

**HELENSBURGH WATERFRONT DEVELOPMENT PROJECT – POSITION
STATEMENT**

1.0 EXECUTIVE SUMMARY

1.1 The Helensburgh Waterfront Development project is all about creating a vibrant and attractive waterfront for the town. The main feature of the project will be a new leisure facility incorporating a swimming pool, with associated parking and public realm works to meet the needs of the local community. At the same time the flood defences will be increased to address current flooding issues in the area. The new leisure facility will be run on behalf of the council by the newly formed trust LiveArgyll.

1.2 The principle aims and objectives for the project are to:

- Develop Helensburgh as a great place to live, work and visit, by delivering a new state-of-the-art leisure facility and swimming pool which meets the needs of the Helensburgh and Lomond community
- Add to what has been achieved through other projects such as CHORD and Hermitage Park regeneration, which have created an attractive, vibrant and contemporary town Centre that is attracting residents, businesses and visitors to the area.
- Encourage additional private sector investment in the waterfront area and town centre
- Through the steps above, support the Helensburgh and Lomond economy with increased opportunities for existing and new businesses

1.3 This report provides a progress update on the delivery of the Helensburgh Waterfront Development Project, including the following matters: RIBA Stage 4 – Technical Design; Procurement of the Main Works Contract; Development of the Full Business Case; Programme for delivering the project; and the Planning Application. Additionally it seeks members support for a recommendation to the Policy & Resources Committee to make provision for additional funding for certain public realm improvements approved for inclusion in the design at the end of Stage 3.

2.0 RECOMMENDATIONS

Helensburgh and Lomond Area Committee members are invited to:

- 2.1 Note and comment upon the progress update.
- 2.2 Recommend to the Policy and Resources Committee that an allowance should be made for additional funding, as set out at Section 5.6 of this Report, as part of the 2019-2020 Budget Process, for the two additional sections of public realm improvements approved for inclusion at the end of Stage 3.

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3.0 INTRODUCTION

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4.0 RECOMMENDATIONS

Helensburgh and Lomond Area Committee members are invited to:

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5.0 DETAIL

5.1 RIBA STAGE 4 – TECHNICAL DESIGN

- 5.1.2 RIBA Stage 4 – Technical Design; Constitutes the technical design of the project comprising: Planning Application; technical detailing and specification of all component parts; Building Warrant submissions; quantification and production of Bills of Quantities; Publication of the Contract Notice, selection of Contractors to be invited to tender; the Issue of Invitations to Tender; and concluding with a Contract Award for the Main Construction Works, subject off course to all of the necessary statutory permissions being in place and the project delivering a positive Full Business Case.
- 5.1.2 Helensburgh & Lomond Area Committee at its' meeting of 21 June 2018, authorised the project team to begin the Stage 4 Technical Design. The

budget is in place for this stage of the projects' development as a consequence of the Policy and Resources Committee's decision (16 August 2016) to approve the drawdown of up to £1m, to enable the project to: develop the Technical Design; secure all necessary statutory approvals; and bring forward the Full Business Case.

5.1.3 Architectural – 70% complete

- Stage 1 building warrant application has been lodged. We are currently assessing the feedback received from Building Standards and what if any revisions might be required to the detail of our proposals
- Significant development of the co-ordinated Revit model. Revit is a single file database that can be shared among many users. It means that the various plans, sections, elevations, legends, and schedules are all interconnected, and if you make a change in one view, then the other views are automatically updated. This means that the Revit drawings and schedules are always fully coordinated in terms of the building objects shown in drawings. The base building is drawn using 3D objects to create walls, floors, roofs, structure, windows, doors and other objects as needed. So, generally speaking, if a component of the design is going to be seen in more than one view, it will be created using a 3D object.
- Technical appraisal and production drawing information progressing alongside the preparation of the technical specifications

5.1.4 Mechanical and Electrical – 65% complete

- Mechanical technical information, drawings and technical specifications 65% complete
- Electrical technical information, drawings and technical specifications 65% complete
- Revit model coordination on going

5.1.5 Geotechnical Engineering – 95% complete

- All aspects of the geotechnical engineering requirements specific to the project have been addressed and resolved, 95% complete
- Water monitoring on the site has been instructed and is ongoing

5.1.6 Civil Engineering – 80% complete

- Technical and construction detailing of the car park and access road way at the Sinclair Street junction is underway
- Car park tender drawings are under preparation
- Stage 1 Building Warrant information and Structural Engineers Registration Ltd (SER) certifications have been prepared and will be submitted to Building Standards imminently
- Revit model co-ordination is well advanced

5.1.7 Structural Engineering – 70% complete

- Primary steel frame designed and detailed
- First Floor slab designed and drawn
- Secondary steel design underway
- Revit model co-ordination well advanced

5.1.8 Landscaping- 95% complete

- The general design detailing and specification relating to the hard and soft landscaping complete, drawings and technical specifications issued to the Cost Managers for billing purposes at the end of October
- All information uploaded onto Concerto

5.1.9 Marine Engineering –

- Marine Licensing application has been lodged

5.1.10 Look ahead through months of November, December and January

- Stage 2 Building Warrant submission had been programmed for w/c 19-Nov-18, some slippage has occurred and this will now be submitted during December
- Billing packages to Quantity Surveyors programmed for w/c 19-Nov-18, some slippage has occurred, this transfer of information will now take place in December
- East / West Clyde Street soft and hard landscape information will be issued for billing w/c 19th November

5.2 PROCUREMENT PROCESS UPDATE

5.2.1 We have recently completed a market engagement exercise via a Prior Information Notice (PIN) and a Request For Information (RFI) on the Public Contracts Scotland (PCS) website. There were 31 separate noted interests to the PIN on PCS, and we received 5 responses to our RFI, which was in respect of: buildability i.e. our indicative construction methodology; form of contract i.e. either NEC3 or JCT; and our indicative construction programme and whether it was realistic and deliverable.

The general consensus from the market was that our programme assumptions and indicative construction methodology were reasonable and deliverable, and that there was not stated preference between the forms of contract.

5.2.2 The next stage of the procurement process will be the publication of the Contract Notice and the issue of the European Single Procurement Document (ESPD), which replaced the old Pre-Qualification Questionnaire (PQQ). The intention was always to publish the Contract Notice as soon as possible after a positive planning determination was received.

5.2.3 Members will wish to note that starting the procurement exercise for the main works contract will provide hard market data and prices, which will enable the project team to make subsequent and informed recommendations to the Committees of the Council with respect to the affordability of the project overall. Starting the procurement exercise in no way commits the Council to awarding any contract, nor does it commit any significant capital expenditure at this stage.

5.3 FULL BUSINESS CASE

5.3.1 The preparation of the Full Business Case (**FBC**) is being undertaken in accordance with Her Majesty's Treasury (**HMT**) Green Book Guidance. The FBC development is a mandatory part of the business case development process, which is completed following procurement of the scheme – but prior to contract signature – in most public sector organisations.

5.3.2 The purpose of the FBC is to:

- Identify the 'market place opportunity' which offers optimum Value For Money (**VFM**);
- Set out the negotiated commercial and contractual arrangements for the deal;
- Demonstrate that it is 'unequivocally' affordable;
- Put in place the detailed management arrangements for the successful delivery of the scheme.

5.3.3 It should be noted that if the Outline Business Case (**OBC**) has been prepared in accordance with HMT Green Book Guidance and the procurement run in accordance with accepted and established best practice, much of the work involved in developing the FBC will simply focus on updating the OBC and documenting the outcomes of the procurement rather than starting from scratch.

5.4 PROGRAMME UPDATE

5.4.1 The project's development has been proceeding on the basis of the key milestones approved by members in June 2017. We have developed further detail in respect of the Work Breakdown Structure (WBS) for Stage 4, including the procurement of the works contract and the development of the FBC.

5.4.2 As part of the programme and its associated WBS the project team has been progressing the development of the Procurement Documentation e.g. Commodity Sourcing Strategy (**CSS**), Contract Notice, European Single Procurement Document (**ESPD**), Invitation to Tender (**ITT**), Tender Documents, Bills of Quantities (**BoQ**) etc. so that we could publish the Contract Notice, thereby commencing the formal procurement exercise, for the main works contract in December 2018.

5.4.3 However a key programme milestone linked to this was securing a positive Planning Determination. For programming purposes it had been envisaged that this would result from the Discretionary Hearing of the Policy, Protective Services and Licensing Committee on 19 November. However at the Hearing

the PPSL deferred their determination on the application until their next scheduled meeting on 19 December.

5.4.4 We will provide members with a verbal update on any determination made by the PPSL at the meeting. However, in advance of the PPSL meeting we have had to run two programme scenarios:

- **Scenario 1** – Contract Notice Published on PCS on 21 December 2018; and
- **Scenario 2** – Contract Notice Published on PCS on 7 January 2019.

5.4.5 If we progress with **Scenario 1** there is the potential, given that the notice will not be published until the day that most interested parties break for the festive period, that upon their return to work on 7 January 2019, they may request an extension to the 35 day period (minimum allowed under Procurement Regulations) set for returning their responses to the ESPD. This could add an additional 14 days minimum to the programme.

5.4.6 If we proceed on the basis of Scenario 2, there is likely to be at least an additional 4-5weeks in the date that construction would start on site, and potentially more, in terms of the date that the new Leisure Building would become operational. This is because our construction methodology assumes that a lot of the flood defence work can be undertaken from sea, which is obviously reliant on environmental conditions including tides and winds. The later in the year that we start these works the higher risk that weather conditions could have a detrimental impact upon the construction programme.

5.4.7 The programme scenarios also rely on the working assumption that we can arrange Special Meetings of the various Committees (H&LAC, P&R, and Full Council), out with the normal cycle of meetings, to approve the Contract Award Recommendation and Full Business Case.

5.4.8 **We are therefore proceeding on the basis of Scenario 2 in respect of the Contract Notice publication date.** As noted above, there are programme risks arising from any delay to the Planning Determination, and specifically in terms of the construction phase. Whilst we will use our best endeavours to recover time where possible, there is no guarantee at this stage that it will be possible.

5.4.9 The table below sets out the key programme differences between Scenario 1 and Scenario 2

PROGRAMME MILESTONES			
Stage	Milestone/ Product/ Activity	Scenario 1 Target Date	Scenario 2 Target Date
1	Procurement of external consultants	Mar-17 – Jul-17	Mar-17 – Jul-17
2	External Cost Consultant Appointment	4-Aug-17	4-Aug-17

PROGRAMME MILESTONES			
Stage	Milestone/ Product/ Activity	Scenario 1 Target Date	Scenario 2 Target Date
3	External Design Team Appointment	18-Aug-17	18-Aug-17
4	Stage 3 – Developed Design	Aug-17 to Jun-18	Aug-17 to Jun-18
5	Planning Approval Process	Jun-18 to Dec-18	Jun-18 to Dec-18
6	Stage 4 – Technical Design	Jun-18 to Jan-19	Jun-18 to Jan-19
7	Building Warrant Process	Jul-18 to Jan-19	Jul-18 to Jan-19
8	Full Business Case Approval	Nov-18 to Jun-19	Nov-18 to Aug-19
9	Procure Main Works Contractor	Dec-18 to Jul-19	Jan-19 to Aug-19
10	Main Works Contractor Appointment and Mobilisation period	Jul-19 to Aug-19	Aug-19 to Sep-19
11	Construction Period	Aug-19 to Jul-21	Oct-19 to Sep-21
12	New Swimming Pool Opens	Aug-21	Oct-21
13	Demolition of Existing Pool and Completion of Landscaping/Car Park	Jan-22	Feb-22

Note: all dates are indicative and subject to the award of the main works contract, and the subsequent submission of the Master Works Programme by the Contractor.

5.5 PLANNING APPLICATION STATUS UPDATE

5.5.1 At the 21 June 2018 Helensburgh & Lomond Area Committee, Members approved the Stage 3 report allowing the Project Team to submit a full Planning Application for the Helensburgh Waterfront Development. The Application was submitted to Argyll and Bute Council, as the Planning Authority, on the 20 July 2018, being fully validated on the 3rd August 2018.

5.5.2 A Planning Report with a recommendation by Planning Officers to approve the Planning Application was presented to the Planning, Protective Services and Licensing (PPSL) Committee on the 24 October 2018. At this meeting

PPSL Members decided to hold a Discretionary Pre – Determination Hearing at a later date.

5.5.3 The Discretionary Pre - Determination Hearing was held on Monday 19 November 2018 at Victoria Halls to allow members of the Committee to hear presentations and representation from the: Planning Officers; Statutory Consultees; Developer; and ‘Supporters’ / ‘Objectors’ of the proposals. Members will be aware that the Committee approved a motion to, in effect, defer a decision until the next meeting of the PPSL, to enable them to take further advice.

5.6 INCLUSION OF JOHN MUIR TRAIL LANDSCAPE FEATURE & WEST CLYDE STREET PUBLIC REALM WORKS WITHIN PHASE 1 SCOPE

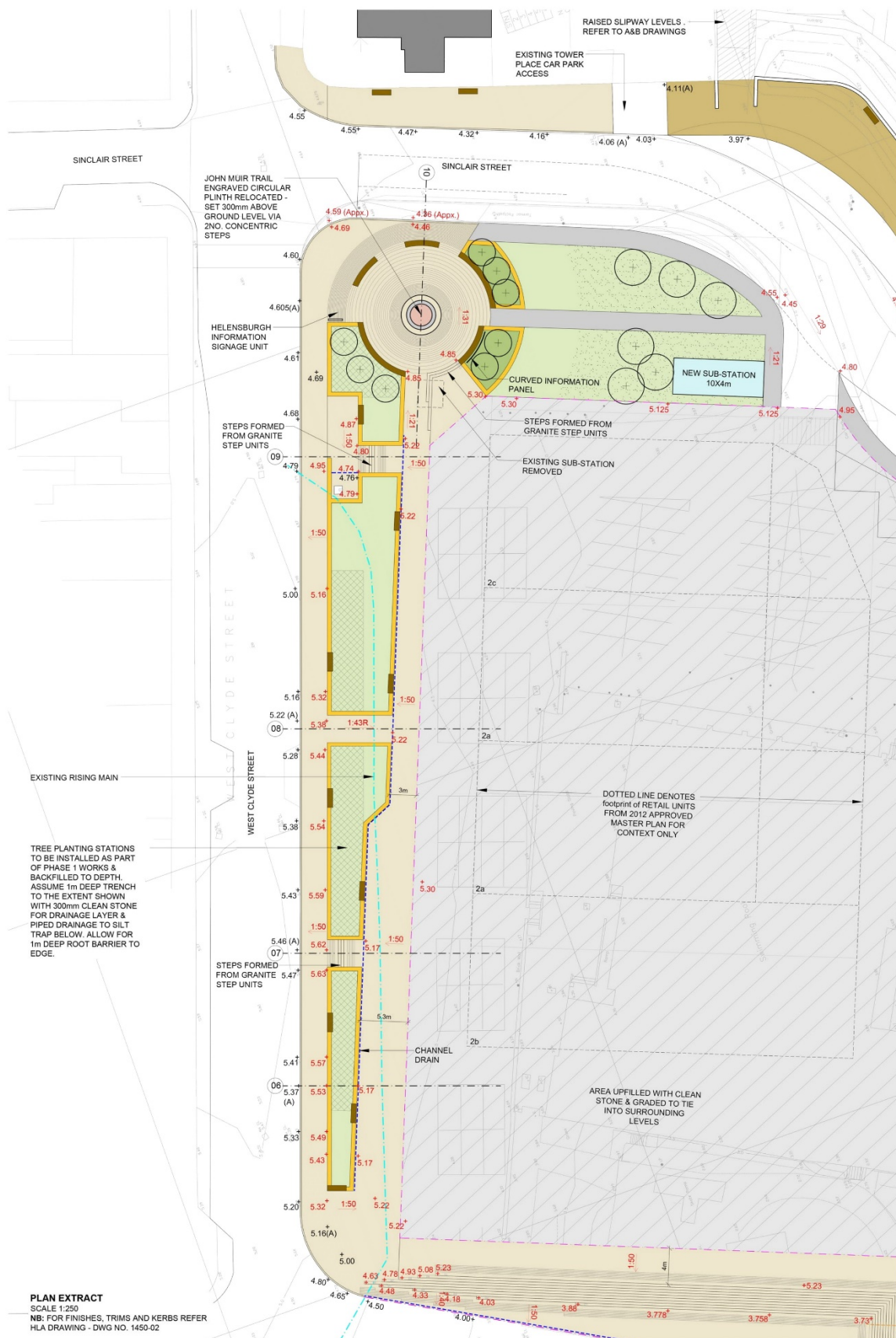
5.6.1 The area at the north of the pierhead site i.e. along the West Clyde Street frontage, between the end of the Esplanade to the west and through to the existing vehicle entrance opposite Sinclair Street is undoubtedly one of the most prominent and public facing. This area was earmarked as being for the next phase (Phase 2) of development, and would include the retail development, skate park, play park and landscaping. Bringing these works forward into Phase 1 adds additional scope and costs to the Project, which requires that additional budget provision be sought.

5.6.2 However given its prominence it is considered prudent for the hard and soft landscaping to be brought within the scope of our development proposals, as it will:

- set a benchmark in terms of the quality and aesthetic for the subsequent development (Phase 2) of the ‘safeguarded area’ (retail, play park, skate park), bounded as it will be, by public realm and environmental improvements on all four sides
- mean that the key frontage along West Clyde Street is redeveloped from the outset, bringing a more cohesive look and feel to the initial phase of the overall redevelopment.

5.6.3 The project team recognised that the ultimate removal of the existing pool building and the associated car parking in this location, together with the transfer of ownership of the former Mariners site to the Council, provided a major opportunity to extend the town centre public realm southwards, to create a broad pedestrian friendly frontage to better connect with the Esplanade and draw it further eastwards into the town. With the general site levels being raised in response to the flood modelling of the site, the proposed new public realm frontage removes the existing change in level behind the West Clyde Street footway. This in turn allows the creation of a natural extension to the Esplanade promenade, incorporating a broad public thoroughfare with open grass between. The overall width of this area has been established to ensure a permanent visual connection along an east/west axis between the Henry Bell Monument and the distinctive façade of the B-Listed Clock Tower on the eastern edge of the site. This new public realm area additionally helps to provide a strong connection at its western edge with the new pier edge north/south axis described above.

- 5.6.4 The design includes a new public square at the eastern edge. This takes advantage of the existing principal pedestrian and vehicular routes south through the town along Sinclair Street, to signal a key arrival point at this end of the site, allowing visitors to orientate themselves before travelling further or entering a new car park. The setting of the new square and its role as a key nodal point is reinforced by its visual association with the façade of the Clock Tower and the presence of the existing crossing points and junction which form the principal vehicular entrance to the car park and the new building.
- 5.6.5 Following consultation with the John Muir Trail, it was proposed in the Stage 3 proposals to relocate the current start of the trail at the eastern edge of the Esplanade to this new public space. This has mutual advantages in terms of giving a clear and distinctive identity to the new square, whilst affording this end of the John Muir Trail greater presence and visibility within the town as a whole. Consultation with the John Muir Trail will remain ongoing to finalise the design in detail through the next stage. The layout of this area is shown on the following page.
- 5.6.6 The anticipated final cost of including this element of landscaping and public realm works within Phase 1 of the pier head's redevelopment is £513,680. This includes the capital cost of the works, plus an uplift to cover Preliminaries, Contingencies, Inflation and Risk. We therefore seek members' approval to recommend to the Policy & Resources Committee that an equivalent funding allowance should be made as part of the 2019-2020 Budget Process. Consideration might be given subsequently as to how the Town and Country Planning (Scotland) Act, could seek contributions towards the capital cost of these improvements.



PLAN EXTRACT
 SCALE 1:250
 NB: FOR FINISHES, TRIMS AND KERBS REFER
 HLA DRAWING - DWG NO. 1450-02

6.0 BUDGET

6.1 The project currently has an approved budget of **£18,997,000** made up as follows:

Budget Sources			
1. A&BC	£12,692,000		Additional £1.022M added as a result of P&R decision of 18-Aug-16
2. MOD Libor Grant	£5,000,000		
3. S75 Funds	£195,000		
5. Property Acquisition	£110,000		
6. Potential Return from Future Retail Development	£1,000,000		
	Sub-total	£18,997,000	

6.2 Securing additional budget allowance for the additional landscaping and public realm works, as set out at Section 5.6, would take the approved budget to £19,510,680. Whilst this is a major commitment of capital, we recognise that there are still expected to be significant challenges to overcome, including:

- The Programme for delivery and potential impacts resulting from longer than expected lead times in securing the various statutory approvals and licences.
- Overall affordability of the project at a time of a reduced capital budget within the Council, and with an expectation that the year-on-year situation is unlikely to show an improvement in the short to medium term.
- Reduced availability of capital funding from external sources, with the focus moving away from local authorities and towards community and third sector organisations.
- Availability of construction resources, including engineering personnel, general labour, plant, equipment and materials with a number of nationally important projects coming on stream e.g. HS2, A9 Dualling etc.

- Impact of Construction Industry Inflation on the affordability of the project e.g. Input prices for materials and fuels rose by 4.7% in the year through January 2018, and according to the Construction Products Association, 82% of civil engineering contractors and 82% of main construction contractors reported higher raw materials prices passing through the supply chain over the final quarter of 2017, with the expectation that 2018 would show a similar trend.
- The cost of diverting or tying-in to existing utilities
- Appeal of the contract opportunity to the market place

7.0 CONCLUSION

- 7.1 The Helensburgh Waterfront Development project is a complex, multi-disciplinary project that includes a number of: design and construction interfaces; statutory approvals; construction logistics; and utility diversion and upgrading requirements.
- 7.2 The works to progress the proposals through the necessary statutory approvals processes are progressing and in most cases are well advanced.
- 7.3 The Project Team expect to publish the Contract Notice for the main works contract within a matter of weeks, subject to securing the necessary planning permission, and subsequently to bring forward the FBC and Contract Award Recommendation for approval in summer 2019.

8.0 IMPLICATIONS

- 8.1. **Policy** – The delivery of these projects fits with, as appropriate, the Council's Corporate Plan, Single Outcome Agreement, Economic Development Action Plan and approved Local Development Plan key actions and policy for safeguarding our built heritage and town Centre regeneration.
- 8.2 **Financial** –In order to progress the Helensburgh Waterfront Development to detailed design stage, secure statutory approvals and come forward with a FBC, design and cost consultants services are being funded from the £1m project development funding approved by P&R in August 2016. The Project Team are recommending that an additional provision of circa £0.5m be made in the budget process for FY19/20.
- 8.3 **Legal** – Legal Services will provide support as and when required.
- 8.4 **HR** – The Helensburgh Regeneration Project Manager continues to project manage the project on a day to day basis, supported by colleagues from other departments of the Council.
- 8.5 **Equalities/Fairer Scotland Duty** – An Equalities and Social Inclusion Assessment will be undertaken during the next stage of project development and reviewed on a regular basis as the project progresses.

8.6 **Risk** – The Helensburgh Waterfront Development Project has a costed Risk Register is regularly monitored and updated, with reports provided to members at key project milestones.

8.7 **Customer Service** – None.

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Policy Lead: Cllr Gary Mulvaney

11 December 2018

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