

**REPORT TO: POLICY & RESOURCES COMMITTEE - 27 APRIL 2009**

**REPORT ON: DUNDEE CENTRAL WATERFRONT PROJECT PROGRESS REPORT 2007/2008**

**REPORT BY: DEPUTE CHIEF EXECUTIVE (FINANCE), DIRECTOR OF PLANNING & TRANSPORTATION AND DIRECTOR OF ECONOMIC DEVELOPMENT**

**REPORT NO: 197-2009**

## **1 PURPOSE OF REPORT**

- 1.1 To advise the Committee of the Cities Growth Fund Annual Report 2007/08, agree future reporting arrangements and to the imminent commencement of Phase 3 of the Central Waterfront Project.

## **2 RECOMMENDATION**

- 2.1 It is recommended that the Committee:
- a note and endorse the Cities Growth Fund Annual Report 2007/08 which was forwarded by the Depute Chief Executive (Finance) to the Scottish Government in July 2008 (copy appended).
  - b note that the Cities Growth Fund has ceased and an equivalent allowance has been made in the General Capital Grant settlement by the Scottish Government and this has been allocated for the Central Waterfront Project.
  - c agree that an annual report on performance and financial planning of the Central Waterfront Project be brought to the Policy & Resources Committee each October.
  - d note that Scottish Enterprise have allocated a contribution of £33m to the Central Waterfront Project.
  - e note that the Dundee Central Waterfront Project Partnership Board has agreed to progress with Phase 3 of the project, from January 2009 to February 2014, at an estimated cost of £20.4m.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 The estimated £20.4m to complete Phase 3 of the Central Waterfront Project can be met from the General Capital Grant settlement and contributions from Scottish Enterprise. The Scottish Enterprise Board on 27 February 2009 approved a financial contribution of £33m to the overall programme of infrastructure development of the Central Waterfront Project.

## **4 CITIES GROWTH FUND**

- 4.1 The Scottish Government required the submission of a final Annual Report with regard to the grant from the Cities Growth Fund by the end of July 2008. As of 2008/09 this funding has been made part of the general capital grant allocation and has been allocated by the Council for the Central Waterfront Project. The report

summarises all the projects funded to date with the benefit of this grant and the tables also indicate other income expended on these projects.

- 4.2 The timing of meetings of the Dundee Central Waterfront Project Board and this Committee meant that the Annual Report had to be submitted to the Scottish Government prior to the Board and Committee considering it. However, all of the projects and arrangements were previously approved by the Board, and tenders approved by the Planning & Transportation Committee. The report is appended (Appendix 1).
- 4.3 In June 2008 Audit Scotland reported on the Council's Capital Project Management arrangements and the Central Waterfront Project was included as one of the large projects they chose to audit. The Audit Scotland report on the Project focused on reporting arrangements and financial governance. It is proposed, therefore, that the practice of reporting progress and financial planning continues with an Annual Report presented to the Policy & Resources Committee of the Council.

## **5 CENTRAL WATERFRONT PROJECT PHASE 3**

- 5.1 Following the award of the first two rounds of the Cities Growth Fund, Phase 1 of the Project (Western Road) and Phase 2 (Dock Street Rail Tunnel, Reconstruction of Dock Street and Gellatly Street) have been completed. Phase 3 is larger and more complex involving a new storm water tank, demolition of ramps to and from the Tay Road Bridge and construction of new ramps in a new, compact configuration, and associated comprehensive service diversions.
- 5.2 The approval of the Tay Road Bridge Joint Board was necessary for this work in order to ensure appropriate engineering design and traffic management for the bridge traffic during the various construction phases. It was also necessary to demonstrate that funding to complete the works to the ramps is committed prior to any contract being let.
- 5.3 The Tay Road Bridge Joint Board of 8 September 2008 approved the proposals and programming of Phase 3 subject to confirmation of the funding arrangements. The Board of Scottish Enterprise of 27 February 2009 approved an overall grant of £33m towards the Dundee Waterfront project, therefore, along with the allocated capital from the Council there is commitment to cover the estimated £20.4m for Phase 3 (Appendix 2).
- 5.4 The proposed phasing of the works has been refined in the past few months following discussions with BEAR, the managing agents for the trunk road network.

BEAR are intending to reconstruct East Dock Street (from Trades Lane to Broughty Ferry Road) and this will require extensive traffic management. It is proposed to coordinate these works with Phase 3 of the Central Waterfront Project such that the East Dock Street works will be undertaken first from late summer 2009 for a period of 3 or 4 months, and to install a new Trades Lane junction as part of BEARs contract. A separate contract, currently out to tender, will be let for the new storm water tank. This tender will be reported to the 27 April Planning & Transport Committee and the contract will take approximately 12 months. This work has no impact on the road network.

- 5.5 The first works to the bridge itself are currently programmed to start in January 2009. These works, which include the bridge ramps, service diversions and the construction of the proposed northern boulevard, are currently programmed to be completed in June 2014. The phasing of these works is complex and may change following discussions with any appointed contractor(s) if they suggest any helpful revision. It is worth noting the complexity and length of programme is partly caused by the need to minimise impacts on road and bridge users and to ensure the city is "open for business as usual" during the implementation of these important infrastructure works.

## **6 MARKETING**

- 6.1 The Waterfront Marketing strategy continues to be focussed on general awareness raising and creating a sense of ownership amongst citizens as the project progresses. This is part of the communications strategy to increase understanding of the development process in order to appreciate the longer term vision. The [www.dundeewaterfront.com](http://www.dundeewaterfront.com) website is currently being enhanced to include an image gallery and details of Waterfront Board activities. A communications plan for Public Relations referring to the Phase 3 proposals has also been developed. In addition the computer animation of the waterfront visual has been shown in public arenas including the DCA cinema.
- 6.2 Engagement with individual developers continues, this has included a stakeholder meeting with current developers at City Quay where they were provided with both Dundee and Waterfront information as well as resources to assist in their own Waterfront marketing. This will continue for the time being with specialised targeted marketing taking place towards the completion of the Phase 3 works.

## **7 ECONOMIC IMPACT**

- 7.1 The Central Waterfront will enable Dundee to make a step change in its economic fortunes by providing a Central Business District with high quality office accommodation as well as housing, leisure and retail facilities for all. By the provision of nearly 140,000 sq m of new accommodation, the Central Waterfront will be capable of attracting significant inward investment to the city and creating further economic spin offs - not only for Dundee and neighbouring areas, but also for Scotland.
- 7.2 A Market Appraisal and Economic Impact Assessment study has been prepared to inform the case for public sector intervention to help ensure the success of the project. This study has assessed the likely economic impact to be very significant with up to 3,500 new permanent jobs being created and the addition of up to £2.6 billion into the national economy.

## **8 POLICY IMPLICATIONS**

- 8.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

**9 CONSULTATIONS**

- 9.1 The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance), Head of Finance and Assistant Chief Executive (Community Planning) have been consulted and are in agreement with the contents of this report.

**10 BACKGROUND PAPERS**

- 10.1 None

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Depute Chief Executive (Finance)

Mike Galloway  
Director of Planning & Transportation

Doug Grimmond  
Director of Economic Development

MPG/LB/MM Temp 19/5 & Temp 19/13

16 April 2009

Dundee City Council  
Tayside House  
Dundee



## **CITIES GROWTH FUND - ANNUAL REPORT 2007-2008**

### **DUNDEE CENTRAL WATERFRONT**

**June 2008**



## **CITIES GROWTH FUND - ANNUAL REPORT 2007-2008**

### **DUNDEE CENTRAL WATERFRONT**

#### **Introduction**

Along with the other Scottish cities, a ten-year "City-Vision" was prepared for Dundee through its Community Planning Partnership, which highlighted a number of priority issues identified through the 'City-Vision' exercises. One of the key elements arising from this exercise was the regeneration of Dundee's Central Waterfront to remove the blighting effect of the existing waterfront and to reconnect the city and its people with the river. The Central Waterfront Masterplan listed a number of key objectives including the:

- extension of the city centre's built form down to the waterfront;
- creation of a new grid street pattern based on historical routes to the north;
- removal and replacement of some of the Tay Road bridge vehicle ramps;
- creation of a pair of east/west tree lined boulevards;
- formation of attractive sites for a variety of new mixed use developments;
- creation of a major new civic space and reopened dock; and
- provision of a new rail station arrival space.

Copies of the Central Waterfront Masterplan and City Vision are available on Dundee City Council's website and at [www.dundeewaterfront.com](http://www.dundeewaterfront.com)

This report provides an update on progress made during the year 2007-2008 with the implementation of Dundee's Central Waterfront Project and how the grant monies provided from the Cities Growth Fund have been utilised.

#### **Stakeholder Engagement and Regional Collaboration**

A major public consultation exercise was conducted in the preparation of the Central Waterfront Masterplan. This consultation also specifically included a number of key stakeholders such as the Tay Road Bridge Joint Board and members of the Dundee Partnership. This consultation exercise demonstrated overwhelming support for the Masterplan.

A formal partnership has now been formed between Dundee City Council and Scottish Enterprise Tayside to ensure the delivery of the Central Waterfront Project. A Partnership Board has been established with elected member and officer representation from each of the two organisations to oversee the development of the project. This meets on a quarterly basis. In addition, an Officers' Steering Group has also been formed with responsibility for the detailed development and progress of the project. The Steering Group meet on a regular basis and are responsible to the Partnership Board.

It had previously been intended that the formal partnership would involve the Tay Road Bridge Joint Board and a report on this issue was considered by the Joint Board at its

meeting on 27 September 2004. At that meeting, the Tay Road Bridge Joint Board reaffirmed its support for the project but concluded that it would be unable to participate as full partners due to the Board's legal status. However, the Board agreed in principle to sell the land in its ownership that was required by the Partnership and to remain involved in the project through participation of its officers on the Central Waterfront Steering Group.

Regular joint community planning partnership meetings are held with representatives from Dundee City Council and its three neighbouring authorities and the Dundee Central Waterfront project is now a standing item on this agenda. The Market Appraisal and Economic Impact Assessment for the Central Waterfront Project have been shared with the neighbouring authorities.

Ongoing involvement with the local business community has taken place through meetings with the local Chamber of Commerce and the City Centre Action Group. In addition, 3% of the land required for the project is in private ownership and positive discussions have taken place with these interested parties.

Finally, ongoing consultation is taking place with a number of interested statutory bodies including the Scottish Government, SNH, SEPA, Network Rail, First Scotrail and the various statutory undertakers.

### **Project Summary**

The Central Waterfront Project is the only project Dundee City Council is funding via the Cities Growth Fund

An overall twelve-year master programme of works has been prepared for the delivery of the infrastructure to support this project. Within this programme there are identified a number of individual projects which are required to be carried out in a phased manner to allow a sensible implementation of the programme whilst at the same time ensuring that development plots are brought forward in a phased manner. A copy of the master programme is included within Appendix 1.

Annex 1 provides a detailed report on the projects that have been completed or commenced in 2007-2008.

Mike Galloway  
Director of Planning and Transportation

David Dorward  
Depute Chief Executive (Finance)

## ANNEX 1

<b>Project Title</b>	<b>Site Survey, Ground and Contaminated Land Investigation</b>
<b>Growth Fund Allocation</b>	The final outturn cost for this investigation work was £109k
<b>Third Party Funding</b>	No third party funding has been available for this work
<b>Background</b>	See Annual Report June 2007
<b>Progress Delivery</b>	See Annual Report June 2007
<b>Outcomes Achieved</b>	This project is now complete and the recommendations will be taken forward to further inform the development process.
<b>Equality Duty</b>	Not applicable
<b>Project Title</b>	<b>Overall Feasibility Scheme Design</b>
<b>Growth Fund Allocation</b>	The outturn cost for this study was £187k within 2003/2004 and 2004/2005.
<b>Third Party Funding</b>	Third party funding of £60k has been secured from Scottish Enterprise Tayside toward this element of the project and was paid in 2004/2005.
<b>Background</b>	See Annual Report June 2007
<b>Progress Delivery</b>	See Annual Report June 2007
<b>Outcomes Achieved</b>	This project is now complete and the recommendations will be taken forward to further inform the development process.
<b>Equality Duty</b>	Not applicable
<b>Project Title</b>	<b>Western Road Re-alignment and Associated Environmental Improvements</b>
<b>Growth Fund Allocation</b>	The anticipated total cost for this important first construction phase is £3.52 million. The actual expenditure was £444,376 in 2004/2005, £2,834,966 in 2005/2006, £340,622 in 2006/2007, and £139,153 for 2007/2008. The forecast for 2008/2009 is £5,500.
<b>Third Party Funding</b>	Third party funding of £310k was secured from Scottish Enterprise Tayside in 2005/2006 toward the provision of the improved Greenmarket junction for the new Digital Media Park. ERDF funding of £950,000 has been secured for this project and the Dock Street Tunnel strengthening. To date, the Western Road element has received £315,408.
<b>Background</b>	See Annual Report June 2007
<b>Progress Delivery</b>	See Annual Report June 2007



<b>Outcomes Achieved</b>	Works are now complete except for removal of the part of the footbridge attaching to the station building. Due to the major utility plant presence and complexity in the area there was some delay and additional cost to the project. This will be removed this year. This road re-alignment improved access to the digital media park, has enabled a major development site and created a large development site. Opportunity was also taken during this project to carry out additional environmental improvement works.
<b>Equality Duty</b>	Replacement of footbridge with at grade pedestrian crossing has improved the situation for elderly and disabled groups.
<b>Project Title</b>	<b>Dock Street Tunnel Works</b>
<b>Growth Fund Allocation</b>	The approved tender costs for the strengthening work to Dock Street Tunnel roof are estimated at £7,800,455 over five years. The phasing of the expenditure has been revised to £24,000 in 2004/2005, £388,630 in 2005/2006, £1,809,840 in 2006/2007, and £3,869,607 in 2007/2008, with £1,326,380 forecast in 2008/2009.
<b>Third Party Funding</b>	ERDF contributions of £52,692 have been received to date, with £69,783 in 2008/9.
<b>Background</b>	See Annual Report June 2007
<b>Progress Delivery</b>	See Annual Report June 2007
<b>Outcomes Achieved</b>	The tunnel strengthening will now enable the proposed northern boulevard of the Central Waterfront Development to be constructed.
<b>Equality Duty</b>	Not applicable
<b>Project Title</b>	<b>Gateway Signage</b>
<b>Growth Fund Allocation</b>	The anticipated costs for this first visual project of the Waterfront was estimated at £65k. The actual expenditure in 2004/2005 was £58k. The outturn cost for the project was £71k in 2005/2006.
<b>Third Party Funding</b>	ERDF Grant of £6,358 was received
<b>Background</b>	See Annual Report June 2007
<b>Progress Delivery</b>	See Annual Report June 2007
<b>Outcomes Achieved</b>	Signs are part of the consultation/information strategy
<b>Equality Duty</b>	Not applicable
<b>Project Title</b>	<b>Miscellaneous Projects</b>
<b>Growth Fund Allocation</b>	There are various general projects continually on-going within the project delivery team's remit to prepare the delivery packages for the Central Waterfront project. This includes the overall project management of the CWD. This and other projects are not large enough to merit reporting separately but are listed in the Appendix 3 Financial report. The cost for these works was £92,942 in

	2004/2005, £326,478 in 2005/2006, £340,778 in 2006/2007 and £685,272 in 2007/2008 and £367,660 in 2008/2009. The relevant development costs are reported to Dundee City Council committee with each individual major project when that work package is tendered.
<b>Third Party Funding</b>	Third party funding of £5k in 2006/2007 and £10,000 in 2007/2008 has been secured from Scottish Enterprise Tayside and in 2007/2008 £10,000 from TACTRAN toward the cost of the Station Study and £15,000 from SET towards the Railway Footbridge study.
<b>Background</b>	See Annual Report June 2007
<b>Progress Delivery</b>	See Annual Report June 2007
<b>Outcomes Achieved</b>	It is anticipated that these work elements will develop into separate projects or reports as appropriate and will be reported separately as they mature in future years.
<b>Equality Duty</b>	Not applicable
<b>Project Title</b>	<b>Roads Infrastructure Design</b>
<b>Growth Fund Allocation</b>	This work was tendered and is expected to cost £600,000. Expenditure was £380,000 in 2006/2007, £177,129 in £2007/2008 and is estimated to be £350,000 in 2008/2009.
<b>Third Party Funding</b>	£55k was received from SET towards this work.
<b>Background</b>	See Annual Report June 2007
<b>Progress Delivery</b>	See Annual Report June 2007. There has also been more work required than originally expected.
<b>Outcomes Achieved</b>	Detailed design work and tender preparation for the next three phases of infrastructure work for the Central Waterfront Project.
<b>Equality Duty</b>	Designs include at grade pedestrian crossings rather than the current overbridge arrangement to benefit all groups.
<b>Project Title</b>	<b>Purchase of Land from Tay Road Bridge Joint Board</b>
<b>Growth Fund Allocation</b>	£792,627, in 2006/2007 and £34,225 in 2007/2008. Valuation obtained from the District Valuer plus costs.
<b>Third Party Funding</b>	None
<b>Background</b>	See Annual Report June 2007
<b>Progress Delivery</b>	See Annual Report June 2007
<b>Outcomes Achieved</b>	Purchase of land to effect the road and infrastructure changes required for the Dundee Central Waterfront Project.

<b>Equality Duty</b>	Not applicable
<b>Project Title</b>	<b>Storm Water Tank &amp; Service Diversions</b>
<b>Growth Fund Allocation</b>	Estimated to be £1,070,000 in 2008/2009
<b>Third Party Funding</b>	None
<b>Background</b>	<p>This is an important part of the work required to undertake reconfiguration of the ramps to the Tay Road Bridge and to deal with all the surface water from the eventual road network of the Central Waterfront and the development sites. It is needed at this stage to be part of the drainage system for the early phases of the road network and because part of the network will be built over it.</p> <p>The utility service diversions are required to precede the road works to avoid damage, maintain function and minimise abortive costs.</p>
<b>Progress Delivery</b>	Works designed and being tendered
<b>Outcomes Achieved</b>	Works designed and being tendered
<b>Equality Duty</b>	Not applicable
<b>Project Title</b>	Greenmarket Multi Storey Car Park
<b>Growth Fund Allocation</b>	£3,219,000 in 2007/2008
<b>Third Party Funding</b>	Dundee City Council
<b>Background</b>	The Dundee Waterfront proposals require removal of car parks to allow infrastructure improvements. Replacement parking is essential to the continuing operation of the city centre.
<b>Progress Delivery</b>	Car park is operational
<b>Outcomes Achieved</b>	Car Park is operational
<b>Equality Duty</b>	Not applicable

## Appendix 2

### CWD PROG SIMPLIFIED MAR 09

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	TOTAL
DCW Feasibility Design & Prelim Surveys	£193,265	£94,482																287,747
STAGE 1 Western Road Alignment, Gateway Signage, Railway Legislation, Union Street Footbridge, Station Frontage, North Access Road		£522,187	£2,914,023	£340,622	£142,694	£12,722	£7,300											3,939,548
STAGE 2 Tunnel Strengthening - Design & Construction; Reconstruction of Dock Street and Gellatly Street; remainder of footbridge		£24,107	£388,630	£1,809,841	£3,888,227	£1,454,421												7,565,226
Project Co-ordinator, Marketing, Photographic Record, Economic Assessment & Land Acquisition Costs		£4,080	£67,671	£881,719	£115,666	£60,700	£136,000	£81,000	£81,000	£81,000	£81,000	£81,000	£81,000	£81,000	£81,000	£81,000	£81,000	2,075,836
DCW Infrastructure Design & PU diversions for Contract 1		£69,327	£192,574	£629,980	£542,047	£814,709	£289,000											2,537,637
STAGE 3 Contract 1 - Surface Water tank					£2,000	£241,000	£3,293,477	£850,000										4,386,477
Contract 2 - Works up to completion of New Ramp 1						£85,000	£1,290,000	£6,408,400										7,783,400
Contract 3 - Works up to Completion of TRB Ramps Replacment & North Boulevard									£2,375,000	£3,000,000	£4,366,760							9,741,760
Contract 4 - Demolition of Olympia and Tayside House			£9,044	£1,905		£20,000	£100,000	£1,700,000	£800,000	£279,651								2,910,600
Contract 5 - Construction of New Rail Bridge						£25,000	£125,000					£3,000,000	£2,488,376					5,638,376
Contract 6 - Completion of East Side Road Network											£1,375,000	£2,204,290						3,579,290
Facilities reorganisation								£750,000			£7,500,000							8,250,000
Contract 7 - Demolition of Hotel & Casino												£820,050						820,050
Contract 8 - Works up to completion of road network													£1,255,195	£3,760,390	£1,442,683			6,458,268
Contract 9 - Plot 9 Dock / Marina					£8,500	£10,000								£1,732,500	£3,465,000	£3,465,000		8,681,000
Contract 10 - Underground Car Park														£3,031,875	£3,031,875			6,063,750
Contaminated Land/Landfill Tax							£625,000		£625,000		£625,000		£625,000					2,500,000
Annual Total	193,265	714,183	3,571,942	3,664,067	4,699,134	2,703,552	5,785,777	8,189,400	4,781,000	3,881,000	14,227,411	6,105,340	4,449,571	8,605,765	8,020,558	3,546,000	81,000	83,218,965
Cummulative Total	193,265	907,448	4,479,390	8,143,457	12,842,591	15,546,143	21,331,920	29,521,320	34,302,320	38,183,320	52,410,731	58,516,071	62,965,642	71,571,407	79,591,965	83,137,965	83,218,965	83,218,965
CGF1	355,000	1,046,000	3,315,000	3,698,000	886,000													9,300,000
CGF2					5,356,343									3,166,657				8,523,000
CGF3 (3yrs @ £4.338m )						4,338,000	4,338,000	4,338,000										13,014,000
CGF4 (Assumed as 3yrs @ £4.338m )									4,338,000	4,338,000	4,338,000							13,014,000
SET 1				60,000	25,000													85,000
SET 2			370,000			500,000	640,000	500,000	1,000,000	1,000,000	6,500,000	5,500,000	5,000,000	3,500,000	7,000,000	1,500,000		33,010,000
ERDF			283,602	90,856	£ 505,759	69783												950,000
TACTRANS					10,000													10,000
Scotrail						3000												3,000
Receipts						190,200				635,000		1,359,000		926,600	1,235,500	£1,457,800	£1,457,800	7,261,900
Receipts														988,000		1,433,100		2,421,100
Car Park - Prudential																		0
Annual Total	355,000	1,046,000	3,968,602	3,848,856	6,783,102	5,100,983	4,978,000	4,838,000	5,338,000	5,973,000	10,838,000	6,859,000	5,000,000	8,581,257	8,235,500	4,390,900	1,457,800	87,592,000
Cummulative Total	355,000	1,401,000	5,369,602	9,218,458	16,001,560	21,102,543	26,080,543	30,918,543	36,256,543	42,229,543	53,067,543	59,926,543	64,926,543	73,507,800	81,743,300	86,134,200	87,592,000	87,592,000

