

**Development and Infrastructure
Services**

21 March 2019

**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 recently 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.
 - To support the provision of a permanent Skatepark
 - 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: Planning Permission; Marine Licence; RIBA Stage 4 – Technical Design; Procurement of the Main Works Contract; Development of the Full Business Case; Programme for delivering the project; and updated Financial Position.

2.0 RECOMMENDATIONS

Helensburgh and Lomond Area Committee members are invited to:

- 2.1 note progress update for the Helensburgh Waterfront Development

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3.0 INTRODUCTION

- 3.1 This report provides a progress update on the delivery of the Helensburgh Waterfront Development Project, including the following matters: Planning Permission; Marine Licence; RIBA Stage 4 – Technical Design; Procurement of the Main Works Contract; Development of the Full Business Case; Programme for delivering the project; and updated Financial Position.

4.0 RECOMMENDATIONS

Helensburgh and Lomond Area Committee members are invited to:

- 4.1 note progress update for the Helensburgh Waterfront Development

5.0 DETAIL

5.1 PLANNING APPLICATION STATUS UPDATE

- 5.1.2 At the 21st 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 20th July 2018, being fully validated on the 3rd August 2018.
- 5.1.3. Members will be aware that at the 23rd January 2019, PPSL full planning permission was granted subject to a number of planning conditions.

5.2 MARINE CONSTRUCTION LICENCE

- 5.2.1 Marine Scotland under the Marine (Scotland) Act 2010 Part 4 Marine Licence, have granted a Marine Construction Licence, dated 14th January 2019 for the construction of the rock armour at Helensburgh Pier as part of the Helensburgh Waterfront Development Works.

5.3 RIBA STAGE 4 – TECHNICAL DESIGN

- 5.3.1 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 of course to all of the necessary statutory permissions being in place and the project delivering a positive full business case.
- 5.3.2 Helensburgh & Lomond Area Committee at its meeting of 21st 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 to develop the technical design; secure all necessary statutory approvals; and bring forward the full business case.

5.3.3 Architectural – 90% complete

- We are currently assessing the feedback received from Building Standards and what, if any, revisions might be required to the detail of our proposals
- We are using Revit which 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.
- Architectural drawings and technical specifications were issued to the Cost Managers for billing purposes at the end of January.

5.3.4 Mechanical and Electrical – 90% complete

- Mechanical technical information, drawings and technical specifications issued to the Cost Managers for billing purposes at the end of January.
- Electrical technical information, drawings and technical specifications issued to the Cost Managers for billing purposes at the end of January.

5.3.5 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 – 90% complete

- Technical and construction detailing of the car park and access roadway at the Sinclair Street junction completed with specification and detailed drawing issued to the Cost Managers for billing purposes at the end of January.

5.3.7 Structural Engineering – 90% complete

- Primary and secondary steel designed and detailed, with specification and detailed drawing issued to the Cost Managers for billing purposes at the end of January.

5.3.8 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.

5.3.9 Marine Engineering

- Marine Engineering design detailing retaining walls, flood defence and slipway completed, with specification and detailed drawing issued to the Cost Managers for billing purposes at the end of January.

5.4 PROCUREMENT PROCESS UPDATE

5.4.1 In Autumn 2018 we completed a market engagement exercise via a Prior Information Notice (PIN) 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 Request for Information. The general consensus from the market was that our programme assumptions and indicative construction methodology were reasonable and deliverable.

5.4.2 As part of the next stage of the procurement process, publication of the Contract Notice and the issue of the European Single Procurement Document (ESPD), which replaced the old Pre-Qualification Questionnaire (PQQ), was issued on 4th February 2019.

5.4.3 With the issue of the Contract Notice for the ‘HELENSBURGH WATERFRONT FLOOD DEFENCE, AMENITIES & LEISURE SERVICES IMPROVEMENTS’ to Public Contracts Scotland (PCS), which initiates the formal procurement exercise for the Principal Works Contractor, the key milestones for the next stages are as follows:

- Deadline for Submission of European Single Procurement Document (ESPD) by interested parties is 11th March 2019 (this used to be referred to as the Pre-Qualification Stage)
- Following the assessment of the EPSD submissions, we expect to issue the Invitation to Tender to suitable candidates on 23rd April 2019
- Deadline for returning Tenders would be 7th June 2019
- Contract award following Full Business Case (FBC) approval towards the end of August 2019.

5.4.4 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.

5.5 FULL BUSINESS CASE

- 5.5.1 The preparation of the Full Business Case (FBC) is being undertaken in accordance with 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.
- 5.5.2 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.
- 5.5.3 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.

5.6 PROGRAMME UPDATE

- 5.6.1 The project’s development has been proceeding on the basis of the key milestones approved by members in June 2018 with the approval of the Stage 3 End Stage Report. 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 following the determination of our Planning Application.

Delay in obtaining Planning Permission has meant that dates have slipped back by three months.

Project Programme		
Stage	Milestone/ Product/ Activity	Target Date (March 2019)
1	Procurement of external Consultants	March 2017 to July 2017
2	External Cost Consultant Appointment	4th August 2017

Project Programme		
Stage	Milestone/ Product/ Activity	Target Date (March 2019)
3	External Design Team Appointment	18th August 2017
4	Stage 3 – Developed Design	August 2017 to June 2018
5	Planning Approval Process	June 2018 to February 2019
6	Stage 4 – Technical Design	June 2018 to February 2019
7	Building Warrant Process	July 2018 to January 2019
8	Full Business Case Approval	15 th August 2019
9	Procure Main Works Contractor	1 st February 2019 to 30 th August 2019
10	Main Works Contractor Appointment and Mobilisation Period	8 th August 2019 to 30 th August 2019
11	Construction Period	September 2019 to October 2021
12	New Swimming Pool Opens	October 2021
13	Demolition of Existing Pool and Completion of Landscaping/Car Park	October 2021 to March 2022

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.

6.0 BUDGET

- 6.1 In December 2018 Members recommended to the Policy and Resources Committee that additional funding should be made available for the delivery of environmental improvements/public realm works at the north of the site. At the 21 February 2019 Full Council Budget meeting, Members approved this additional budget allowance, taking 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:
- 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. Construction Industry Inflation forecasted at a 1% tender price growth for both 2019 and 2020, increasing in the longer term to 1.5% in 2021 and 2022.
 - 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 Project Team has published the Contract Notice for the main works contract, and subject to securing the necessary planning permission, and subsequently to bring forward the FBC and Contract Award Recommendation for approval following summer recess in 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. In December 2018 Helensburgh & Lomond Area Committee Members recommended to the Policy and Resources Committee that additional funding should be made available for the delivery of environmental improvements/public realm works at the north of the site. At the 21 February 2019 Full Council Budget meeting, Members approved this additional budget allowance, taking the approved budget to **£19,510,680**.

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 which is regularly monitored and updated, with reports provided to members at key project milestones.

8.7 Customer Service

None.

**Executive Director of Development and Infrastructure Services: Pippa Milne
Policy Lead: Cllr Gary Mulvaney**

6 March 2019

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