

ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme
DATE	18th November 2020
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	South College Street Junction Improvements Project Progress Report
REPORT NUMBER	RES/20/195
DIRECTOR	Steven Whyte
CHIEF OFFICER	John Wilson
REPORT AUTHOR	Suzanne Duncan
TERMS OF REFERENCE	1.1

1. PURPOSE OF REPORT

- 1.1 This report is to update the Committee on the progress of the South College Street Junction Improvements project.

2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Note the updates to the programme milestones and the associated financial implications.

3. BACKGROUND

- 3.1 The City Centre Masterplan Station Gateway intervention area requires the removal of cars on Guild Street and sections of Carmelite Street creating the opportunity to expand pedestrian footways and Union Square as a pedestrian friendly space and form a seamless pedestrian route through the Merchant Quarter. This removal of traffic will facilitate a high-quality public realm scheme on Guild Street with quality materials that can create comfortable places for people to linger and enjoy.
- 3.2 Following the adoption of the City Centre Masterplan (CCMP), the impact of the proposed changes on the city's road network were assessed. This work identified the South College Street Junction Improvements (Phase 1) project as an enabling measure, highlighting that its associated capacity improvements are essential prior to implementation of the east-west routes interventions namely Guild St (EN02) & Union St (EN05). On 8th November 2017 the Communities, Housing and Infrastructure Committee instructed that Option 1 should be progressed as the preferred option. Both interventions support the delivery of the CCMP public realm and streetscape outcomes to improve public spaces, providing improved links

between Masterplan projects and city centre assets. Delivery of the CCMP, will bring substantial economic benefits to the region, while interventions EN02 and EN05 have the potential to improve investor perception & confidence, increase footfall, visitor numbers and spend. Further work has confirmed that the previously approved project (Option 1) should be developed as a first phase solution with a second phase to follow. Phase 1 of the project involves the creation of:

- (i) an additional traffic lane along South College Street between Bank Street and Wellington Place;
- (ii) an additional lane on Palmerston Place;
- (iii) a new traffic signal-controlled junction at Palmerston Place/North Esplanade West;
- (iv) new and altered walking and cycling infrastructure; and
- (v) the alteration of the existing traffic signal-controlled junctions at South College Street/Wellington Place and South College Street/Millburn Street/Palmerston Place to provide additional capacity.

3.3 Subsequently a revised Outline Business Case (OBC) inclusive of an updated cost estimate was prepared for the project and at its meeting of 26th September 2019 the City Growth and Resources Committee resolved to:-

- (i) note the contents of the revised business case for the Project;
- (ii) agree the recommendations within the revised business case for the Project appended to the report;
- (iii) instruct the Chief Officer - Capital to progress all necessary approvals, permissions, licenses, agreements and consents required to develop and implement the Project;
- (iv) delegate authority to the Chief Officer - Capital, following consultation with the Chief Officer - Finance, to vire funds between transportation project budgets in the General Fund Capital Programme to a level required to ensure the Project can proceed to implementation; and
- (v) delegate authority to the Chief Officer - Capital, following consultation with the Chief Officer - Commercial and Procurement Services, to consider and approve business cases (including estimated expenditures) for the Project for the purposes of Procurement Regulation 4.1.1.2 and 4.1.1.4; thereafter to procure appropriate works and services, and enter into any contracts necessary for the delivery of the project.

3.4 Thereafter, Officers continued to progress the detailed design for the project and secure all land required for its implementation. Due to the lack of constructive engagement from the owners of two plots regarding voluntary acquisition; on 6 May 2020 Urgent Business Committee considered the making of a Compulsory Purchase Order (CPO). At its meeting the committee resolved to:

“to make a Compulsory Purchase Order in respect of the land identified in the CPO Map (comprising 3 sheets) contained in Appendix 1 and instructs the Chief Officer - Governance to implement the statutory procedures following on from the making of the Order.”

Progress

- 3.5 At the start of 2020, the development of the detailed design and land identification for the project was progressing well and on target to meet the milestone timeline specified within the OBC and approved by Committee in September 2019. From end of March 2020 progress has been hindered by two issues, the COVID-19 pandemic and the acquisition of land, which occurred simultaneously. The pandemic was not foreseen as a risk, however, the risk of land purchase delay was recorded within the OBC and now became an issue.

COVID-19 Pandemic

- 3.6 The COVID-19 pandemic has had a significant impact on project progress. When the initial nationwide lockdown was instructed by national government at the end of March 2020, it took the project team time to adjust to working from home and manage the IT challenges experienced. This inevitably impacted on productivity. Although systems of work have now been adapted the requirement for the project team to continue to work from home still has inefficiencies but to a lesser degree compared to what was first experienced.
- 3.7 Due to the COVID-19 restrictions a number of work packages have been significantly delayed. This is mainly as a result of being unable to obtain vital data and inputs within the last six months to inform the design. As COVID-19 restrictions remain in force further delay continues to be incurred. Many of the external organisations the project team were engaging with prior to lockdown such as the public utility companies and regulators, had either furloughed staff or were working with skeleton staff. A contract for topographical survey work, secured immediately before lockdown, could not proceed due to restrictions and the furlough scheme. Additional contracted design consultancy support has also delayed issuing of deliverables as they too adapted with the challenges of remote working.
- 3.8 In May 2020, the *Spaces for People* Programme commenced which involves a number of projects that require the adaption of the Public Road to enable users to adhere to Scottish Government physical distancing guidance. This became an urgent priority for all Road Service Teams and resources from the South College Street Project were temporarily reallocated to work on these projects. The removal of this resource has impacted significantly on the South College Street project with tasks on the critical path not progressed.

Compulsory Purchase Order

- 3.9 At the time of OBC approval it was considered unlikely that a Compulsory Purchase Order (CPO) would be required to secure the outstanding plots of land and that agreements could be reached with landowners, however this has not transpired. The CPO was made, advertised, and served on the 13 May 2020 and lasted a period of over 8 weeks until 10 July 2020. Two objections were received for the same plot subsequently, negotiations with one of the objectors have been successful and their objection has been withdrawn.

- 3.10 Positive negotiations are still ongoing in respect of the remaining objector and it is believed that an agreement can be reached by way of voluntary acquisition. To protect the Councils interests, alongside the negotiations to seek voluntary acquisition, the next stage of the CPO process has been instigated. A request was issued to Transport Scotland on 18 September 2020 to transfer the case to the Scottish Governments' Planning and Environmental Appeals Division (DPEA) to allow arrangements to be put in place for a Public Local Inquiry (PLI).
- 3.11 A definitive timescale for a PLI cannot be provided, although as indicted in the previous report to Urgent Business Committee the CPO process can typically take 12 to 18 months for the inquiry to be held. At the time the report was written, the timescale of 12 to 18 months took some account of the uncertainties relating to COVID-19, however the absolute impact is unknown and therefore there is a risk that the PLI process could take longer. At this stage of project delivery, the current estimated time range to conclude the CPO process is between 14 and 22 months. Given the importance of this project and the compelling need to deliver it as close to the original timeframe as possible to support the CCMP outcomes, every effort is continuing to be made to reach an agreement with the objector. Discussions are moving in a positive direction.
- 3.12 Progressing the CPO to this stage has absorbed significant staff resource at a time when resources were already very limited due to the urgent need to deliver of the *Spaces for People* project as discussed earlier. COVID-19 and its associated restrictions, has further compounded matters. Each stage of the design process has taken longer than first envisaged and the objection period was extended to double the statutory minimum of 21 days to allow additional time to receive objections.

Programme Milestones

- 3.13 As the project team are adjusting to the “new normal” whereby working from home is the default position, productivity has significantly increased since the start of lockdown in March and good progress is now being made on the Project. It is unfortunate that as a result of the delays associated with the prioritisation of Spaces for People design work and the other project direct delays from the COVID-19 pandemic such as impact on sub-contractors, their furloughed staff, and the associated timing impact of critical path tasks along with progressing the CPO process, a programme slippage of approximately 8 months has occurred to date. This has been unavoidable and where the pandemic is concerned, not something that could have been mitigated through the risk management process.
- 3.14 The updated projected programme milestones are shown in the table below for the two scenarios, depending if the CPO progresses to a public inquiry:-

MILESTONES	CPO PROCESS NO ENQUIRY	CPO PROCESS WITH ENQUIRY
Design and Prep	Spring 2021	Spring 2021
Tender Award	Summer 2021	Winter 2021/22
Full Opening	Summer 2022	Winter 2022/23

Project Close	Autumn 2023	Spring 2024
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3.15 Going forward, it should be noted that the timescales above do not take any account of any future uncertainties relating to COVID-19 restrictions.

4. FINANCIAL IMPLICATIONS

4.1 The financial implications are continuing to be managed through detailed budget monitoring.

4.2 The current spend for the project is as follows;

Budget	Spend to date
£10.7m	£0.38m

4.3 Should progression of a CPO to inquiry become necessary, the business case will be refreshed with the additional costings, and any virement of budgets required to progress this will be made in line with the delegations to officers outlined in section 3.3 above.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	Until land required for the project is secured it cannot proceed to construction. The Project is a key dependency of phase 2 of the CCMP and aspects of the Sustainable Urban Mobility Plan. Any delay to the project will impact on these wider programmes.	H	Continue the positive engagement with objector to reach agreement without the requirement for a public local inquiry (PLI). Ensure evidence and methodology is robust and all potential evidence is recorded.

Compliance	Failure to follow statutory procedures or Scottish Government good practice guidance.	L	This will be mitigated through ensuring sufficient time is given to checking documents and eradicating any potential errors.
Operational	There is a risk that the objector maintains their objection and the CPO progresses to a public local inquiry (PLI) delaying its delivery.	H	This will be mitigated by continuing positive dialogue with objector in attempt to secure land through voluntary acquisition. Be open to compromise.
	There is a risk associated with not providing an improved transport network which does not reflect the needs of the economy and society.	H	This will be mitigated by progressing the project.
	Should a PLI be required, there could be potential delays in third party processes such as DPEA/inquiry due to the impact of COVID-19 pandemic	H	Monitor approach being taken in other relevant cases. Highlight urgency in this case and suggest workarounds where possible, such as electronic and written processes.
Financial	The costs associated with the CPO process may have a potential impact on the budget.	M	The potential impact will be managed through the ongoing assessment of risks and cost monitoring.
	The Council is not in control of the requirement for a PLI, the timing or the length of time the CPO process may take.	M	The potential impact will be managed through the ongoing assessment of risks, objector management and programme monitoring.
	The compensation values as agreed or determined by the Lands Tribunal in due course may exceed the estimate and that	L	Given the nature of the plots included within the CPO the level of variance is likely to be low and will be managed through ongoing cost monitoring.

	of the budget set aside for the acquisition.		
Reputational	There is a risk that Aberdeen City Council will experience reputational damage from supporters of the Project and the CCMP if it does not proceed.	H	This will be mitigated by progressing the Project.
	There is a risk that Aberdeen City Council will experience reputational damage from objectors to the Project if it proceeds.	M	This will be mitigated by trying to address issues raised by objectors but this may not be achievable in all instances.
Environment / Climate	It is likely that the proposals will lead to some detrimental impacts in the locality of the corridor while providing the opportunity for improvement along other routes.	L	Impacts are likely to be acceptable against the relevant standards and commensurate wider area improvements.

7. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	
Economy 3. Increase city centre footfall through delivery of the City Centre Masterplan	The proposals within this report form a key enabler for phase 2 of the CCMP. Principally the project will enable the removal of cars on Guild Street and sections of Carmelite Street creating the opportunity to expand pedestrian footways and Union Square as a pedestrian friendly space and form a seamless pedestrian

	<p>route through the Merchant Quarter (CCMP IA5). The Project's associated capacity improvements are essential prior to implementation of the east-west routes interventions namely Guild St (EN02) & Union St (EN05).</p>
<p>Aberdeen City Local Outcome Plan</p> <p>Prosperous Place Stretch Outcomes</p>	<p>The project is a stated Commissioning Intention in support of LOIP Stretch Outcome 14, Key Driver 14.1 - Reducing emissions across the city.</p> <p>The proposals within this report support the delivery of LOIP Stretch Outcome 15 – 38% of people walking and 5% of people cycling as main mode of travel by 2026; through enabling the Key Improvement Measures in the City Centre.</p> <p>Principally the project will enable the removal of cars on Guild Street and sections of Carmelite Street creating the opportunity to expand pedestrian footways and Union Square as a pedestrian friendly space and form a seamless pedestrian route through the Merchant Quarter (CCMP IA5). The Project will also provide additional pedestrian and cycling facilities along the project roads.</p>
<p>Regional and City Strategies</p> <p>The Local Transport Strategy and City Centre Masterplan form parts of the Council Delivery Plan Strategy Framework.</p>	<p>The proposals within this report form a key enabler for phase 2 of the CCMP and directly contribute to meeting the LTS's objective to Implement a Programme of Road Improvement Schemes, building on the opening of the Third Don crossing, the Airport Link Road and ongoing work for the Berryden Corridor Improvement project.</p>

UK and Scottish Legislative and Policy Programmes N/A	N/A
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8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	EHRIA required
Data Protection Impact Assessment	Not required

9. BACKGROUND PAPERS

RES/19/271 - City Growth and Resources Committee - South College Street Junction Improvements Business Case Update – 26th September 2019

RES/20/090 – Urgent Business Committee – South College Street Junction Improvements (Phase 1) – Compulsory Purchase Order – 6th May 2020

Compulsory purchase in Scotland; A guide for property owners and occupiers
<https://www.gov.scot/publications/compulsory-purchase-scotland-guide-property-owners-occupiers/>

10. APPENDICES

There are no appendices to this report.

11. REPORT AUTHOR CONTACT DETAILS

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