ‘shovel ready’ for tendering purpose should the financial situation improve.
- 3.41 As reported previously the Chief Officer – Capital along with external consultants continue to monitor cost trends within the housing construction market. At this point in time across the housing construction industry we are seeing a slowing of the market but it is still too early to tell how this will be borne out in tenders. We are expecting to see more stable prices being received without the inflationary pressures witnessed in the last year and more.

Summerhill New Build Housing

- 3.42 The first phase handover of 128 units was completed in December 2022. Further phased handovers will then follow with another 128 units in Spring 2023 and the remaining 113 units complete in Autumn 2023.

Cloverhill New Build Housing

- 3.43 The new housing developer led project for 536 units has been under construction for almost a year now and good progress is being made. The units will be delivered over a number of phases between 2023 – 2026, with the first phase expected in Summer 2023.

Clinterty Travellers Site

- 3.44 Works commenced in October 2022 to upgrade the Gypsy Traveller site at Clinterty with a budget of £6.5m, which is circa 50% funded by the Scottish Government. The Contractor for the works is the Council's Building Services.
- 3.45 The works are progressing with the construction circa 25% complete. The expectation is the works will be complete by Summer 2023 as planned.

Unable to be Relet (UTBR)

- 3.46 As reported previously, following a period of discussion and negotiation throughout Summer/Autumn 2022, Council Officers secured funding support grant of circa £6.15m from the Scottish Government Ukraine long term resettlement fund.
- 3.47 Officers have completed the initial tender process and three external contractors have been successful in progressing onto a framework to carry out the works. The next steps will consider apportioning works to them that aligns with their capability and current availability of resources. Upon appointment of contractors we expect the extent of this work will ramp up as the weeks progress.
- 3.48 Approximately 129 units have now had refurbishment / repair works carried out with the orders for furnishings/white goods following where necessary. Work is ongoing with housing colleagues to allocate the completed units to Ukrainian households as they become available. A small number of households were settled in their new home before Christmas 2022.

4. FINANCIAL IMPLICATIONS

- 4.1 Notwithstanding all of the above, the Chief Officer – Capital continues to review the approved Capital Programme in light of external pressures, such as, but not limited to;
- Inflation
 - Energy supply and cost
 - Covid 19 impacts
 - War in Ukraine
 - Brexit, and
 - forthcoming winter weather.
- 4.2 Cognisance of all of the above external factors is being considered for the forthcoming March 2023 Council Budget meeting.
- 4.3 As part of this, in light of the current forecast of costs and increases in inflation, projects which are not fully committed (construction award) are being reprofiled.
- 4.4 It should also be noted that there is still a significant risk that costs will increase for those projects under construction.

5. LEGAL IMPLICATIONS

- 5.1 The approved Capital Programme review, referred to in Section 4 will incorporate a review by legal colleagues to assess whether there are any legal implications as part of any programme/project consideration.
- 5.2 If there are any legal implications arising from the exercise undertaken officers will seek to mitigate these where possible. This will be taken forward in consultation with officers within the Capital and Finance Clusters who will work closely with the Commercial and Procurement Services legal team to consider the best way forward.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report. However, there may be implications as part of the wider Capital Programme review as noted in section 4. Any environmental implications, should they apply, will be considered as part of that review.

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	Failure to manage Council finance and resources could lead to failure to achieve strategic objectives.	Regular financial reporting and monitoring activities, to incorporate financial resilience to address financial pressures arising in year is maintained and monitored.	M	Yes
Compliance	Failure to be able to comply with project requirements	Increase site visits and monitoring of the construction works. If required, review alternative options as soon as possible.	L	Yes
Operational	Balancing the pressures of finite resources both internal and external to the Council	Regular engagement between relevant Clusters within the Council along with ongoing engagement with Framework	M	Yes

		hosts, Suppliers, Procurement & Services re alternative products or delivery methods.		
Financial	Escalation of costs	Development of suitable price mechanisms. Use of Business Intelligence to predict market changes/trends. Price Increase Request Process.	M	Yes
	Differing market conditions depending on commodity/service	Market engagement/use of business intelligence to assist in predicting market changes and trends.	M	
Reputational	Programmes/projects being delayed or stopped	As above.	M	Yes
Environment / Climate	Failure to consider sustainable options due to costs.	Ensure all contracts consider environmental considerations, and early market engagement is conducted to seek market intelligence.	M	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2022-2023</u>	
	Impact of Report
Aberdeen City Council Policy Statement <u>Working in Partnership for Aberdeen</u>	Reviewing the approved Capital Programme in light of the cost pressures resulting from external drivers, will enable the Council best to meet and prioritise the delivery of its capital funded programmes /projects.
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	

Prosperous Economy Stretch Outcomes	The recommendations outlined within this report have included consideration of the current stage of programme/project delivery.
Prosperous People Stretch Outcomes	The recommendations outlined within this report have included consideration of the current stage of programme/project delivery.
Prosperous Place Stretch Outcomes	The recommendations outlined within this report have included consideration of the current stage of programme/project delivery.
Regional and City Strategies	
	Reviewing the approved Capital Programme in light of the cost pressures resulting from external drivers, will enable the Council best to meet and prioritise the delivery of its capital funded programmes /projects to align with its regional and city strategies.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Not required
Data Protection Impact Assessment	Not required
Other	Not required

10. BACKGROUND PAPERS

- 10.1 City Growth and Resources Committee 21 June 2022: Supply Chain Volatility: report no RES/22/131.
- 10.2 Council 24 August 2022: Council Financial Performance - Quarter 1, 2022/23: report no RES/22/152
- 10.3 Finance and Resources Committee 2 November 2022: Council Financial Performance – Quarter 2, 2022/23:report no RES/22/247.
- 10.4 Finance and Resources Committee 7 December 2022: Council Financial Performance – Quarter 2, 2022/23:report no RES/22/281.

11. APPENDICES

11.1 Appendix A – Supporting Project Annex Information

12. REPORT AUTHOR CONTACT DETAILS

Name	John Wilson
Title	Capital Programme Delivery: Projects Update
Email Address	JohnW@aberdeencity.gov.uk
Tel	01224 523629

Appendix A – Supporting Project Annex Information

Union Terrace Gardens

Reference is made to report RES/22/196 submitted to the Capital Programme Committee September 2022, which considered the progress of the project's delivery at that time.

Practical completion was issued in December 2022. The Union Terrace Gardens project has seen 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.

The main contractors project e-newsletter has been updated regularly throughout the construction period to include community updates for UTG – to view online please visit:

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

1. Update since last report provided at December 2022

Practical completion has been achieved. Snagging works are currently underway

2. Planned progress in next reporting period

Snagging works will be drawing to a conclusion with project close underway. Post Spectra event, conditions will be assessed prior to laying the new central turf in the lower gardens.

3. Spend to date;

<u>Gross Budget</u>	<u>Spend to Date</u>
<u>£29.8m</u>	<u>£29.4m</u>

4. Interdependencies

None

5. Progress Photographs

View from new ramp off Union Street



Planted Crest



Looking towards Aberdeen Theatre

Countesswells Primary School

This two-stream primary school, with early years provision, is being delivered in accordance with a Section 75 legal agreement dated 20 March 2016. The Council was granted ownership of the allocated site on 14 May 2021.

The Council achieved commercial close, with its delivery partner Hub North Scotland, on 1 October 2021. Hub North Scotland have appointed Morrison Construction as its design-and-build contractor. The construction programme commenced on 15 November 2021 and is due to be completed by Summer 2023.

1. Update since last report provided at December 2022.

Ceiling, decoration, car parking and pitch works are now practically complete. The furniture and equipment installations, and the commissioning of the services are also substantially complete. The Council's ICT installations have also commenced.

2. Planned progress in next reporting period (consider 3 months)

The snagging, landscaping works, furniture and equipment installations, and ICT installations are to be finalised. The Contractor is also to undertake demonstrations of the new building's systems to the Council's facility management team and teaching staff.

It is now anticipated that this new building may be completed ahead of programme. If all goes to plan, this may allow this new building to become operational soon after the Easter holidays.

3. Spend to date;

Gross Budget	Spend to Date
£20.5m	£19.9m

4. Interdependencies

This project is being provided in accordance with the Section 75 legal agreement dated 20 March 2016.

5. Progress Photographs



Main entrance



Primary 1 and 2 classrooms, over-looking pitch



Classroom, over-looking pitch



Upper floor activity space

Torry Community Hub and Primary School

This community hub and two-stream primary school, with early years provision, was instructed by the Education & Children's Services Committee, on 1 March 2017, on the site of the previous Torry Academy.

The Council achieved commercial close, with its delivery partner Hub North Scotland, on 18 March 2022. Hub North Scotland have appointed Morrison Construction as its design-and-build contractor. The construction programme commenced on 25 April 2022 and is due to be completed in Autumn 2023.

1. Update since last report provided at December 2022.

The construction works are an estimated 60% completed. The structure and floor slabs are complete. The roof works are substantially complete. There has been substantial progress with the works to the external walls, windows, internal partitions, and first-fix services installations. In addition, district heating pipes have been installed from the boiler room to the site boundary.

2. Planned progress in next reporting period (consider 3 months).

In the next period it is anticipated that there will be further substantial progress with the works to the external walls, internal partitions, and services installations. In addition, a district heating heat exchanger is due to be installed within the boiler room.

The construction works are anticipated to be 70% completed.

3. Spend to date.

Gross Budget	Spend to Date
£28.1m	£15.7m

4. Interdependencies

The cost of the asbestos removal and demolition of the previous Torry Academy building have been factored into the overall capital development cost of the project.

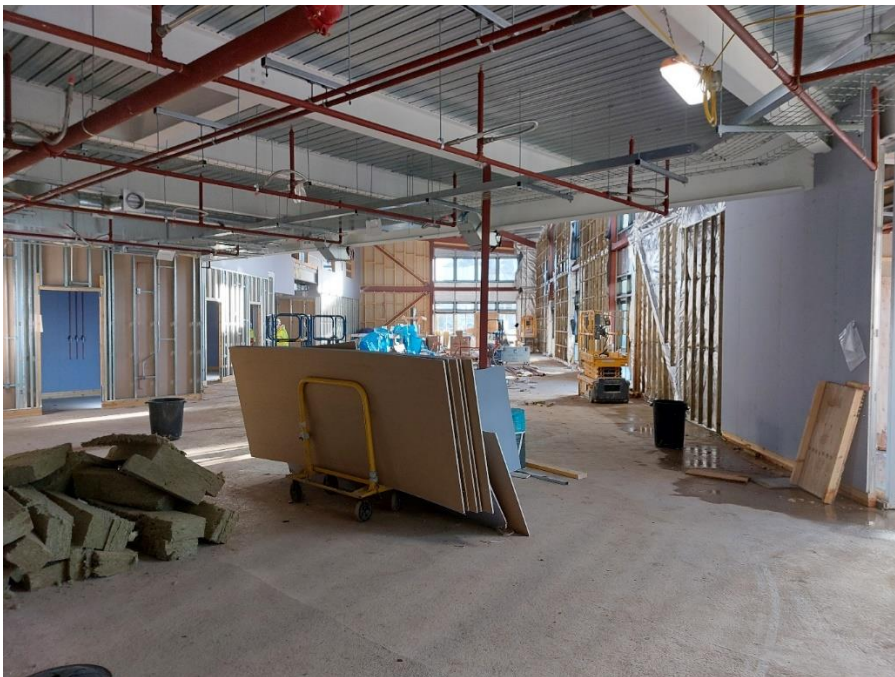
This project has met the requirements of the Regeneration Capital Grant Fund and, as a result, £2m was claimed towards the cost of this project on 31 October 2019. This grant was awarded so as to allow the development of a Community Hub which is tailored to meet the needs of the community.

Developer obligation funding of £283K has also contributed towards this project.

5. Progress Photographs



East elevation under construction



View from entrance towards new community café and library

Tillydrone Primary School Project Update

Following a special Committee meeting of Education & Children's Services on 1 March 2017, a decision to implement the proposal for a new 3 stream non-denominational school building with early learning and childcare provision and to relocate Riverbank School to this new building was ratified by Members.

Decisions were made by the Capital Programme, Strategic Commissioning and City Growth and Resources Committees in September 2018 to progress with the design, development, and procurement of a new school to replace the existing Riverbank School.

The proposed building will take advantage of the change in level on the site, the main public entrance and reception area will be at upper ground floor level and will be accessed from Coningham Gardens. Also located on this floor is the Early Years provision and the multipurpose hall and dining facilities. All the teaching accommodation is located on the lower ground floor with all class bases afforded direct access to external space.

1. Update since last report provided at December 2022.

The tender period was extended following a number of requests from tendering parties.

2. Planned progress in next reporting period (consider 3 months)

Completion of tender evaluation & reporting with anticipated contract award in late Winter 2022/23.

3. Spend to date

Spend to the end of Q3 2022/23 financial is as follows:

Gross Budget	Spend to Date
£41m	£7.45m

4. Interdependencies

Decant of existing Riverbank School thus allowing redevelopment of the existing building to relocate St Peters (RC) School.

5. Progress Photographs

None

South College Street Junction Improvements (Phase 1)

When complete the project will support the City Centre Masterplan's infrastructure strategy for bus priority measures aimed at removing the impact of congestion on bus journey times through the city centre. The project is jointly funded by Aberdeen City Council and a grant from the Scottish Government's Bus Partnership Fund.

1. Update since last report provided at February 2022 (Capital Programme Committee):

Having been unable to reach agreeable terms with the landowner the project works will not include the formation of a public off street car park adjacent to South College Street south of Bank Street.

Main works procurement concluded with local company W M Donald appointed as the main contractor for the project. The main project works commenced on site in June 2022.

Significant progress has been made on carriageway widening activities on Palmerston Place and South College Street between its junctions with Wellington Place and Millburn Street. The creation of the new junction on North Esplanade West with Palmerston Place is also taking shape.

2. Planned progress in next reporting period (consider 3 months):

The temporary reopening of South College Street between its junctions with Wellington Place and Millburn Street. Commencement of work to reconfigure South College Street south of Millburn Street.

3. Spend to the end of Q3 2022/23 financial is as follows

Gross Budget	Spend to Date
£10.7m	£3.9m

4. Interdependencies

The project will support the City Centre Masterplan's infrastructure strategy for bus priority measures enabling the implementation of public realm enhancements along Guild Street and Union Street, providing alternative options to accommodate the rerouting of vehicular traffic.

The corridor's improved capacity and operation will also complement its position in the new roads hierarchy. In tandem the Project will enhance infrastructure for walking and cycling along its length.

5. Progress Photographs



South College Street looking towards Wellington Place prior to works start



South College Street looking towards Wellington Place October 2022



South College Street looking towards Wellington Place January 2023



Palmerston Place looking toward North Esplanade West prior to works start



Palmerston Place looking toward North Esplanade West August 2022



Palmerston Place looking toward North Esplanade West November 2022

NESS Energy Project Update

On 4 March 2019, the Council approved the award of the Ness Energy Project Residual Waste Treatment contract for the implementation of the Project to EFW Ness Limited, a wholly owned subsidiary of Acciona Industrial UK limited and an Inter-Authority Agreement, IAA3. Similar approvals were given by Moray Council and Aberdeenshire Council on 4 March 2019 and 7 March 2019 respectively. The contract was signed on 8 August 2019 and construction commenced shortly after.

The contract requires that EFW Ness Limited design, build and operate an energy from waste facility capable of treating 150,000 tonnes of non-recyclable waste per year and produce approximately 12MW of electricity for export to the National Grid and supply up 10MW of heat in the form of hot water to a district heating scheme to be developed separately by Aberdeen City Council.

The contract foresees a construction period of three years and an operations period of 20 years. The construction works have been delayed in part by the Covid pandemic but also as a result of other factors.

1. Update since last report provided at December 2022.

Construction works have continued albeit hampered by unsuitable weather conditions. The mechanical and process plant is approaching substantive completion, as are civils works. Electrical works are progressing as is the construction of the administration building and vertical cladding. Progress on installation of the upper enclosure (roof) has been behind schedule. Cold commissioning have accelerated in the period with a substantial number of key work packages entering cold commissioning.

2. Planned progress in next reporting period (consider 3 months)

Construction works will be substantially complete with the exception of the upper enclosure, work on which will continue during the hot commissioning period. Essential cold commissioning packages required before hot commissioning can commence will be completed and a key project milestone will be passed with the issue of the Readiness Certificate. This will mean that the contractor will progress to the hot commissioning phase. Initial activity will prepare the facility for waste acceptance and will include the cleaning of the boiler prior to full pressurisation. This activity is likely to result in some noise impact in the local community for a short period. Community engagement will be undertaken to forewarn and explain the reasons for the one-off amenity impact. It is anticipated that the first deliveries of waste to the facility will occur in the latter part of February or March 2023.

3. Spend to date

Spend to the end of Q3 2022/23 financial is as follows:

Gross Budget	Spend to Date
£70m	£ 53.2m

4. Interdependencies

The three councils' waste services will begin to migrate their waste deliveries to the NESS Energy facility within the next three months. The Project Team are maintaining close contact with colleagues to ensure a smooth transition.

5. Progress Photographs

View from Site Entrance October 2022



View from Site Entrance December 2022



Aerial Photos





North East Scotland Joint Mortuary Project

In March 2020 the appointment of Kier Construction (PSCP) & AECOM (CA & PM), following a competitive tender process, for the development of a new facility to replace the two existing Aberdeen based mortuaries with a purpose-built facility. This new facility will be operated as a single integrated multi-partner, multi-purpose mortuary serving all providers including NHS Grampian, Aberdeen City Council, Aberdeenshire Council, Moray Council, Orkney and Shetland Island Councils, the University of Aberdeen, Crown Office Procurator Fiscal Service and Police Scotland.

The contractor started with the ground works on 10/10/22, which are due for completion in Spring 2023 and this will be the focus for the next reporting period. The overall construction completion is targeted for Spring 2024.

1. Update since last report provided at December 2022.

The project commenced on 10/10/22 as programmed. Progress was good during the initial period with progress to date:

- topsoil strip completed ahead of programme
- Completion of culvert diversion.
- Commencement of bulk earthworks and reduction to reduced platform complete.
- Temporary Drainage system install to drain the site.
- Started the works on grid line 1 retaining wall.

2. Planned progress in next reporting period (consider 3 months):

- Completion of bulk earthworks.
- Complete site compound setup.
- Grid line 1 retaining wall
- Commence east elevation retaining wall adjacent to stores building.

3. Spend to the end of Q3 2022/23 financial is as follows

Construction Budget	Spend to Date
£31m	£0.48m

4. Interdependencies

The delivery of this project will facilitate closure of the existing Council managed mortuary at Queen Street.

5. Progress Photographs



Cleared site

ACC Tillydrone

The Tillydrone housing project is part of the wider Aberdeen City Council Housing Programme 2022. The purpose of the wider housing programme is to address a long-term shortage of affordable social rented housing in the city. The supply of affordable private rented sector housing has increased significantly within the city since 2014 and efforts now need to concentrate on addressing the continuing shortage of affordable social rented housing. Therefore, Aberdeen City Council (ACC) is undertaking a new build housing programme which presents an opportunity to create 21st century housing that is high quality, economic, sustainable, energy efficient and incorporates a degree of flexibility to meet the future needs of tenants. The proposed new development is located on the former St Machar Primary School in the Tillydrone area of Aberdeen. The site is bound on the North by Aberdon Court, the East by Tillydrone Avenue, the South by Harris Drive and the West by West by Conningham Terrace and the boundary with the new Riverbank Primary School site. CHAP Construction have been appointed as the Principal Contractor responsible for construction, with works commencing on 22/11/2021.

1. Update since last report provided at December 2022

Construction works have progressed significantly within the period, however masonry works have been hampered due to the adverse weather conditions. Within the North site, masonry works are complete to Block 6 and 9 with envelope and internal works progressing. Superstructure and masonry works are currently ongoing to Blocks 7 and 8. Within the South site, superstructure and masonry works are ongoing to Blocks 1,2,3,4. Block 5 has not progressed within the period; however, this is in line with the current programme.

In agreement with ACC, CHAP have taken possession of the vacant Riverside site to store various materials which has allowed for progression to the Blocks on the North site.

2. Planned progress in next reporting period (consider 3 months)

Within the South Site, envelope and masonry works will be substantially complete to Blocks 6,7,8 & 9. Within Blocks 6 and 9, internal fit out and MEP works will be well underway, with works within 8 and 9 commencing. External works will have also commenced within the South site.

Within the North site, masonry works will be complete to Blocks 4 and 3 with envelope works progressing. The masonry works to Block 2 will have progressed significantly, with the floor slabs installed up to level 3 alongside the support steelwork and pre-cast stairs. The masonry works to Block 1 will be nearing completion. Block 5 will not have progressed, however this is in line with the current programme.

3. Spend to date

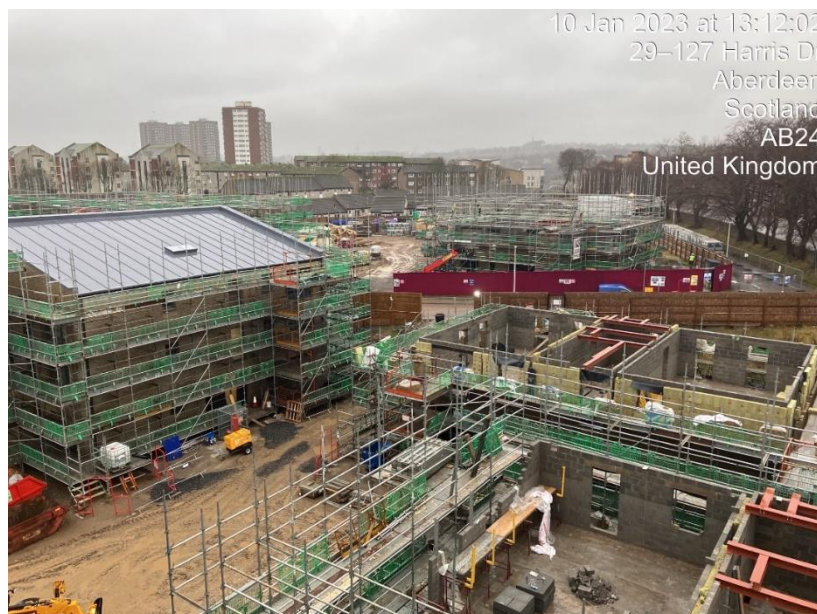
Spend to the end of Q3 2022/23 financial is as follows:

Gross Budget	Spend to Date
£24.7m	£8.3m

4. Interdependencies

The project requires Aberdeen Heat and Power to extend the supply network to the boundary of the site, which will allow connection to the site distribution network.

5. Progress Photographs







10 Jan 2023 at 12:52:34
Coningham Road
Aberdeen
Scotland
AB24
United Kingdom



10 Jan 2023 at 13:09:06
Harris Dr
Aberdeen
Scotland
AB24
United Kingdom

ACC Kaimhill Project Update

The project is to construct a mix of 35 no. bungalow's/housing units to Gold Standard, this will be across 9 blocks and also include a new community play park and community green space. The site is greenfield albeit a bowling green and tennis court habiting the plot prior to construction.

On 9 May 2022, Bancon were given access to the site to commence the works. All planning pre-commencement conditions have been approved, discharging Condition 1 from planning. Works have been progressing well on site with main drainage line works and Ground Source Heat Pump (GSHP) works ongoing, approximately 9 boreholes have been completed so far. The majority of substructure is complete across the site and circa 5 blocks timber kit are fully or partially erected and fit out commenced. Internal joiner works and MEP 1st fix have commenced along with roofing works on these blocks. Current programme has a practical completion date of Autumn 2023.

1. Update since last report provided at November 2022

A Value Engineering (VE) exercise was undertaken to bring savings to the project whilst maintaining Gold Standards and the High-Level Requirements. The VE focussed on timber kit, groundworks and hard landscaping. Items subject to VE have been included in a non-material variation (NVM) on the existing planning approval. The building warrant strategy is a three-stage application of 1. Substructure and Drainage (approved), 2. Superstructure (approved) and 3. Architecture/Fire/Environment (target approval early 2023).

On 9 December 2022, ACC approved a variation to amend the tendered offsite surface water sewer extension design due to H&S and environmental concerns given deep excavations in a narrow roadway and the impact to adjacent housing. A solution to have a pumped rising main scheme housed within the boundary of the site was proposed and approved to mitigate these risks.

The contract award date is target end-January 2023. The contract documents are being drafted and ancillary documents prepared along with final contract sum.

2. Planned progress in next reporting period (consider 3 months)

On site substructure and superstructure masonry works to continue to completion on majority of blocks. Internal drainage and ducting works to plots followed by backfill and concrete slab.

The GSHP drilling process will be completed in the next reporting period.

3. Spend to date

Gross Budget	Spend to Date
£13.8m	£4.4m

4. Interdependencies

None

5. Progress Photographs





ACC Summerhill Project Update

The project is to construct 369 housing units to Gold Standard, this will be across 8 blocks with a mix of one, two and three bedroom flats. The site is brownfield, formerly the location of Summerhill Academy. The Principal Contractor for the works is Chap Construction Ltd.

1. Update since last report provided at December 2022

Handover dates and project position for remaining blocks:

Blocks 1 + 2: Handover Complete (14.11.22)

Block 5: Handover Complete (12.12.22)

Block 3: (Early Spring 23)

Block 4: Handover to follow TBC after Block 3 handover.

Block 6: Spring 2023

Block 8: Winter 2023

Block 7: Spring 2024

Blocks 3 & 4: All remaining internal works have been concluded with the exception of communal area decoration and floor coverings which are ongoing. External works infrastructure has also commenced.

Block 6: Internally all 1st fix trade/works are substantially advanced. 2nd fix trades have also commenced (joinery, wet walling and kitchens). External works infrastructure has also commenced along the North elevation.

Block 8: The main timber kit structure is concluded with windows installed and temporary roof weathering membrane laid. Facade facing brick and internal blockwork stair cores and precast landings/ stairs continue. Internal electrical 1st fix continues within the dwellings. Internal stacks have commenced along with 1st fix joinery and fire taping.

Block 7: Timber kit and scaffolding requirement continues; window install is well advanced and progresses with the kit erection on a floor by floor basis.

The Lang Stracht/Stronsay Drive junction works are mostly complete and opened to the public, minor works to be completed in the next period.

2. Planned progress in next reporting period (consider 3 months)

Handover of Blocks 3 and 4 will be completed in the next period along with the Lang Stracht/Stronsay Drive junction works. Extension of time discussions are ongoing. It is anticipated ongoing discussion will be progressed in the coming period to conclude EOT discussions and final cost projection figures confirmed.

3. Spend to date

Gross Budget	Spend to Date
£57.8m	£45.4m







ACC: Cloverhill Project Update

The Cloverhill site forms part of the wider Aberdeen City Council Housing Programme to deliver 2000 additional council homes. Cloverhill provides a total of 536 units, 3 commercial units, community centre, football pitch and public park areas in the Bridge of Don area of the city.

Cloverhill is a Developer lead scheme presented by Bancon Homes Limited comprising of 536 units. Bancon started on site on the 7 February 2022, the Practical Completion date for the Project is the Autumn 2026. The Project will be delivered over phases as follows;

Section 1 Build -	Flats (36 units, 3 shops) - Summer 2023
Section 2 Build -	Semi/terrace Mix (31 units) - Summer 2023
Section 3 Build -	Flats & Semi/terrace mix (10 + 48 units) incl comm hall - Spring 2024
Section 1A Build -	Semi/terrace mix (43 units) – Winter 2023
Section 7 Build -	Semi/terrace mix (30 units) – Summer 2026
Section 8 Build -	Semi/terrace mix (23 units) – Autumn 2026
Section 5A Build -	Semi/terrace mix (34 units) & Sports Pitch – Summer 2026
Section 4 Build -	Semi/terrace mix (35 units) – Autumn 2024
Section 2A Build -	Semi/terrace mix (36 units) – Summer 2025
Section 5 Build -	Semi/terrace mix (58 units) – Summer 2025
Section 6 Build -	Semi/terrace mix (70 units) – Winter 2025
Section 3A Build -	Flats, Semi/terrace mix (24 +21 units) – Autumn 2024
Section 4A Build -	Semi/terrace mix (37 units) – Winter 2025

1. Update since last provided at December 2022

Section 1 and 2 build are well underway and on programme to be delivered in Summer 2023. The contractor continues to make good progress with both the flats and the houses.

2. Planned progress in next reporting period (consider 3 months)

As per the section above the contractor is on target within the programme to deliver Sections 1 and 2.

3. Spend to date

Spend to the end of Q3 2022/23 financial is as follows:

Contract Sum	Spend to Date
£137.5m	£37.3m

4. Site Progress Photographs



ACC Greenferns

The Greenferns site is a 73.6ha site located on the eastern boundary of the city between Bucksburn and Sheddocksley. The Greenferns site is included as an Opportunity Site (Ref: OP 33 & 28) within the adopted Aberdeen Local Development Plan (2017) (ALDP). The allocation establishes the principle of developing the site as an extension of the city boundary for around 1,470 homes and 10 hectares of employment land. The site is owned by ACC. The site forms an important contribution to the city's future housing and employment land requirements ensuring the area has enough new homes and employment land requirements.

It is anticipated that the overall development of the site will take place over a number of years depending on demand for private housing sites from housing developers, but it is anticipated that this location will positively contribute to the continued growth of the city over the next decade and beyond.

As part of the housing programme ACC identified the opportunity to provide additional social housing and have identified the opportunity to bring forward around 350 new social rented homes as part of the overall development in the early phases of the project with the potential for further social rented units being provided as part of the subsequent phases of the development.

1. Update since last Report in December 22

The overall site masterplan has been developed for the site and this will form the basis of a Planning Permission in Principle which will be lodged with ACC Planning within the coming weeks. The site masterplan follows the guidelines established in the Aberdeen Local Development Plan.

2. Planned progress in next reporting period (consider 3 months)

Following the lodging of the Planning Permission in Principle the agreed next steps are as follows:

- 1) The detailed design of the social housing in phase 1 will be developed and a detailed planning application lodged to secure the necessary consent to develop this phase of housing. These units will be designed to take account of the Council's move towards its net zero targets. This will see the move away from the use of fossil fuels (gas) towards the use of renewable technology to heat homes either through a district heating system or the use of ground source/ air source heat pumps (or a combination of both).
- 2) In addition the site wide infrastructure design will be developed, and all the necessary statutory consents will be obtained for this to ensure that development of the site can commence at the appropriate time. This will be beyond the three month period.

By securing all the consents listed above this will create an asset value on the site for ACC and allow future decisions to be made on how best to bring forward the overall development of the project.

Site Photograph



ACC Greenferns Landward

The Greenferns Landward site extends to approximately 69.6ha and is located in the Newhills area to the northwest of Aberdeen. The site is predominantly in agricultural use at the present time.

The Greenferns Landward site is included as an Opportunity Site (Ref: OP22) within the adopted Aberdeen Local Development Plan (2017). This establishes the principle of developing the site for around 1,500 new homes. The site therefore forms an important contribution to meeting the City's housing land requirements, ensuring the area has enough new homes to meet demand.

It is anticipated that the overall development of the site will take place over a number of years depending on demand for private housing sites from housing developers, but it is anticipated that this location will positively contribute to the continued growth of the city over the next decade and beyond.

As part of the housing programme ACC identified the opportunity to provide additional social housing and have identified the opportunity to bring forward around 150 new social rented homes as part of the overall development in the early phases of the project with the potential for further social rented units being provided as part of the subsequent phases of the development.

1. Update since last report provided at December 2022

The current position is that the overall site masterplan is being developed for the site with the aim for lodging a Planning Permission in Principle with ACC Planning in the second quarter of 2023. The site masterplan follows the guidelines established in the Aberdeen Local Development Plan and will be for a residential-led, mixed use development of around 1,570 new homes, local neighbourhood retail and commercial provision, leisure and community uses, gypsy traveller site and the necessary infrastructure required to deliver this new community in line with the Aberdeen Local Development Plan.

2. Planned progress in next reporting period (consider 3 months)

The following activities will be progressed.

- 1) Lodge the Planning Permission in Principle with ACC Planning.
- 2) The detailed design of the social housing in phase 1 will be developed and a detailed planning application lodged to secure the necessary consent to develop this phase of housing. These units will be designed to take account of the Council's move towards its net zero targets. This will see the move away from the use of fossil fuels (gas) towards the use of renewable technology to heat homes either through a district heating system or the use of ground source/ air source heat pumps (or a combination of both).
- 3) In addition the site wide infrastructure design will be developed, and all the necessary statutory consents will be obtained for this to ensure that

development of the site can commence at the appropriate time. This will be completed outwith the three months period.

By securing all the consents listed above this will create an asset value on the site for ACC and allow future decisions to be made on how best to bring forward the overall development of the project.

Site Photograph



Clinterty Travellers Site Project Update

The site redevelopment will increase caravan capacity whilst retaining the provision of 21 individual plots. A mixture of plot sizes will be provided to ensure the site meets the needs of the travelling community. Each plot has an amenity building providing cooking, washing and storage spaces. The proposed development has been designed to meet the Scottish Government Interim Site Design Guide for Gypsy/Traveller Sites in Scotland. The Contractor for the works is the Council's Building Services.

1. Update since last report provided at December 2022.

Demolition and bulk earthworks completed. Drainage works have commenced.

2. Planned progress in next reporting period (consider 3 months)

Off-site modular units to be constructed in factory and delivered in four phases. Civil and utilities works to progress to enable installation of first phase of modular amenity blocks.

Drawdown of Scottish Government grant offer (£2,455,302) for financial year 2022/23.

3. Spend to date

Spend to the end of Q3 2022/23 financial is as follows:

Gross Budget	Spend to Date
£6.48m	£1.17m

4. Interdependencies

None.

5. Progress Photographs

January 2023



Cleared Site

