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COMMITTEE	Council
DATE	15 March 2017
DIRECTOR	Bernadette Marjoram
TITLE OF REPORT	City Centre Masterplan Project EN10: Union Terrace Gardens – Outline Design, Business Case, Development Costs and Procurement Strategy
REPORT NUMBER	CHI/17/048
CHECKLIST COMPLETED	Yes

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## 1. PURPOSE OF REPORT

To advise Members on the outline design, the transformational benefits of the proposal, business case, indicative development costs and procurement strategy for the redevelopment of Union Terrace Gardens (UTG) and to seek authority to commence the procurement process for the works.

This is a public report, however, sections within the report including financial information (Appendix B) and the business case (Appendix F) are considered exempt due to commercial sensitivity and are to be found in the exempt Appendix.

## 2. RECOMMENDATION(S)

It is recommended that Members:

- i) Approve the outline design for the redevelopment of UTG (please see Appendix A: Outline Design Visual, Appendix C: Outline Design Report);
- ii) Approve the Business Case at this stage of the redevelopment (please see Appendix F: UTG Business Case, Ryden 2017 – issued separately);
- iii) Approve the estimated capital costs for the project and the associated estimates of operational costs and revenues;
- iv) Agree that the capital costs of the scheme as estimated in Appendix B will be funded from the City Centre Masterplan budget as approved by the Council in February 2017.

- v) Note that the Head of Economic Development intends to submit a detailed planning application and Listed Building application to the Planning Authority by the end of April 2017, through the UTG design team's planning agent;
- vi) Agree the procurement strategy, delivery programme and method for the works in this report; and based on this agreement, instruct the Head of Economic Development following consultation with the Head of Commercial and Procurement Services to commence procurement of the works;
- vii) Instruct the Head of Economic Development to submit a report to the first available Finance, Policy and Resources Committee with recommendations on the preferred contractor from the procurement exercise and the final costs of the scheme;
- viii) Delegate authority to the Head of Public Infrastructure and Environment to commence the statutory consultation for the Stopping Up Order relating to the slip between Rosemount Viaduct and Union Terrace and report back the results to first available Communities, Housing and Infrastructure Committee;
- ix) Note that the Head of Public Infrastructure and Environment following consultation with the Head of Planning and Sustainable Development to progress transport options for Union Terrace and report back to the first available Communities, Housing and Infrastructure Committee on a preferred option and associated Traffic Regulation Order recommendations.

### 3. FINANCIAL IMPLICATIONS

#### Capital Project Delivery

The Council has in place a stage gate review process for all capital projects. Projects should pass through these gates successfully in order to be assured they remain viable and are being managed and resourced appropriately.

Reflecting this, the Council's project management process involves four 'gates' and is illustrated in Appendix G:

- Stage 1 - Define
- Stage 2 - Implement
- Stage 3 - Close
- Stage 4 - Measure

The Council has seven standard review points ('gates'): Proposal; Business Case; Close; and Benefits Review. The Board has the option to add additional 'gate' reviews depending on the complexity and size of project, for example: Invitation to Tender (Project Brief); Detailed Design; and Appointment of Contractor.

Approval at all gate stages is by the Strategic Asset and Capital Board. Whilst in the implementation stage, every project is subject to monthly review by the Board.

Gate 1 requires approval of the project proposal, and the June 2015 CCMP Framework acted as the first gate for the UTG Project and established a 'strategic business case' for the project. The Union Terrace Gardens' project has progressed through the Gate 1 - proposal gateway review and is now approaching the Gate 2 - business case gateway with the submission of the consultant's business case (Appendix F – issued separately).

The final capital costs will be confirmed following the completion of the Royal Institute of British Architects (RIBA) design process. This is subject, however, to the site investigations works which will be completed in June 2017 and the appointment of the construction contractor in July 2017. It is at that point that the final cost plan will be known.

An additional gateway review will be included for this project to approve the Council's full business case and final cost plan, following that procurement process.

Following this the project will move into implementation stage and will be subject to the standard project reviews as part of the Council's governance arrangements.

#### Estimated Capital Costs

The estimated capital costs for the scheme are provided in Appendix B.

#### Revenue Implications

The proposed redevelopment of the gardens will create new operational costs and income streams.

At this stage in project development the indicative lifecycle costs have been estimated from the consultant's report, and include building maintenance and operating costs, continued maintenance of the gardens, and the costs of managing and letting the new business units based within the site.

The lifecycle cost estimated in the consultant's report has been based on a percentage of the total estimated capital cost. These estimates require to be reviewed in conjunction with officers from Environmental

Services who will be responsible for the upkeep of the gardens on completion of the project.

The current high level estimate of operating and maintaining the garden areas within the redeveloped site is approximately £250,000 per annum. This cost does not include an allowance for the cost of operating the new commercial ventures within the gardens such as the café. It has been assumed that the tenants of these new spaces will be responsible for paying any non-domestic rates applicable, and service charges can be applied for an appropriate share of any utility costs. An annual rent would also be applied. In the event the spaces were not fully let, the Council would have to bear these costs.

An evaluation of the increase in events capacity, utilisation of the gardens and associated charge out rates has been completed, and combined into an estimate of the additional income which could be generated.

At this stage in project development, the cautious approach taken to income projections indicates this could be around £300,000 on an annual basis. Further detail of income projections is included in Appendix F of the business case (issued separately).

In order to provide security on sustaining the high quality environment created in the gardens, early discussions have taken place on the possibility of ring-fencing all future incomes streams from the gardens to their upkeep and maintenance. This will be explored further in the next iteration of the Council's business case, as well as refining the details of all revenue costs and income streams.

#### 4. OTHER IMPLICATIONS

##### Closure

It is likely that the Gardens will be closed for the duration of the construction works with no public access for an estimated 21 months. Construction work is programmed to begin in October 2017 until July 2019.

During the construction period, events that would normally take place will need to be located in other appropriate spaces. Officers are working with existing event organisers who are affected to identify alternative event spaces within the city, while minimising costs associated with the relocation.

##### Transport

To extend the Gardens towards the pocket park located on the junction of Union Terrace and Rosemount Viaduct, a Stopping Up Order will require to be progressed. If members are mindful to agree Recommendation (viii), the process can commence late March 2017.

The proposal would be open to consultation for a period of 28 days. It is advertised by way of a notice in a local newspaper and the Edinburgh Gazette; there would also be street notices erected at the slip road. The earliest possible date for the Edinburgh Gazette would be the week ending 24th March.

The results of whether objections are received or not would then go to the August Communities, Housing and Infrastructure Committee to determine the Stopping Up Order. If no objections have been received then this would be the end of the process and the Stopping Up Order would be taken into effect. If objections are made and the Council is still in favour of proceeding with the proposal the matter would have to be referred to a Scottish Minister / Transport Scotland for a final decision. It is expected it would take in the region of three to six months before a decision was made by the Scottish Minister / Transport Scotland, therefore it is likely the process would be complete at latest late 2017 / early 2018.

The legal process in relation to the Traffic Regulation Order (TRO) relating to the required Traffic Management Option for Union Terrace would follow the approval of the preferred option at the August C H & I committee. This is likely to involve various restrictions associated with the existing bus and cycle infrastructure, Disabled Parking requirements, and any required amendments to the existing waiting and loading restrictions. This will be undertaken in parallel with the planning, procurement and construction process. Further updates and information on the proposed Union Terrace intervention, including modelling information and associated TRO will be submitted to Communities, Housing and Infrastructure Committee later in 2017.

### Planning

If the project is agreed, a planning application and an application for Listed Building Consent will be submitted to the Planning Authority at the end of April 2017. The consultant team have been engaging with officers from the Planning Authority during this pre-application stage to ensure the submission of the application provides all the required supporting documentation.

The redevelopment of UTG is a conservation led regeneration scheme. The proposals remove a B Listed building from the Buildings At Risk Register and reuses empty heritage assets with the overall historic environment of the listed Gardens being improved.

## 5. BACKGROUND

On 24 June 2015, the Council unanimously agreed the City Centre Masterplan (CCMP) and Delivery Programme. In agreeing the CCMP, Full Council approved in principle the interventions set out in the masterplan but further due diligence was required in relation to the financial, legal and all other implications of each project or programme and as a result the due diligence should be reported to Committee.

At the Council's Finance, Policy and Resource Committee on 7 June 2016 members agreed unanimously for up to £2 million of expenditure to implement a number of projects including design work for UTG.

As part of the overall CCMP project, the consultants BDP developed a UTG Design workbook which discussed a number of proposed interventions to redevelop the Gardens.

Aberdeen City Council initiated the tender process for design works for UTG after the decision was made at Finance, Policy and Resource Committee on 7 June 2016. ACC undertook an open procurement process, in which it was asked of bidders to deliver a design based on the principles agreed through the CCMP. LDA Design was awarded the contract following a competitive tender process and began the project in September 2016.

## 6. MAIN ISSUES

### Policy Context

A full review of the relevant policy and strategy cascade from national Scottish down to the regional Aberdeen city level demonstrates consistent, strong support for the UTG project. A high quality public realm should underpin city centre development. Green infrastructure such as the UTG project supports stronger, healthier communities, landscape and ecology, and encourages investment and development. Reflecting these policy drivers, Scottish Enterprise has provided £100,000 towards the consultancy costs.

Aberdeen city centre's image and lack of vibrancy are acknowledged as a weakness in attracting population, leisure/ recreational visitors and business investment, a key priority in the city's response to the wider oil & gas downturn and mitigating the effect on reduced footfall (and the evenings in particular), accommodation occupancy and falling rental values. There is a need to deliver an environment which can attract new types of businesses and people, stimulate cultural activity and contribute to diversification within the tourism and leisure sector itself, and the wider economy.

### Project Objectives

The objectives of the original UTG proposal within the CCMP are:

- **A preserved and enhanced green space:** Retention of valued existing trees and new planting which is rich in biodiversity and interest and which enhances the valued character of the Gardens.
- **New and improved facilities:** The proposals will create a range of new facilities within the gardens providing facilities for play, community growing, education, toilet provision and places to eat and drink.
- **Celebrating the heritage:** Granite balustrading will be repaired; the 'grand staircase' will be reinstated as a central part of an accessible route into the gardens; existing statuary will have refreshed settings and the arches will be brought into use. Lighting will highlight heritage features at night.
- **Creation of flexible events spaces:** The central lawn will be a flexible space for large events; and a new entrance plaza opposite His Majesty's Theatre will create spaces for smaller events. Seating along the new accessible route from Rosemount Viaduct will act as an informal amphitheatre.
- **Accessible Gardens for all:** There will be a new accessible route into the lower level of the gardens from Rosemount Viaduct and a walkway route from Union Street. Disabled parking will be provided on Union Terrace and lift access will be provided from both Union terrace and Union Street as part of the proposed new buildings.
- **A safe and active space:** New facilities will increase activity, and the proposals seek to further improve safety with new lighting. A new entrance building on Union Street will provide an activity hub that overlooks the space in the day and evening. Lighting within the arches will celebrate these features and increase the sense of safety. A major new lighting installation will act as a beacon to attract footfall.

### Project Description

UTG is one of 50 projects identified within the Aberdeen CCMP and will deliver against the eight masterplan objectives by establishing the Gardens as both a key destination and the connection to a new urban quarter at the head of the Denburn Valley.

The UTG outline design has been informed by the Aberdeen CCMP, which includes design objectives for the City as a whole and the Denburn Valley and UTG. The UTG Workbook has considered these objectives further and the following points have informed the outline design:

- *Respect* the existing elements of landscape character, heritage, views and topography;
- *Renew* the physical and cultural connection to the city centre;
- *Reactivate* the associated public space to create a vibrant series of urban spaces; and

- *Reimagine* the physical space through interventions which reflect the cultural and emotional memories of the place.

The scheme (in Appendix A and C) is currently at RIBA Stage 2: Concept Design. This design stage has informed the business case, construction costs, the structural elements and outlines specifications and will form part of the submission of a detailed planning application.

Appendices A and C explains UTG's design process and provides details on the design's key principles, interventions and character zones.

### Project Need

The UTG project is recognised as being affected by market failure and will be delivered for public benefit. The project justification is therefore complex and involves redressing competitive weaknesses as well as considering the financial and economic impacts, and social and environmental benefits.

The strategic case for the Union Terrace Gardens project was made in the Aberdeen CCMP in 2015 - the Gardens are one of Aberdeen city centre's most important assets and will become increasingly so as development and regeneration progress. The preferred option in 2015 was a design solution to provide high quality public realm and events-ready space in order to introduce vibrancy and animation to the city centre.

Public sector interventions must be justified in terms of market failure and the sources of market failure are outlined below:-

- Public good – for example, public space/ parks/ gardens where wider third parties benefit from their provision. The private sector is not placed to provide this investment;
- Information – for example, where the market is unsure of the commercial benefits of investing, which in turn can lead to risk and uncertainty amongst investors;
- Positive externalities – for example, the effects of providing a stunning public space/ gardens, in turn could deliver positive benefits in the form of lower crime, environmental benefits, better recreational facilities and pride in the place – the wider societal benefits.

The Council's intervention in delivery of the project is justified on the basis that the private market will not deliver the UTG project, while there are wider public benefits that is expected to maintain and attract investment into the city centre.

### Public and stakeholder engagement

The proposals for enhancing UTG were based on priorities identified by the public during the Aberdeen CCMP consultation – namely,



improving access, amenity and activity while conserving heritage. More than 4,000 people contributed to the development of the Masterplan during consultation sessions in autumn 2014 and Spring 2015 with support levels reaching between 72% and 94%.

The CCMP offered a range of potential options for UTG. LDA Design was tasked with developing the concepts, drawing up proposals, and costing them with the goal of delivering a Garden meeting modern expectations and standards around usage and inclusiveness while respecting the historical setting. The aim was to find a complementary mix of enhancements that delivered value for money for the Aberdeen taxpayer.

Throughout September and October 2016 a series of meetings were held with key stakeholders to inform them of LDA Design's role, timescales for the project, and to understand, first hand, the existing challenges and future aspirations for UTG from a wide range of interested parties. Stakeholders included Friends of Union Terrace Gardens; City Centre Community Council; Aberdeen Civic Society; Aberdeen Performing Arts; Robert Gordon University; Aberdeen and Grampian Chamber of Commerce; Bon Accord Access Panel; Disability Equity Partnership; Aberdeen City Heritage Trust.

The key themes emerging from the stakeholder engagement were similar to those identified in the Denburn Valley Design Workbook in the CCMP: improving connectivity and accessibility; enhancing heritage assets and cultural associations; improving safety and amenities within the park; activation of the gardens with attractions, events, destination draw; improving the quality of the greenspace.

The emerging proposals were shared with the City Centre Masterplan Reference Group on 15 November 2016 for comment and refinement.

On December 1 Members were invited to view the proposals with an opportunity to feed back their thoughts to the design team. On December 2, stakeholders (including those from the September and October meetings) were invited to a presentation of the proposals, followed by a workshop in which groups of stakeholders were invited to critique the designs. On December 5 a presentation was given to the Aberdeen Community Council Forum.

A public engagement exercise ran from December 2 to December 9, spanning two calendar weeks. The engagement exercise showcased the designs, linking the proposals to the CCMP concepts. The public was invited to complete a survey during this period. They were asked to assess the how well or otherwise the proposals addressed issues identified in prior consultations and given the chance to provide their own comment. Surveys were also available at city libraries and community centres.

Staffed exhibitions took place in The Academy (December 3 and 4) and at the Christmas Village (5 -9 December, including an evening session on 8 December). Unstaffed boards were on display at Marischal College (2 December, 5-9 December) and at the Bon Accord and Trinity Shopping Centres (8 and 9 December).

Direct engagement was held with a number of schools. LDA Design presented the proposals to pupils at Harlaw Academy, and the Children's Parliament – a children's human rights organisation – worked with youngsters from Manor Park and Bramble Brae primaries to gather views. Robert Gordon's College also shared the proposals with pupils.

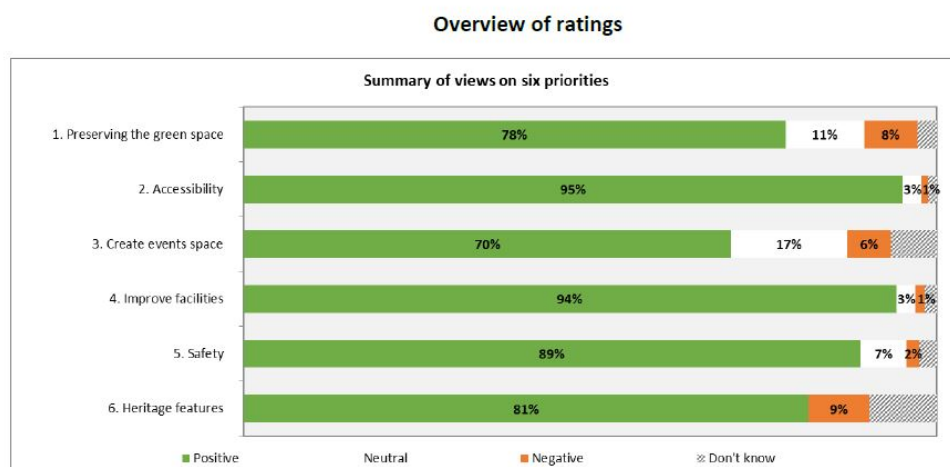
The plan to engage with the public was publicised in September, when the design team was announced. The exercise was extensively promoted. An "activation" event was held in UTG in November to help raise awareness and posters were issued with locations and dates/times for public exhibitions. Details were also shared in media releases. The proposals and survey were promoted on social media and partners (for example, Aberdeen Inspired) asked to encourage people to take part through their own networks and channels. Links to the survey were present on the Council's website home page.

A total of 1,417 responses to the UTG survey were received.

The analysis was carried out by Craigforth, a company which has more than 15 years' experience conducting such work for public agencies, including the Scottish Government. When drafting a timescale for engagement, allowance was made for the analysis of detailed qualitative responses, which were being used to inform the drawing up of detailed designs.

The responses showed positive rating across all themes: accessibility (95%); improving facilities (94%); safety (89%); heritage features (81%); preserving the green space (78%); and creating events space (70%). A summary is shown below and the full report appears as Appendix D.

**Figure 1: Summary of views on six priorities**



*(UTG public engagement analysis – Craigforth 2017)*

Appendix E documents comments on the UTG designs made by stakeholders and the public during the engagement exercise.

### Business Case - Options

Appraisal guidance and best practice recommends that all appraisals should compare a 'do something' option to a 'do nothing' or 'do minimum' options. A qualitative assessment of how the options deliver the overall project objectives was undertaken as part of the Strategic Business Case 'gate' of the Council's appraisal process. These are summarised below.

**Option 1 – Do Nothing** - In this case, the do nothing option is that Union Terrace Gardens would continue in its current form, but which is not fully accessible, or is under-utilised, the proposed transformation would not proceed, and the project objectives above would not be delivered.

The 'do nothing' scenario was rejected at the strategic options stage as this would not improve access to or use of the Gardens, perpetuating the lack of a meaningful project being delivered. Financial analysis of 'do nothing' is based on an estimate of current annual maintenance costs of £45,000 per annum; and assumes asset deterioration in future years. Over the life of the do nothing option, this yields a low net present cost of £256,000 – the cost is low, but there are no benefits. 'Do nothing' also brings an unquantifiable risk associated with the potential future deterioration of a listed city centre asset.

**Option 2 - Basic improvements** – No improved accessibility or new commercial and performance spaces. This option would have failed to recognise the Gardens' importance to the city and would continue to preclude full community use while not attracting visitors.

**Option 3 - Redesign the Gardens** to enhance the status of the Gardens and to build upon this unique destination in Aberdeen, offering

traditional park experiences alongside new ideas. Key to this is the enhancement of visual and physical access into and through the Gardens and improving connectivity within the city-centre.

**Option 4 - Raising the Gardens** to Union Street level presents significant engineering challenges. This was one project within the previous £182m Tax Incremental Financing (TIF) scheme, and was estimated to cost £70m (2012 prices).

The preferred option within the Strategic Business Case was the Option 3 redesign solution devised by the 2015 Masterplan work. LDA's design-led project builds upon the Masterplan's EN10 project proposal to revitalise UTG.

#### Business Case - Analysis

In accordance with appraisal guidance (HM Treasury 'Green Book'), the analysis considers the capital costs and benefits of the proposal (against 'do nothing') over a 30 year period.

The business case for the UTG's project is provided in Appendix F of this report (issued separately). It provides Aberdeen City Council with the information to support a range of decisions in relation to the UTG project.

The financial appraisal shows a Net Present Cost of £16.37m. In commercial terms the financial appraisal indicates that the project would not proceed. It largely reflects the capital investment needed in years one and two, as a positive cash flow is reported from year three, as estimated revenue income exceeds estimated revenue costs.

Therefore the wider non-monetary benefits of the project in delivering wider economic impacts are considered in more detail below.

#### Benefits Realisation Plan

The evaluation stage is a key part of the project management process to identify what has been achieved as a result of the project. The main areas of this are to understand the flow of benefits and the ultimate outcomes of the project. The benefits realisation plan provides a framework for the assessment of what and how the project has achieved and if it has achieved its project objectives. To inform that process, the benefits realisation plan acts as Gate 7 – Benefits Review (Appendix G) and aims to monitor and validate the benefits described and the measure of them.

To offset the financial costs of the project, the project delivers a number of non-monetary benefits. A transformed UTG will establish the Gardens, and its surrounding area, a key destination and connecting area of Aberdeen. As a result of improvement to existing facilities and delivering new and additional uses, this will stimulate additional footfall and spend in the city centre.

Food and beverage proposals for new commercial units at UTG are made in the challenging market context noted above, but with an eye to the long term post-2019 and the attraction of a unique project in a prime location. The units are not simply commercial initiatives, but are a design solution to attract and move people around the Garden, creating a symbiotic relationship with Aberdeen city centre. Risk management dictates that temporary, alternative and supporting uses such as office, gallery or creative industries should also be targeted. A number of less formal, 'pop up' commercial activities are also highlighted as opportunities for the Gardens themselves rather than the commercial units.

UTG is already a modestly successful events venue, attracting 60,000 people to six events in 2016. Detailed event programming through alignment with the emerging Aberdeen 365 events strategy is now required to maximise the potential of the four new and enhanced events space which will be created by the project. Depending on the scale of events, and the 'recovery time' between them, prudent modelling of potential activity in UTG, could see an increase in wider footfall of around 260,000 per annum. The assumption is that the Gardens will continue to host a wide range of community and commercial events, and align with the approved Aberdeen 365 strategy and implementation.

The quantifiable benefits from the project are summarised in the table below:

**Table 2: Quantifiable Economic Impact**

Item	Do Nothing	Project
Construction (job years)	0	229
Jobs (FTE equivalent)	2	27
Footfall (trips)	60,000	260,000

*(Source: Ryden LLP, Appendix F – UTG Business Case – issued separately)*

The area immediately surrounding the Gardens contains 231 properties demonstrates high vacancy (particularly offices) and also gap sites. There is potential to support and grow businesses, reduce vacancy and deliver new investment here a direct consequence of the UTG project.

Reference projects indicate enhanced civic image, additional resident and employee populations, new investment attracted, improved business trading, catalytic effects in the immediate vicinity with each visit valued at up to £13 per visitor trip. This could generate additional gross impact of up to £3.38m annually, spent in the wider city centre. This estimate has not been adjusted down to account for any events/visits that would have happened anyway or displacement effects.

The Net Present Value of the additional GVA from the directly quantifiable economic benefits within the UTG project – without quantifying these wider city centre and public benefits - is estimated at £12.5m over the 30-year appraisal period.

In addition, the wider catalytic benefits of the project beyond these economic impacts are:-

- Enhanced civic image through a regenerative impact, additional resident and employee populations, new investment attracted, improved business trading, effects on adjoining sites, property value through a value chain, increased local taxes, and additional visitors generating activity and expenditure;
- Direct beneficial impacts upon businesses in the surrounding area including Union Street/ Belmont Street/ Rosemount Viaduct/ Union Terrace, by addressing high vacancy rates and in promoting the redevelopment of persistent gap sites. This core city centre area contains important civic, retail and leisure uses, yet is clearly underperforming.
- Support, enhance and accelerate city centre development envisaged in the 2015 Masterplan, around half of which is now visible in the development pipeline, excluding regeneration and rehabilitation of existing buildings. Positive impacts upon confidence, investment, scale and values across this development pipeline will deliver a significant return on the UTG project.
- Retain and enhance the city centre's principal green space will sustain and improve a range of environmental benefits. Specific benefits will come from the improved management of and green space and will demonstrate environmental benefits including air quality, biodiversity and noise.
- Social benefits will arise from greatly increased public usage of the green spaces and events spaces for socialising and community interaction. Specific benefits can include healthier activities, play, education, training and volunteering.

The Project Management for the UTG Project will include an evaluation framework that provides a number of key performance indicators in terms of:

- Activity Measures – for example, events at UTG
- Output Measures – additional footfall in the immediate vicinity of the project
- Outcome Measures – occupancy, spend in wider area.

#### Procurement Strategy

Officers recommended that the project is procured through a European Union regulated (OJEU) Two Stage Design and Build process. This is mainly due to the complex nature of the site and the building structures, which requires to range of construction specialisms (landscaping, structures, heritage and civils).

This two stage process will see the design team novated to a contractor as the design is being developed and benefit from their resources and expertise in a collaborative working approach. It also gives the opportunity to achieve the certainty of a fixed contract sum at the end of the procurement as well as ensuring that high risk items to the contractor are included at a realistic level and not overpriced at an early stage due to their uncertainty.

Initial market testing has found that contractors are interested in bidding for the construction works under the Two Stage Design and Build process.

#### Project Programme

The full Project Programme is provided for information in Appendix H. This appendix is a live document and is subject to change. If the Council agrees this report, the following table shows the proposed key milestones for the delivery of the project:

Table Four: Key Project Milestones

<b>Milestone</b>	<b>Date</b>
Pre-application discussions with Planning Authority	Continuing March/ April 2017
Stopping Up Order for slip road between Union Terrace and Rosemount Viaduct- statutory and public consultation	15 March 2017
Traffic Regulation Order for Union Terrace- options to be assessed.	20 March 2017
Site investigation work for Union Terrace Gardens to begin.	24 April 2017
Submission of detailed planning application and Listed Building application	End of April 2017
Two stage tender process: stage 1 package issued to contractors.	9 May 2017
Completion of Site investigation.	12 June 2017
Stage 1 Contractor approval.	July 2017
Determination of planning applications.	July 2017
Detailed design plan to be finalised. (RIBA stage 3)	July 2017
Detailed cost plan to be finalised.	July 2017
Two stage tender process: stage 2 package issued to contractors.	August 2017
Submit report to the first available Committee on results of the procurement exercise, final cost plan and feasibility of external funding	tbc
Stopping Up Order for slip road between Union Terrace and Rosemount Viaduct- report findings to the first available Communities, Housing & Infrastructure Committee.	tbc
Traffic Regulation Order for Union Terrace- report recommendation to the first available Communities, Housing & Infrastructure Committee.	tbc

<b>Milestone</b>	<b>Date</b>
Contractor mobilisation period.	September 2017
Construction to begin.	October 2017
Completion of Stage 2 tender period.	December 2017
Completion of work.	July 2019

## 6. IMPACT

The potential impact of the UTG project has been taken into account in relation to its alignment to the Local Outcomes Improvement Plan process.

**PEOPLE** - 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.

With more people walking and cycling in the area there could be a reduction in inactivity-related illness. People will also benefit from the positive impact on air quality due to a reduction of emissions from vehicles in the area. Noise levels would be lower too.

**PLACE** – 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.’

One of the key goals of the project is to contribute to the improvement of the city centre and improved safety, access and atmosphere.

**ECONOMY** – 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.

The project will also have a positive impact on city centre employers themselves, and also 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.

## 7. MANAGEMENT OF RISK

There is reputational risk to the Council, and wider city centre, of not delivering the key elements of the CCMP, and specifically not responding to the demand for a rejuvenated UTG.

Appendix I to this report provides the Project Risk Matrix. This appendix is a live document and is subject to change. Based on that, the table below provides a summary of the major risks to the project.

Table 4: Project risk and mitigation

Description of Risk	Impact	Risk Assessment	Mitigation Strategy
1. Failure in obtaining the necessary consents within required timescales.	Impact on the project plan, resulting in a delay in delivering the scheme.	Medium	Ensure pre-planning discussions are undertaken with all required personnel and that there is a suitable design for approval.
2. Obtaining the necessary approvals to proceed with project.	Rejection of the project will impact the scheme and CCMP objectives.	High	Following the correct procedures whilst ensuring all information submitted to committee is robust at the stage of submission.
3. Organisational Capacity	The scale of the project requires support in resources to allow timescale to be achieved.	Medium	LDA consultancy team have been established to support the development programme. Officers are required to support with internal project management, reporting and stakeholder engagement.
4. Time - programme over-running	Scheduled completion date not being achieved will result in negative perception, the timeline being extended, costs increasing and impact on resource.	Medium	A realistic programme to be determined for all stages of the project. Design timescales to be agreed with the Design Team.  Regular project team meetings to monitor progress and actions.
5. Delay with Stopping Up Order	As a key driver in the project, any delay in the stopping up order will impact the project plan and staging of delivery.	High	Undertaking the Stopping Up Order in March gives more time for the Order to be processed and keep in line with the outlined programme.
6. Roads and transport approvals	Objections to the proposals will cause a delay in approvals and	Medium	Engagement and workshops with internal departments and consultants to ensure correct procedures are followed.

Description of Risk	Impact	Risk Assessment	Mitigation Strategy
	will impact on the project delivery and potentially the overall scheme should they be rejected.		
7. Final cost plan exceeds project budgets	There is a risk that the project, as designed, does not proceed	Medium	Two stage tender process gives opportunity to achieve certainty of a fixed contract sum at the second stage procurement process
8. Reduction of overall project budget.	Consultation with the public and members based on the Stage A design.	Medium	Cost plan provided by LDA highlighting cost savings with limited impact on the design.  Officers will continue to look at feasibility of sources of external funding
9. Revenue income assumptions are not achieved and there is a revenue cost pressure.	Revenue income will impact the overall cost plan as it is based on assumptions. Further market testing is being completed by the consultants to allow revenue estimates to be robust.	Medium	Cautious assumptions have been made to date and initial market testing on the commercial space will inform this mitigation.
10. Failure to reach agreement with Network Rail in respect of land acquisition and approvals	As the NR internal clearance process takes six weeks to complete, this could delay progress and impact on current design.	High	Engagement with Network Rail to discuss project designs and the requirements moving forward. Agreement in principle regarding the access for site investigation has been agreed. Internal processes clarified and implications determined from this process.

Description of Risk	Impact	Risk Assessment	Mitigation Strategy
11. Common Good	Restrictions on the land can impact on uses within UTG	Medium	Small risk and asset team to confirm if there are any restrictions

## 8. BACKGROUND PAPERS

OCE/15/021 - Aberdeen City Centre Masterplan and Delivery Programme

CG/16/077 - Strategic Infrastructure Plan Progress Update

Appendix A – UTG Outline Design Visual

Appendix B – Estimated Capital Costs (contains exempt information)

Appendix C - Outline Design Report

Appendix D – Public Engagement Report

Appendix E - Comments and Responses Summary

Appendix F – Business Case (contains exempt information) – issued separately

Appendix G – Project Management Process

Appendix H – Project Programme

Appendix I - Project Risk Matrix

CCMP and Delivery Plan

[http://www.aberdeencity.gov.uk/council\\_government/shaping\\_aberdeencity/City\\_Centre\\_Masterplan.asp](http://www.aberdeencity.gov.uk/council_government/shaping_aberdeencity/City_Centre_Masterplan.asp)

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