

ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme Committee
DATE	18 November 2020
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Union Terrace Gardens: Project Update
REPORT NUMBER	RES/20/206
DIRECTOR	Steve Whyte, Director Resources
CHIEF OFFICER	John Wilson, Chief Officer Capital
REPORT AUTHOR	Tara Gavan,
TERMS OF REFERENCE	1.1

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update the committee on progress of the delivery of Union Terrace Gardens project which has an anticipated completion date Autumn/ Winter 2021.

2. RECOMMENDATION(S)

That the Committee :-

- 2.1 Notes the progress achieved to deliver the Union Terrace Gardens redevelopment.
- 2.2 Instruct the Chief Officer Capital to provide a further update on progress at the next Capital Programme Committee in March 2021.

3. BACKGROUND

- 3.1 Reference is made to report RES/19/259 submitted to the Capital Programme Committee January 2020, which considered the progress of the project's delivery at that time.
- 3.2 In line with the Scottish Government's guidance issued for construction projects during the national lockdown, Balfour Beatty suspended works on site on 28th March and personnel returned to site as of Monday 1 June 2020.
- 3.3 The Scottish Government has set out a road map for construction projects which identifies a phased approach:
- Phase 0: Planning
 - Phase 1: Covid-19 Pre-start Prep
 - Phase 2: Soft start to works
 - Phase 3: Steady State (no use of additional PPE)

- Phase 4: Steady State (additional PPE may be introduced)
- Phase 5: Increasing density

In line with the Scottish Government's guidance, Balfour Beatty personnel returned to site as of Monday 1 June 2020.

As of 22 June 2020, Balfour Beatty commenced with Phase 2 of the road map, which allowed substantive works to be progressed. Phase 3 of the road map now remains in operation.

Balfour Beatty has successfully implemented new on-site working procedures to align with the Scottish Government Guidance. Both the Site Operating Procedures and the Construction Phase Health and Safety Plan have been updated accordingly.

- 3.4 Given the impact of COVID-19 on the construction programme, and specifically the requirement to close the site for a period of time, Balfour Beatty issued an Extension of Time Application to Aberdeen City Council on 22 July 2020. This application has since been reviewed by Ryden Project Management and Brodies LLP. A formal award of an extension, under a Force Majeure Relevant Event, was granted on 12th August 2020.
- 3.5 The programme incorporates the period of time that site works were suspended, giving a new provisional completion date of Autumn/ Winter 2021. Balfour Beatty has advised that there remain some unknowns, thus the programme remains caveated at this time. These specifically relate to the ability of their supply chain to meet design / manufacturing dates and on-site requirements, in light of COVID-19.
- 3.6 Balfour Beatty is continuing to develop the technical design in collaboration with the novated Design Team. In light of the COVID-19 outbreak, design workshops are continuing to be undertaken via video conferencing.
- 3.7 Good progress has been made in respect of the on-site construction works within the period, with a number of critical elements noted below now well underway.
- 3.8 The piling works associated with the 3 pavilion buildings have now been successfully completed. The erection of the buildings is currently programmed to start in Winter 2020.
- 3.9 The down taking of the granite balustrade to facilitate the works at Rosemount Plaza has now commenced with earthworks also underway within the area.
- 3.10 The works to strengthen the existing jack arches along Union Terrace have started. These works will be completed in individual sections and anticipated to last until Spring 2021.

- 3.11 The purification process in relation to the conditions associated to both the Planning and Listed Building Consents respectively continues to progress to ensure construction timelines can be achieved.
- 3.12 Union Bridge: Following the Scottish Government Guidelines in March 2020, the sub-contractor closed their site and staff were furloughed, which inevitably caused delay in finalising the new fencing sample panel.
- Following return to work, the bending tolerances for the new metal fence proved challenging due to its intricate nature. To ensure an acceptable finish which met planning conditions and met the quality finish required at completion, the sub-contractor acquired additional machinery to achieve the desired result. This created a delay in completing the sample panel for review by ACC, however the panel has now been approved.
- 3.13 The new fence panels for Union Bridge are now in the process of being fabricated, with anticipated completion of February 2021. This work package remains a priority for the project, with officers working closely and transparently with the contractor to achieve a successful result.
- 3.14 In conjunction with ACC officers, Arup is finalising the design package for the Union Terrace Improvements. Following completion and sign off, a Roads Construction Consent will be submitted to ACC for approval.
- 3.15 The building warrant application process is a staged procedure within the Balfour Beatty construction programme. To date, all applications associated with Building Warrant No.01 have been submitted. Balfour Beatty's focus will now turn to the warrant applications associated with the listed structures.
- 3.16 A procurement exercise was undertaken to appoint the Marketing of the three commercial leisure spaces. This has now been awarded, with the contract being executed imminently.
- 3.17 The look ahead for the programme is noted below within Table 1.

Table 1: Key Milestones 20/21

Milestone	Anticipated Completion
Union Terrace Balustrades and Jack Arch Replacement	Underway, completion Spring 2021
Piling to Walkway 1	December 2020
Union Bridge	February 2021
Lighting Feature	Spring 2021
Burns Pavilion	Summer 2021
Rosemount Pavilion	Summer 2021
Union Terrace Improvements	Autumn 2021
Union Street Pavilion Inc Victorian Toilets	Autumn 2021
Arches	Autumn 2021

Site Wide Landscaping + Lighting	Autumn 2021*
Walkways	Autumn/ Winter 2021
Demobilisation + Handover	Autumn/ Winter 2021
Soft Landings Period	Autumn/ Winter 2021
Construction End	Autumn/ Winter 2021

* It is important to note that due to the impacts of Covid-19, officers are continuing to assess the impact on the planting season for completing the landscaping. This is currently indicative; however the contractor may be required to return to site to complete aspects of the landscaping in 2022.

3.18 Communication & Community Engagement

The project e-newsletter is being updated regularly to include community updates for UTG – to view online please visit:

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

A visual timeline will be displayed along the Union Street hoarding to represent the transformation of the gardens over the years. The design is currently being finalised and is anticipated to be installed in Winter 2020, coordinating with the works to Union Bridge.

The contractor is continuing to progress with community engagement activities with a key focus being on young people within the city and shire. Further details can be viewed in Appendix 1.

4. FINANCIAL IMPLICATIONS

Capital Costs

- 4.1 The UTG project will see the development of three new buildings and walkway structures, path network, improved events space and landscaping and restoration of Union Terrace arches and Victorian toilets.
- 4.2 The capital cost for the construction phase of the scheme is £25.7m.
- 4.3 As agreed by Council in March 2019, the project will be funded by the City Centre Masterplan, Non-Housing Capital budget.

Gross Budget	Spend to date
£28.3m	£7.63m

5. LEGAL IMPLICATIONS

Network Rail

- 5.1 The legal agreements between Aberdeen City Council and Network Rail for a lease of the land concerning the Community Garden and air rights for the area

above the existing turntable pit are still awaiting execution. The terms have been agreed and both should be signed off imminently.

6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	N/A		
Compliance	N/A		
Operational	<p>Legal Challenge</p> <p>Failure to reach agreement with Network Rail in respect of land acquisition/ title boundary</p> <p>Failure to reach agreement with the planning authority in respect to Listed Building Consent conditions</p> <p>COVID-19</p>	<p>L</p> <p>M</p> <p>M</p> <p>H</p>	<p>The construction contractor tender has been undertaken with procurement and legal support.</p> <p>Regular meetings have been held with Network Rail and a draft agreement has been prepared and in the process of formal agreement with legal teams.</p> <p>The contractor has identified this work package and will be responsible for concluding listed building consent with support from the novated design team. A dedicated weekly workshop alongside additional resource from the contractor is currently supporting this process.</p> <p>The Construction Programme has been updated accordingly to reflect the Extension of Time application pertaining to the period of suspension.</p> <p>This programme remains caveated at this time due to</p>

			the current number of unknowns.
Financial	Final cost of the project exceeds project budgets	M	A detailed cost plan with bill of quantities has been prepared by the project's quantity surveyors (McLeod & Aitken). Development costs have been tested with key suppliers for robustness and confirmed through the tender process. External funding will be sought to support any overspend. To mitigate cost to the council.
	Revenue income assumptions are not achieved and there is a revenue cost pressure	M	Cautious assumptions have been made to date and a further market testing on the commercial space was undertaken by CBRE in March 2018 to get an independent assessment of the leisure, restaurant and cafe market and potential rental income in Aberdeen. The commercial marketing of the buildings has now been awarded to mitigate the risk.
Reputational	Poor communications with stakeholders and users of UTG	L	A detailed communication protocol is established to keep stakeholders and users informed during the construction period.
Environment / Climate	Unexpected site and ground conditions	L	Following extensive site investigations, additional Pre-construction surveys were carried out by the contractor with no issues raised.

7. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
Impact of Report	
Aberdeen City Council Policy Statement	Completion of the project will support increasing the city centre footfall through the delivery of the City Centre Masterplan / Union Terrace Gardens.
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	<p>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.</p> <p>The project will also have a positive impact on city centre employers themselves, and those operating in the retail, tourism and leisure sector. Developers and subsequent occupants / employers base their location decisions on being able to attract the best talent and skills to work in their businesses, and they recognise the positive correlation between their business competitiveness and the quality of the public realm.</p> <p>Through the investment in UTG, School hill and the Art Gallery, as well as considering the HMT and the Music Hall, the city centre will have a vibrant cultural quarter that will promote footfall and spend within the city centre.</p>
Prosperous People Stretch Outcomes	The project will create a safer and attractive environment for all people living in and visiting Aberdeen. Residents, workers and visitors increasingly demand a high standard for the places they are in. Under the proposals, they could feel more content in a more attractive and vibrant environment; as reported in other competing cities with similar projects.

	<p>With more people walking and cycling in the area there could be a reduction in inactivity-related illness.</p> <p>Through the community benefit requirements of the Council's procurement process, the Council has established improved supplier access to public contracts, particularly for SMEs; maximising efficiency and collaboration; and placing the local, social and economic aspects of sustainability for the UTG project.</p>
Prosperous Place Stretch Outcomes	<p>For Aberdeen to be globally competitive, the quality of the 'place', the commercial space and the public realm around it all have a role. Stakeholder engagement revealed that the 'poor state' of the City Centre is one of a number of issues identified as a common theme 'In terms of the attractiveness and marketing of the city to attract workers, visitors and investment...' and 'A high quality of life is integral to attracting and retaining the talent and investment needed to grow the economy. This sense of place, with a key emphasis on the city centre, is crucial in underpinning economic growth and essential in underpinning the necessary infrastructure requirements.'</p> <p>One of the key goals of the project is to contribute to the improvement of the city centre and improved safety, access and atmosphere.</p>

8. IMPACT ASSESSMENTS

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

9. BACKGROUND PAPERS

CHI/17/048 - City Centre Masterplan Project EN10: Union Terrace Gardens – Outline Design, Business Case, Development Costs and Procurement Strategy

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

CCMP and Delivery Plan

http://www.aberdeencity.gov.uk/council_government/shaping_aberdeencity/City_Centre_Masterplan.asp

10. APPENDICES

Appendix 1: Community Benefits Update

11. REPORT AUTHOR CONTACT DETAILS

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