

ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	26 June 2013
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Broad Street Site Redevelopment – Update June 13
REPORT NUMBER:	EPI/

1. PURPOSE OF REPORT

On 1st May 2013 a Report was presented to Council entitled. Property Disposal – Broad Street by the Director of Enterprise, Planning and Infrastructure. Within the recommendations officers were asked to prepare a report for the next Council meeting on the different aspects the redevelopment poses for services and infrastructure in the city centre;

This Reports endeavours to identify the wider issues with the scheme and provide a general update to members on progress in key areas.

2. RECOMMENDATION(S)

Members are asked to:

- i) Approve the role and remit of the working Group as identified in this Report
- ii) Note progress on legal / management and structural issues.
- iii) Note the impact on the setting of Provost Skene's House.
- iv) Note the timescale in relation to the planning process and public consultation.
- v) Note the Transportation issues.
- vi) Note the progress with demolition works.

3. FINANCIAL IMPLICATIONS

The financial implications in relation to the redevelopment of the site where addressed in the previous report. No new financial implications are identified in this report although a number of strategic issues are identified which may have financial implications. These will be brought forward in future reports.

4. OTHER IMPLICATIONS

There remains significant staff resourcing issues in relation to the project as identified in the Report 1st May 2013.

5. BACKGROUND/MAIN ISSUES

On the 1 May 2013 a Report was presented to the Council in relation to the sale of property assets at Broad Street.

The Council resolved:-

(i) To accept the highest scoring bidder, bidder C (Muse Developments Limited) as the preferred bidder for the Broad Street site;

(ii) To authorise the Head of Asset Management and Operations and the Head of Legal and Democratic Services to conclude the appropriate legal agreements and/or other documents to ensure the sale and redevelopment of the site, incorporating qualifications as are necessary, and otherwise to protect the Council's interests;

(iii) to instruct officers to prepare a report for the next Council meeting on the different aspects the redevelopment poses for services and infrastructure in the city centre;

(iv) to instruct officers to provide progress reports to the Council at key stages of the project;

(v) to establish a working group comprising the Leader and Depute Leader of the Council, the Convener of Finance and Resources, Councillor Forsyth and a member of the opposition to operate as a high level consultation group, discussing strategic issues with the preferred bidder to ensure that the Council as a partner in the joint venture achieves its development aspirations as detailed in the guidance for the benefit of preferred bidders document issued by Ryden on behalf of the Council in January 2013; and

(vi) to thank the relevant officers for their work in preparing the report and delivering the presentation, and the members of the St Nicholas House Working Group for their input.

The update in relation to each part of the committee instruction can be addressed as follows:-

Potential Scope/Remit of Broad Street Site Redevelopment Working Group

The Working Group would be formed with identified elected members, with support from key officers and attendance by representatives of Muse/Aviva as required.

The Group would consider identified tasks and progress but would not become involved in detailed design issues as this would potentially bar Councillor's from involvement in determining any future planning application.

The key tasks would include the following:

- Consideration to the name and branding for the development.
- Overview of project plan and monitoring delivery against the plan.
- Consider the interface between redevelopment works and the works on the surrounding infrastructure
- Communications
- Take up of development against targets
- Sustainability including energy/heat, material sources, BREEAM rating etc.
- Economic Impact (supply chain, employment before, during and after construction)

Progress on Legal Issues

The Council has appointed Brodies LLP, to work with the in-house legal team to advance the discussions with Muse/ Aviva in relation to preparing the contract documentation.

Regular meetings are being held with Muse to progress the scheme with a current focus on developing a detailed project plan, examine the legal structure of the proposals, what other agreements and mitigation measures are required and the establishment of clear lines of communications.

Meetings are being held on a by-weekly basis with the intention of having the necessary contract documentation in a finalised form in August.

Timing in relation to Planning Consultation

The Design Team have held meeting with the Council's Planning and sustainable Development team and are discussing a processing agreement to give a clear indication of the timing and resource implications surrounding the planning application(s) for the site.

It is intended that the pre-application process will commence in the late summer. The details of this are in discussion although it is proposed that a number of consultation events will be held. It is proposed that the first of these will be an event with elected members.

Future setting of Provost Skene's House

The future setting of Provost Skene's House and the interaction between the new development and the surrounding listed buildings is recognised as offering a number of opportunities to both the Council and the project.

Members are reminded that Provost Skene's House is a museum, which was "mothballed" as part of the demolition of St Nicholas House; the Director of Education, Culture and Sport has indicated that the Museums and Galleries Service intends to reopen the facility as soon as safe access is available. Education, Culture and Sport wish to be included in detailed dialogue with the developer on the basis of how the building is integrated with the development to ensure that this doesn't impinge on its operation. This dialogue would be in the context of the proposals put forward by Muse which offers the Council around £600,000 of new investment in the facility along with the potential for additional adjacent space to be made available for cultural uses. Their proposals also include the potential to undertake an option appraisal looking at the setting of the House within the overall development, including potential upgrading and improvements to the building.

It is accepted that the sensitivities around this aspect of the proposals is a key risk to the project delivery plan. Progress in relation to the setting of Provost Skene's House will be addressed in future Reports.

Transportation

As is the case for any city centre site a key element of the assessment of the redevelopment is how people travel to, around and through the new buildings.

As part of the planning process, a comprehensive transport assessment will be required which takes account of the existing movement of people and goods in the area plus local and national policies, e.g. the Council's proposals for Union Street and associated road improvements. The impact of the redevelopment proposals will potentially affect safety of all road users and city centre congestion

levels due to the impact on a number of junctions as well as the routing of buses. It is therefore important to have a clear understanding of the impact in comparative terms and so the Council's City Centre Traffic Model, which is currently being updated and is due to be fully available in the summer, will be used to develop and test a range of options to address the impact of any changes.

At this stage it is important to recognise that while the transport assessment will take account of any additional traffic movement to the site and the various routes people will take to get to it, the Council has to come to a clear decision on how it wishes to strategically manage the use of existing road space in critical locations in the city centre. Muse's original proposal showed a possible solution with a section of Broad Street from Upperkirkgate to Queen Street closed to all traffic. Such a change would require careful consideration and planning as it has far reaching impacts, especially as the Council has existing plans for similar measures on a section of Union Street. Therefore, in order to avoid unnecessary and time consuming evaluation, officers will have to undertake an early strategic appraisal of options to be reported to members as soon as it is available. This will provide members with a clear understanding of the implications should they wish to progress any changes to Broad Street separately and ensures Muse are aware of how their transport assessment, which is prepared to support their planning application, should take account of future traffic management arrangements.

Ultimately the council's consideration of the planning application will establish the acceptability of the redevelopment in transport terms, albeit any improvement or alternations to transport infrastructure could be a condition of any planning permission or form part of a Section 75 agreement, with contributions where justified agreed at that stage.

Development Programme

A development programme is currently being developed in more detail and will be presented to the Working Group and be included in future reports to Council.

Demolition Works

The demolition contract is currently on site with contractor Safedem. The contract is behind schedule due to elements outwith the contractors control (utility providers). It is currently envisaged that this time can be recovered to allow contract completion in late March 2015.

6. IMPACT

Corporate – The model chosen by the Council has significant risk and potential returns to the Council both financial and in relation to the redevelopment of the site and the wider city regeneration agenda.

Public – There is significant public and press interest in the redevelopment of the site.

7. BACKGROUND PAPERS

None

8. REPORT AUTHOR DETAILS

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