

ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme Committee
DATE	3 June 2019
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Aberdeen Art Gallery Progress Report
REPORT NUMBER	RES/19/274
DIRECTOR	Steve Whyte
CHIEF OFFICER	John Wilson
REPORT AUTHOR	John Wilson
TERMS OF REFERENCE	1.1

1. PURPOSE OF REPORT

The purpose of this report is to update the committee on progress of the delivery of Aberdeen Art Gallery leading up to the expected opening of the new Aberdeen Art Gallery. The target date for opening is currently late Autumn 2019.

2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Note the current on-going works leading to an opening of the new Art Gallery in late Autumn 2019.
- 2.2 Instruct the Chief Officer Capital to provide a further update on progress at the next Capital Programme Committee in September 2019.

3. BACKGROUND

City Transformation

- 3.1 Aberdeen City Council is leading the most significant transformation in the city's history. The project described in this report is just one of several jewels in a new cultural crown.

- 3.2 Unprecedented levels of investment are enhancing historic venues and delivering new world-class facilities.
- 3.3 In 2019 the redeveloped Aberdeen Art Gallery – already home to work by artists such as Sir Francis Bacon and Claude Monet – will re-open and The Event Complex Aberdeen (TECA), a 12,500-capacity venue, will be launched.
- 3.4 Union Terrace Gardens is being revitalised, enriching the city’s green heart for generations to come, while the sympathetic restoration of Provost Skene’s House as a contemporary visitor attraction will celebrate the vision and ingenuity of our people and the city region’s continuing global influence.
- 3.5 The iconic Music Hall has been refurbished and the regenerated Broad Street, animated by a dancing fountain, flanked by the award-winning Marischal Square and the magnificent Marischal College, has given the city centre a new stage.
- 3.6 2019: the year of Aberdeen’s renaissance. Refer to Appendix 1

Project Introduction

- 3.7 The revitalised gallery complex (comprising the Art Gallery, Cowdray Hall and Remembrance Hall) will be the city’s key cultural venue, creating an exceptional centre for music and art in the centre of the city.
- 3.8 Architectural interventions, including a passenger lift, have improved access for all and increased connectivity across the site, whilst retaining the unique character of the buildings. Enhanced visitor facilities include two destination cafes and two sales points selling a unique retail assortment.
- 3.9 Due to the increase in size (from 11 collection galleries to 21) more of Aberdeen’s outstanding collections will be on display, interpreted in fresh new ways, including widespread use of digital technology, for visitors of different ages and from diverse backgrounds.
- 3.10 A varied and engaging programme of exhibitions and events is planned, including opportunities to see world-class exhibitions. The creation of an additional 500m² for special exhibitions will enable a vibrant programme of 10 exhibitions a year with a complementary programme of weekly talks and events. The new ground floor learning space and top floor seminar room will enhance the learning opportunities for all ages.

Main Works

- 3.11 The principal contractor for the main works McLaughlin & Harvey (MCLH) was awarded a practical completion certificate on 14 February 2019.

- 3.12 Attached to the award letter was a list of 'snagging works' which have been agreed to be closed out post practical completion. This is normal practice in relation to capital works of this significance.
- 3.13 There are a small number of distinct main works work packages which are being taken forward by officers. The sequencing of these work packages is such that they will be delivered to align with the current planned fit-out works and overall project programme. This work is progressing well with several works already completed.

Fit-Out Works

- 3.14 Leading up to the fit-out, following a procurement exercise the Contractor named Robertson was appointed to act as principal contractor during the fit-out period.
- 3.15 The fit-out works involve a significant number of small contractors to deliver a range of specialised works, such as carpentry, audio visual, display cabinets, etc.
- 3.16 The fit-out works are expected to be complete by June/July 2019.

Art Works Installation

- 3.17 By mid-May 2019, as the fit-out works are expected to be well advanced the Aberdeen City Council museums team will begin the installation of the collections of artworks and artefacts.

Schoolhill, Public Realm Phase 1

- 3.18 The external paving works at the main entrance to the Art Gallery are being taken forward in a separate contract. These works extend from Blackfriars Street to the Robert Gordon College (RGC) main entrance.
- 3.19 These works will commence in early June 2019 for a period of circa 10 weeks.
- 3.20 The timing of the paving works is planned to avoid the Robert Gordons College exam period and mitigate the traffic impact the paving works would have with school drop off/pick up traffic.
- 3.21 The works are also being taken forward in close collaboration with the events team. There aren't any planned events which would impact on the paving works during the above planned construction period. These works will be complete prior to the Art Gallery officially opening

Summary

- 3.22 In summary, working in close collaboration, both the main contract snagging works and fit-out works are being taken together in tandem and are planned to be complete during the summer months. Aligning with these works the artworks and artefacts are now being removed from storage and installed within the new art gallery.

- 3.23 The intention is to firm up with a definitive opening date of the new Art Gallery in the coming weeks. This would allow the planning for a launch event later in the year.

4. FINANCIAL IMPLICATIONS

- 4.1 The capital budget for the Art Gallery project for 2019/20 was updated by Council in March 2019.
- 4.2 The capital budget for the Art Gallery project is £34.632m. This has 3 distinct funding sources; Aberdeen City Council, Heritage Lottery Funding and Private donations. Any shortfall in the budget from either the Heritage Lottery Funding or Private donations will be underwritten by the Council.

Gross Budget	Spend to date
£34.6m	£27.8m

- 4.3 The overall philanthropic fundraising target is £20M of which £13,814,329.37 has been raised to date. This comprises £10M from the Heritage Lottery Fund (referred to above) and £3,814,329.37 from other trusts and grant-awarding organisations and public donations.
- 4.4 The remaining funds will be raised through a combination of working with corporate prospects, high net worth individuals, trusts and foundations and visitor donations, including opportunities for the public to be involved in supporting the Art Gallery Redevelopment by becoming a Founder Patron or purchasing one of the other fundraising offer such as purchasing a Cowdray Hall chair.
- 4.5 The final expenditure can only be confirmed once all the project works are complete. A key element in achieving this will be reaching an agreed financial settlement with the main works contractor. This is related to their claims for delays. Further details are contained in section 5.

5. LEGAL IMPLICATIONS

- 5.1 Following a successful adjudication which found in favour of the Employer (ACC) the main works contractor (MCLH) raised an action at the Court of Session in April 2018 regarding on-going contractual claims for delays. This action is currently sisted (on hold) for six months. Officers from legal services will continue to monitor matters in order to protect ACC's position.
- 5.2 MCLH have since submitted further additional claims to the Council's contract administrator (Hoskins Architects) for their consideration. Both contractual

parties are currently working constructively together to try and reach a financial agreement to resolve the outstanding issues.

6. MANAGEMENT OF RISK

	Risk	Low (L), Medium (M), High (H)	Mitigation
Financial	Inability to agree financial settlement with the main works contractor	L/M	Continue to update spend profile based on construction programme and monitor. Conduct negotiation with Contractor to substantiate all additional costs.
Legal	Legal challenge	M	The valuation for claims for additional costs has been undertaken with procurement and legal support. Informal meetings are being held with the Contractor to agree a final figure which will incorporate a review of their supporting information. Officers from legal services are monitoring matters in order to protect ACC's position. Officers have access to expert legal advice from construction law specialist lawyers should that be required.
Employee	None	L	Not applicable.
Customer	Poor communications with stakeholders and users of the new art gallery.	L	Close collaboration is being maintained with media colleagues and other Chief Officers who have a direct interest in the project as well as Robert Gordon's College.
Environment	None	L	Not applicable.

Technology	Steady State	L	Contract parties are working together to close out the small number of galleries which still exhibit steady state issues.
Reputational	Failure to open the art gallery in late autumn 2019 will further damage the reputation of the Council	L	This is being managed through external construction project management as well as contract management structures within the Council's capital cluster.

7. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous Economy	<p>The delivery of the new art gallery will help to grow Aberdeen as a city of learning that empowers people and communities to put lifelong learning at the heart of their civic and cultural identities. It will be a major tourist attraction in the heart of the city centre.</p> <p>This will be developed in the coming weeks to align with the launch event.</p>
Prosperous People	<p>The Council is committed to improving the key life outcomes of all people in Aberdeen City. The access to the new art gallery will provide opportunities to understand and appreciate the culture and history of the city as well as appreciating other art artefacts from across the world. There are rooms allocated within the building to offer the opportunity for schools and groups to use as workshops and learning opportunities.</p>
Prosperous Place	<p>The Council is committed to ensuring that Aberdeen is a welcoming place to invest, live and visit and operate to the highest environmental standards. The new art gallery contributes to this objective.</p>

Enabling Technology	The new art gallery will provide the potential for enabling people to learn and develop themselves in ways that meet their needs, interests and ambitions.
----------------------------	--

Design Principles of Target Operating Model	
	Impact of Report
Customer Service Design	None.
Organisational Design	None.
Governance	None.
Workforce	There will be new staff opportunities within the new art gallery regarding catering/shop facilities.
Process Design	None.
Technology	None.
Partnerships and Alliances	The funding for the project is part funded by donations from the Heritage Lottery Fund and the wider public. The support to date has been positive and all funders look forward to the opening event.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	Not required.
Data Protection Impact Assessment	Not required.
Duty of Due Regard / Fairer Scotland Duty	Not applicable.

9. BACKGROUND PAPERS

None.

10. APPENDICES (if applicable)

Appendix 1: City Cultural Map

11. REPORT AUTHOR CONTACT DETAILS

John Wilson
Chief Officer Capital
JohnW@aberdeencity.gov.uk
01224 523629