

ANGUS COUNCIL – 19 OCTOBER 2023

ARBROATH, A PLACE FOR EVERYONE – PROJECT UPDATE AND CONTRACT AWARD

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ABSTRACT

This report provides Members with the latest position regarding the “Arbroath, A Place for Everyone” project (“the Project”), including details on the final estimated cost for delivery of the Project and the award of additional funding from Sustrans. The report highlights the wider “place” benefits the Project can deliver and the community engagement that has been undertaken. Members are recommended to note the project update, note the award of additional Sustrans funding and to agree to proceed to the construction phase and full completion of the Project, provided certain conditions are met.

1. RECOMMENDATION(S)

It is recommended that the Council:

- (i) Notes the award of additional funding of up to £1.389 million from Sustrans towards delivery of the Project;
- (ii) notes the financial implications within Section 6 of this report and the proposed options to fund the delivery of the Project, with Angus Council’s contribution being in line with existing approved budgets;
- (iii) approves funding Scenario 1 in Section 6 (Table 3) as the basis for funding the Project, noting this is considered to be a worst case scenario;
- (iv) gives due regard and consideration to the risks and issues as outlined in Section 7;
- (v) notes that officers recommend that the Project only proceeds if the following conditions precedent are met: -
 1. preliminary site investigations into the location of utility services are concluded to the satisfaction of the Director of Infrastructure and Environment; and
 2. the Director of Infrastructure and Environment, following consultation with the Director of Finance, is satisfied that the project remains within budget, as described in Section 6 – Financial Implications;
- (vi) subject to the conditions precedent outlined in recommendation (v) above being fully met, agrees to the Project proceeding and authorises the Director of Legal, Governance and Change or her nominee(s), following consultation with the Director of Finance and Director of Infrastructure and Environment, to execute, deliver and perform the Delivery Agreement and any other necessary documentation in respect of the project on behalf of Angus Council, using the SCAPE Framework; and
- (vii) in the event that recommendations (iii) to (vi) are not agreed by the Council, delegates authority to the Director of Infrastructure and Environment to advise all relevant parties, including Sustrans, of the decision not to proceed any further with the project.

2. ALIGNMENT TO THE COUNCIL PLAN

This report is aligned with the following priorities contained within the Angus Council Plan 2023-2028:

Caring for the Economy:

- We will support and deliver programmes that help people into work.

Caring for our People:

- We will support children, young people and adults to access appropriate opportunities which allow them to progress in their learning.

Caring for our Place:

- We will take action to mitigate against climate change by delivering our Transition to Net Zero Action Plan: 2022 to 2030 and leading on the delivery of a Sustainable Energy Climate Action Plan (SECAP) for Angus to reduce area wide emissions.
- We will maintain our roads, pavements, lighting, and other infrastructure efficiently and will focus on our priority routes and infrastructure.
- We will engage with communities to support their ambitions to deliver on local aspirations.
- We will support the development of more active travel routes around Angus.
- We will enhance and restore Angus Biodiversity, corporately and with a range of stakeholders.

3. BACKGROUND

3.1 Arbroath Places for Everyone has the potential to be a transformational project for Arbroath and a catalyst for the development of further projects to support the regeneration of the town. The project is aimed at making safe connections, to improve the appearance of this area, bringing green infrastructure into the centre of the town and drawing people to the seafront and historic core.

3.2 The principles behind the project derived from inputs from the community and stakeholders at various engagement activities within the town, including:

2015: Two Day Place Challenge Town Centre Living, Architecture & Design Scotland

2016: Arbroath Town Centre Design Charrette

2017: Arbroath & Area Locality Plan, Angus Community Planning Partnership

It was repeatedly highlighted at these that the dual carriageway through Arbroath was creating a divide between the town centre, the bus and train stations as well as key tourism destinations, and the coast. It is also a physical deterrent to pedestrians and cyclists. This physical barrier impacted the High Street, reducing accessibility, viability and footfall, as well as the overall pride in place. This results in an “underwhelming” impression for residents, businesses and visitors. The poor quality and low availability of cycle, pedestrian and disabled access routes were also raised during these events.

3.3 In response to these issues, funding was secured by the community council from the Scottish Government Activating Ideas, designed to enable people to bring to life the changes they wanted to see in their communities, specifically to investigate options to improve connectivity across the town. The 2017 Arbroath Town Centre Accessibility Study recommended improvements to wayfinding and crossings in the town centre and four priority routes. Around the same time an Active Travel audit of the town was completed as part of work undertaken by Tactran.

3.4 At the end of 2017, Angus Council obtained grant funding from Sustrans’ Community Links Programme to commission a multi-disciplinary team to address the perceptual and physical severance of Arbroath by the A92 and lack of safe, clear and attractive cycling/walking connections. The project included wide ranging public participation in Arbroath, both online and at various in-person events which highlighted a strong local appetite for change. It proposed a solution to re-design the A92, creating a segregated cycleway and footpath through central Arbroath, linking the West Links play area to the Abbey. It also included redesigned junctions, crossings and landscaping to improve the cycling and walking environment for visitors and residents. [The Accessible Arbroath A92 Active Travel Corridor Study](#) was the output from this work, published in March 2018.

3.5 This work formed the basis of an application to the Sustrans Community Links PLUS Competition in 2018. An expression of interest submission to Stage 1 saw the project selected as one of ten of the most promising projects invited to proceed to Stage 2 and receive a further grant of £50k in order to further develop the proposals, test options and undertake further engagement and participation with the local community. Consultants AECOM supported the

Council in this work which saw design options being further developed through workshops with the local schools, analysis of behaviour change, and further stakeholder engagement. Outputs were set out in the [2019 Arbroath Active Travel Active Town submission](#) at Stage 2.

- 3.6 Following assessment of the submissions at Stage 2 by a cross-sector panel of independent experts and interviews with applicants, Arbroath was selected as one of only five projects, and the first ever town, rather than a city, to have achieved such an award. As a winning project, further financial support and expertise was made available to develop the design further and most importantly secured funding towards the delivery of the project itself.
- 3.7 Reference is made to the meeting of Angus Council on 27 February 2020 ([Report 86/20](#)), when the signing of the funding agreement with Sustrans and the financial commitment to the Arbroath A Place for Everyone project was agreed. The funding agreement between Angus Council and Sustrans was signed on 25 June 2021.
- 3.8 Report [102/22](#) submitted to the meeting of Angus Council on 10 March 2022 updated members on the progress of the Arbroath A Place for Everyone project. Members approved the continued use of the SCAPE Framework for Civil Engineering to progress the project and it was noted that a further report would be brought to the Communities Committee to seek approval to move to the award of a construction contract for the Arbroath A Place for Everyone project.

4. CURRENT POSITION

Completion of Design and Pre-construction Stages

- 4.1 As agreed at the meeting of Angus Council on 10 March 2022 (Report [102/22](#)), the SCAPE Framework for Civil Engineering has continued to be used to progress the project. Balfour Beatty are the appointed contractor under the SCAPE framework and have been working with the design consultant Arcadis to complete the Feasibility and Pre-construction project stages.
- 4.2 A briefing on the project for all elected members of Angus Council was held on 13 June 2023. This updated members on progress of the project through the stages of the SCAPE Framework and the final landscaping designs and specification.
- 4.3 The design for the road, path and cycle way alignments and landscaped areas have been finalised. The details and images of the finalised designs are available on the [Angus Council web site](#). A project engagement plan has been followed and **Appendix 1** details the engagement activities that contributed towards the development of the finalised designs.
- 4.4 The Pre-construction submission from Balfour Beatty was received 30 August 2023 and provided a final estimated construction cost and works programme for the project. The output is a 100% market tested cost plan, and a fully identified supply chain. Project KPI's include targets of 21-40% local labour and 41-60% of sub-contractor spend on local suppliers (approx. £2m spend).

Value Engineering

- 4.5 The Council's project team have reviewed and interrogated the designs to ensure they meet the project aims, but also provide value for money. A benefit of using the Scape Framework and direct award approach has meant there can be early engagement with the delivery contractor to drive down costs and as part of the Pre-construction stage, a Value Engineering exercise was undertaken to identify design and other changes that would reduce project costs without impacting delivery of the project aims. The key Value Engineering successes were as follows.
 - Redesign of the cycleway drainage and surfacing
 - Alternative specification for stone used in hard landscaping (this results in the use of stone sourced from a local quarry in Angus)
 - Full time Traffic Safety and Control Officer not required (only required for more complex traffic management arrangements)
 - Use of in-house NEC Supervision (identified have resource internally)
 - Use of Angus Council's own Parks team for groundworks and landscape maintenance

Programme

- 4.6 The outline works programme submitted by Balfour Beatty shows a construction duration of approx. 19 months with construction starting on site January 2024 and completion and handover July 2025. This is dependent on signing of the project delivery agreement and contractual close as soon as possible after approval from Council, provided the conditions precedent detailed in recommendation (v) are fully met.
- 4.7 As referenced in Report [102/22](#), the delivery of the project stages has been significantly impacted by the COVID-19 pandemic and the delayed appointment of the specialist consultant.

Cost Pressures/Total Project Cost

- 4.8 Since the project funding agreement was signed on 25 June 2021, there has been significant inflationary pressures and volatility of the construction market out with the control of Angus Council that has driven up the construction cost. These include:
- The continuing effects post-Covid on material cost and availability;
 - Inflation within the construction market;
 - Supply issues and global demand for materials as a result of external factors including the Russian invasion of Ukraine;
 - The effect of Brexit on material importing costs;
 - Significant fuel and energy cost increases, affecting material production and delivery.
- 4.9 Balfour Beatty has provided a fixed project construction cost which means they carry the risk of inflation through the life of the project. To manage this risk Balfour Beatty have applied a 5.5% 'variation on price' to their quoted construction cost (see Financial Implications Section for further detail).

Additional Funding offer

- 4.10 In recognition that the project costs had increased beyond the original estimate for the project, discussion was held with officials from Sustrans and an application for additional funding was submitted. The Sustrans panel met on 12 September to consider the application and Council officers were advised on 20 September that an additional £1.389 million of funding had been awarded towards the project.

Wider Place Benefits

- 4.11 Whilst much of the focus is on the specifics within the project boundary this must be viewed within the wider context. Scottish Government through National Planning Framework 4 focuses on the climate and nature crisis as well as the importance of local living and regeneration of existing areas, all of which are underpinned by this project. This transformative project also sits firmly within Angus Council and Scottish Government priorities around addressing climate change, addressing the nature crisis, promoting health and wellbeing, supporting the tourism sector and town centre and wider regeneration within the town to name but a few. More significantly it will set the benchmark for and provide the catalyst for future investment and regeneration in the town and Angus, demonstrating the Council's commitment to delivery of projects of this scale and the Place Principle.
- 4.12 Of the 58% of trips to work or study within Arbroath and the immediate area undertaken by car, one third of these are under 5km. A trip of 5km by walking would take up to 45 mins and only 9 mins by bicycle. Given the success of a number of the initiatives led by the Angus Cycle Hub and levels of bike ownership there is great potential for modal shift and more direct routes are only likely to support this. Improving accessibility for all will also assist to support the High Street and connect to local facilities.
- 4.13 The route runs through and adjacent to some of the most deprived areas in Angus. One of the challenges often faced by people within these areas is the impact of transport poverty and this is also evidenced through our employability support where people cite getting to jobs as one of the biggest barriers to employment. This is a lack of access to services or work from a lack of affordable transport options. The easier it can be made for people to access services and employment within their local area then the more we can create opportunities. The project will

help to reconnect the town with its key trip attractors, the town centre, local shops, rail and bus stations, harbour, stadium and seafront.

- 4.14 Arbroath contains many significant tourist attractions all within fairly close proximity including the Harbour – one of the top destinations for tourists in Angus, and the West Links where there has been significant investment in accessible play facilities. Creating a pleasant environment and family friendly network helps to increase the length of stay by tourists and encourage more linked visits, particularly if it is easy to access different attractions which are in close proximity. The project will improve the connect to the town and these key assets from the main entry point of visitors by public transport via the bus and rail stations and there is further opportunity to capitalise on this through further initiatives beyond this project. The connect more widely is also significant being part of the NCN1 cycle route and the coastal path. Within outdoor activity and more short stays that focus on health and wellbeing driving current trends a more welcoming land and environment will help to capitalise on these.
- 4.15 The multi-million investment through the Tay Cities Deal in Hospitalfield projects significant growth in visitor numbers with 19,000 recorded already in 2022 and increased figures already for 2023 making it one of the most popular visitor destinations in Angus. Ensuring visitors can easily access our key assets is vital with good and attractive connectivity.
- 4.16 Angus is very reliant on day visitors so ensuring they can maximise a visit is very important. Day visits were up in 2022 by 600,000, a 2% increase on 2019 and very much bucks the trend compared to other local authorities as few showed an increase in Day Visitor numbers.
- 4.17 Active travel offers one of the most accessible opportunities to support health and wellbeing and encourage participation in physical activity. An attractive landscape and environment in which to do this makes it a far more attractive option and improvements to the route itself will create these missing links from the centre of the town to the already well used recreational routes and activities at Victoria Park, Cliffs and the West Links.
- 4.18 The project contributes to the Council's commitment to Community Wealth Building delivering a project that supports the local supply chain meaning benefits can be achieved, including retaining money in the local area and employability and education/training benefits. As well as local investment, using local labour teams means a reduction in commuting distances travelled, lowering the project's overall carbon footprint.

5. PROPOSALS

- 5.1 It is recommended that Members agree to proceed to the construction phase and completion of the Project and enter into a Project Delivery Agreement with Balfour Beatty provided the following conditions precedent are met: -
1. preliminary site investigations into the location of utility services are concluded to the satisfaction of the Director of Infrastructure and Environment; and
 2. the Director of Infrastructure and Environment, following consultation with the Director of Finance, is satisfied that the project remains within budget, as described in Section 6 – Financial Implications.
- 5.2 As detailed in the Financial Implications section, additional funding from Sustrans of up to £1.389 million has been awarded and will be used towards meeting the updated cost of the project should the project proceed.
- 5.3 The preliminary site investigatory works to identify the location of utility services is programmed for week commencing 23 October 2023. There is the risk the works identify the requirement for significant diversion or relocation of utilities, which would carry additional costs. The project team will however liaise with utility providers and invite them to be onsite during the site investigations and will seek to agree practicable and reasonable solutions where required. No major issues are anticipated, but measures such as additional cable protection or minor revision to designs can be made to eliminate or minimise any additional costs. Although the risk is considered relatively low, it is proposed that that the project only proceeds to the construction phase after site investigations have been completed and it is concluded the project remains within the budget for the project as described in Section 6 – Financial Implications. Recommendation (vi) is contingent on this.

- 5.4 Members are asked when determining whether to proceed with the project to give due regard and consideration of the project risks that are listed in Section 7 - Risks of this report.
- 5.5 If it is agreed to proceed, the Project Delivery Agreement and other contractual documentation in respect of the project would be executed using the SCAPE Framework. Following consultation with officers within Legal Services it was confirmed that the role to develop the contract documents and Delivery Agreement cannot be resourced in-house due to the specialist nature of the advice required. Legal Services have therefore obtained external legal support for the project.
- 5.6 The current programme, as submitted by Balfour Beatty, shows construction starting on site January 2024 and finishing July 2025. This is subject to the agreement of Members to the recommendations contained in this Report to proceed to the construction phase and contractual sign off as soon as possible thereafter. This is essential to allow placement of orders with key sub-contractors and for supply of key materials to be delivered on-time. Any delay risks extending the completion date and increasing costs.
- 5.7 The construction programme shows works being carried out in sections commencing with widening on the north bound carriageway under lane closures using temporary traffic lights at junctions as required along with works on Guthrie Port Roundabout. Once widening has been completed traffic will switch to its permanent position of two way running in the widened north bound carriageway allowing works to form the footway, cycle lane and landscape area to take place offline minimising disruption.
- 5.8 The recommendation to proceed with the project recognises this as a unique opportunity to leverage significant external funding to deliver a transformational project that was asked for by local residents and will deliver multiple benefits to the town of Arbroath. Section 4.11 describes the range of benefits the project will bring to Arbroath and highlights these are far more than just encouraging more active travel.
- 5.9 Although the final estimated cost of the project is 10.3% over the original budget estimate made in 2019, this can be considered a positive outcome given inflationary pressures in recent years. The additional cost will be mostly covered by additional funding from Sustrans (see Financial Implications section for more detail). As described in the Risks section of the report, abandoning the project risks reputational damage and abortive costs if Sustrans seek recovery of some or all of funding to date.

6. FINANCIAL IMPLICATIONS

Background

- 6.1 In setting the 2023/24 revenue and capital budgets in March 2023 the Council approved Report 42/23 which included a budget provision for the Arbroath A Place for Everyone project (referred to as Arbroath Places for Everyone). This continued the cost estimate and budget provision made in the previous budget setting process and was based on provisional designs and high level cost estimates which had still to be subject to detailed pricing by the SCAPE Framework contractor (Balfour Beatty). The phasing of project costs has now been updated to include actual spend incurred in financial year 2022/23 and this has been reflected in Report 226/23 (2023/24 Final Capital Budget - General Fund) approved by the Policy & Resources Committee of 29 August 2023. The estimated cost and funding for the project as contained in the Council's approved capital budget is shown in Table 1 below.

Table 1 – Capital Budget Provision- Arbroath Places for Everyone Project

2022/2027 CAPITAL PLAN					
PROGRAMME - INFRASTRUCTURE & ENVIRONMENT - ROADS & TRANSPORTATION					
PROJECT / NATURE OF EXPENDITURE	Estimated Total Cost £000	Actual to 31/03/22 £000	Actual 2022/23 £000	Budget 2023/24 £000	Estimate 2024/25 £000
Arbroath Places for Everyone	13,238	421	299	7,881	4,637
Sustrans (Places for Everyone)	-9,223	-411	-251	-5,491	-3,070
External Funding / Capital Contingency (if required)	-1,013	0	0	-637	-376
Net Cost	3,002	10	48	1,753	1,191

- 6.2 Since Report 226/23 was finalised and as part of the process of applying to Sustrans for additional funding (see below) a small anomaly has been identified in the figures in Table 1. Both the total project cost and the Sustrans funding should be £44,000 higher than shown at £13.282 million and £9.267 million respectively. This adjustment does not change the budgeted net cost to Angus Council.

Project Cost Estimate

- 6.3 Report 102/22 noted that “There is however the possibility that increases in construction inflation since the original cost estimates were prepared could offset expected reductions in the Optimism Bias element of the projected costs. This will become clear through the preparation of the market tested cost plan”. That market costed plan is now available.
- 6.4 The Council has a fully market tested project cost from Balfour Beatty to deliver the project. This represents a fixed cost for the works with the cost subject to potential variation only for a small number of specific items and risks as described in Section 7 – Risks below. This means the Council now has a high degree of certainty on the cost of the project if it is approved to go ahead subject to the outcome of site investigations (at outlined in section 5.3 above).
- 6.5 In addition to the main contract costs from Balfour Beatty, and as is normal in civil engineering projects, there are project design and supervision costs for both the Council and our specialist consultants and advisers to take into account to get a total project cost. Some of these costs e.g. design works have been incurred already whereas others have still to be incurred.
- 6.6 Table 2 below sets out the costs in more detail but the total cost to deliver the project is now £14.645 million, some £1.363 million (10.3%) more than the adjusted budget cost for the project per Section 6.2 above. The cost assumes a start on site in January 2024.

Table 2 – Updated Total Project Cost

Cost Item	£000
Design costs to 31/3/23	622
Pre-construction stage design costs	154
Design and investigation works (remainder)	120
Construction Costs – Balfour Beatty	13,099
Construction Phase Project Management & Supervision	360
Project Contingency Allowance (2%)	290
Total Project Cost based on full tender	14,645
Adjusted Cost Estimate based on original concept design (from 2019/20)	13,282
Increase in cost from original estimate	1,363

- 6.7 Members are reminded that the original estimated cost of the project at £13.2m was made in the 2019/20 budget and was based on concept designs and an assumed start of construction in 2021. That cost estimate was based on use of a ‘High Cost Range’ of estimated project costs and included an allowance of 44% for ‘optimism bias’ as per the Scottish Transport Appraisal Guidance (STAG). Although reaching the point of contract award and construction of the project has been significantly delayed by the COVID-19 pandemic and other issues officers had hoped

that the 44% optimism bias adjustment included in the original costings would provide enough protection to mitigate the effects of delays and inflation on project costs.

- 6.8 In practice that allowance has proven to be insufficient, but the Council now has a confirmed, market tested price based on final designs rather than a high level estimate based on concept designs which hadn't been market tested.
- 6.9 To a significant extent, the escalation in costs is due to COVID-19 delays, market forces, the impact of high inflation and ongoing volatility in construction contract pricing due to geo-political instability – all factors beyond the Council's control. The project cost is 10.3% over the original budget estimate which is less of a variance than has been experienced on other projects. A final project cost which is just over 10% higher than the original estimate is considered to be a good outcome in the current market and something which represents value for money especially considering the extent of external funding towards the project cost.
- 6.10 The final project cost shown in Table 2 is after having identified £1.437 million of cost savings from value engineering changes to specifications, and other refinements to the project costs where this has been possible without compromising the design or quality of the project.

Funding Update

Sustrans Funding

- 6.11 The main source of funding for this project is coming from Sustrans on behalf of Transport Scotland. The project was awarded funding in the second half of 2019, based on the concept designs and the high level cost estimate prepared at that time.
- 6.12 The funding agreement which the Council signed with Sustrans in 2021 provides that Sustrans will support those project costs incurred to reach the point of construction commencing at 100% funding. Funding support for the construction phase of the project attracts 70% funding. Both the 100% and 70% funding elements are based on the previous estimated costs and are therefore capped at that level. The Council's capital budget (Section 6.2 refers) assumes total funding from Sustrans of £9.267 million.
- 6.13 Given the total project cost is now projected to be £1.363 million over the budget estimate a formal bid for additional funding for the project was made to Sustrans. Due to the tight timescales for applying for additional Sustrans funding and having this considered through Sustrans and Transport Scotland's governance processes, the Council's additional funding request was based on Balfour Beatty's initial estimate which included, at that time, a number of indicative sums which required to be finalised. This initial Balfour Beatty estimate was significantly higher than the now finalised project costs, but Sustrans have approved additional funding of £1.389m based on the initial higher estimate. This doesn't automatically mean more Sustrans funding for the Council to deliver the project, but it does enable the Council to continue to discuss funding options with Sustrans and provides flexibility should any of the risks set out in Section 7 impact on project costs. Sustrans approved Angus Council's bid for additional funding in mid-September.

Other External Funding

- 6.14 As set out in Table 1 the remainder of the funding package for the project after the Sustrans funding comprises 2 components - £1.013 million of external funding / capital contingency and £3.002 million of funding from the Council's capital budget. While up to £1.389m of additional funding for the project has been secured from Sustrans £1.223m of that is needed to meet the additional project costs leaving £0.166m of Sustrans funding potentially available. Discussions regarding whether some or all of the balance of this funding could be used towards the Council's £1.013 million target for external funding are ongoing with Sustrans so for the purposes of this report two funding scenarios have been presented – one with additional Sustrans funding and one without.
- 6.15 As members may be aware the Council has been allocated over £4m in funding through the UK Shared Prosperity Fund (UKSPF) over financial years 2022/23 to 2024/25 of which £1.9m has been identified against the Communities & Place Priority. The planned interventions under this priority include among other things Place Based Investments, Regeneration and Town Centre Improvements, Design and Management of the Built & Landscaped Environment and Active Travel Enhancements all of which are a good fit with the Arbroath Places for Everyone Project. It is therefore proposed that up to £150,000 of the £1.13 million of funding anticipated

for financial year 2024/25 from the UKSPF be used towards the Places for Everyone Project and members are being asked to approve this source of funding.

Updated Costs and Funding Package

- 6.16 Table 3 below presents the updated costs and funding package. Scenario 1 assumes no further funding from Sustrans and can therefore be regarded as the worst case while Scenario 2 assumes the Council is able to use the whole amount of Sustrans funding approved. Both Scenarios mean the project can be progressed within the previously approved Angus Council share of costs and budget.

Table 3 – Updated Cost & Funding Package

	Funding Package Scenario 1 £000	Funding Package Scenario 2 £000
Total Project Cost based on full tender (Per Table 2)	14,645	14,645
Confirmed Sustrans Funding	(10,490)	(10,490)
UKSPF (para 6.15 refers)	(150)	(150)
Potential Additional Sustrans Funding	0	(166)
Angus Council – Capital Budget per Report 226/23	(3,002)	(3,002)
Balance - Angus Council – Capital Contingency Budget – currently budgeted to be £1.013m per Report 226/23	(1,003)	(837)

- 6.17 Proceeding with the project will require total funding through the Council's capital budget of £4.005 million (£1.003m capital contingency and £3.002m core capital budget) under Scenario 1 or total funding of £3.839 million under Scenario 2. These are in line or below the capital budget assumptions made when the Council set its 2023/24 capital budget in March this year – a capital budget that was confirmed as affordable, prudent and sustainable following an assessment of affordability over the long term (Report 60/23 refers).
- 6.18 Table 4 below shows the extent of external funding leverage on the project under the two funding Scenarios. The Sustrans funding is only available for this project and cannot, for example, be redirected to other roads related expenditure like repairs.

Table 4 – External Funding Leverage

	Angus Council Share of Costs	Share of Costs Funded Externally
Scenario 1	£4.005m (27.3%)	£10.490m Sustrans (71.6%) £0.150m UKSPF (1.1%)
Scenario 2	£3.839m (26.2%)	£10.656m Sustrans (72.8%) £0.150m UKSPF (1.1%)

Revenue Budget Implications

- 6.19 The project is expected to deliver savings in some revenue costs for the Council but will also incur additional costs in other areas. The project will deliver new infrastructure which will be covered for repairs by a defects liability obligation on the contractor and thereafter will need minimal maintenance during the first few years of operation. Winter maintenance costs are also expected to be lower than with the current dual carriageway. Additional costs will however arise from maintenance of soft landscaped areas and planting, but this work will be carried out by the Council's Parks service thereby supporting the income and trading position of that service. Overall, a net increase in running costs of £11,500 p.a. is estimated as a result of the project.
- 6.20 The Council's capital input to the total project cost of £4.005m (Scenario 1) or £3.839m (Scenario 2) will, as part of the Council's overall capital budget, be funded from a mixture of Scottish Government Capital Grant, borrowing and capital receipts. Borrowing is expected to make up 57% of the funding of the Council's capital budget over the current 5 year planning

period. On this basis, and assuming a 40 year write off period, the revenue loan charges arising from the project would amount to approximately £133,000 p.a.(Scenario 1) or £127,500 p.a. (Scenario 2).

Other Financial Considerations

- 6.21 As explained in Section 6.12, Sustrans provide funding for all eligible costs up to the point of construction commencing. These costs amount to £720,000 and would be abortive if the project did not proceed. Please refer to Section 7.4 below for comment regarding potential risks of sums being claimed back by Sustrans from the Council.

7. RISKS

- 7.1 Project risks are being managed in accordance with the Council's Risk Management Strategy and being monitored by the Project Manager and through the established Project Steering Group.

- 7.2 The outline project programme shows the completion of construction works and site handover July 2025. As noted within Section 4, this is dependent on the Delivery Agreement and contractual close as soon as possible to allow site works to start January 2024. Any delay risks project costs increasing due to inflationary pressures. To mitigate the risk of delay external legal specialists have been procured to support with the Delivery Agreement and other ancillary contract documents for the project.

- 7.3 The table below sets out the current approach to the mitigation of the main risks associated with the project.

Risk	Approach to Mitigation
Utilities	Site investigation works to be completed to identify known services. The project team will liaise with utility providers and invite them to be onsite during the site investigations and will seek to agree practicable and reasonable solutions where required. Measures such as additional cable protection or minor revision to designs will be considered as required to eliminate or minimise any additional costs or delays.
Ground conditions and possible contaminated land	Road cores completed. Keeping works within existing road corridor.
Inflation	VOP (Variation on Price) allowance included in construction costs. This means contractor carries risk of inflationary price increases during project.
SEPA Approval	Design includes infiltration and reduction in impermeable area.
Lack of funding	The offer of additional funding has been secured from Sustrans, which follows consultation between council officers and Sustran reps.
Design growth – additional costs above tender sum due to design creep	Contractor costs include allowance of £100k against design creep. This will be monitored by the Council's Project Manager and Steering Group.
Project delay – there are several factors that could lead to project delay	External legal support has been procured to assist with drafting, negotiation and completion of contractual documents. Contractor has included contingency in programme where risks of delay are high. This will be monitored by the Council's Project Manager and Steering Group.

- 7.4 If the decision is taken not to proceed with the project, there is the risk that Sustrans could seek to recover the funding provided to Angus Council to date. Sustrans reps were approached for clarification but were unable to confirm whether they would seek to claim back some or all of the funding.

7.5 If the decision is made to abandon the project, there are no alternative proposals, and it is very unlikely that there will be funding available again in the foreseeable future for a transformational project similar in scope and scale in Arbroath. Withdrawal could also have a negative impact on future likelihoods of funding success with Sustrans and Transport Scotland.

8. EQUALITY IMPACT ASSESSMENT

8.1 An Equality Impact Assessment has been carried out and is attached.

9. CONSULTATION

9.1 The Chief Executive, Depute Chief Executive and the Director of Legal, Governance and Change have been consulted in the preparation of this report.

NOTE: The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

- Report No. [410/19](#)
- Report No. [86/20](#)
- Report No. [102/22](#)

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Equality Impact/Fairer Scotland Duty Assessment Form

(To be completed with reference to Guidance Notes)

Step 1

Name of Proposal (includes e. g. budget savings, committee reports, strategies, policies, procedures, service reviews, functions): **Arbroath a Place for Everyone – Project Update and Contract Award.**

Step 2

Is this only a **screening** Equality Impact Assessment Yes/No
(A) If Yes, please choose from the following options **all** reasons why a full EIA/FSD is not required:

- (i) It does not impact on people Yes/No
- (ii) It is a percentage increase in fees which has no differential impact on protected characteristics Yes/No
- (iii) It is for information only Yes/No
- (iv) It is reflective e.g. of budget spend over a financial year Yes/No
- (v) It is technical Yes/No

If you have answered yes to any of points above, please go to **Step 16**, and sign off the Assessment.

(B) If you have answered No to the above, please indicate the following:

Is this a full Equality Impact Assessment Yes/No
Is this a Fairer Scotland Duty Assessment Yes/No

If you have answered Yes to either or both of the above, continue with Step 3.
If your proposal is a **strategy** please ensure you complete Step 13 which is the Fairer Scotland Duty Assessment.

Step 3

(i) Lead Directorate/Service: **Infrastructure and Environment/Roads & Transportation**

(ii) Are there any **relevant** statutory requirements affecting this proposal? If so, please describe.

The proposal will be delivered principally under powers detailed in the Road (Scotland) Act 1984, Parts I, III, IV & V.

<https://www.legislation.gov.uk/ukpga/1984/54/contents>

(iii) What is the aim of the proposal? Please give full details.

The aim of Places for Everyone is to create safer, more attractive, healthier places by increasing the number of trips made by walking, cycling and wheeling for everyday journeys.

(iv) Is it a new proposal? **Yes/No** Please indicate OR

Is it a review of e.g. an existing budget saving, report, strategy, policy, service review, procedure or function? **Yes/No** Please indicate

Report No 102/22 - Arbroath A Place For Everyone - Update and Procurement Authority – Angus Council, 10 March 2022.

Report No. 86/20 – Arbroath Active Travel Active Town – Update & Budget Proposals - Angus Council, 27 February 2020

Report No. 410/19 – Arbroath Active Travel Active Town – Angus Council, 5 December 2019

These reports provide details of the Active Travel Active Town project in Arbroath, which has secured funding from Sustrans Scotland and Transport Scotland’s flagship active travel programme, Places for Everyone

Step 4: Which people does your proposal involve or have consequences for?

Please indicate all which apply:

Employees **Yes/No**

Job Applicants **Yes/No**

Service users **Yes/No**

Members of the public **Yes/No**

Step 5: List the evidence/data/research that has been used in this assessment (links to data sources, information etc which you may find useful are in the Guidance). This could include:

Internal data (e.g. customer satisfaction surveys; equality monitoring data; customer complaints).

Not applicable.

Internal consultation (e.g. with staff, trade unions and any other services affected).

Not applicable.

External data (e.g. Census, equality reports, equality evidence finder, performance reports, research, available statistics)

External consultation (e.g. partner organisations, national organisations, community groups, other councils. **Refer to Appendix 1 of Report to Special meeting of Council on 19 October 2023.**

Other (general information as appropriate).

Step 6: Evidence Gaps.

Are there any gaps in the equality information you currently hold? **Yes/No**

If yes, please state what they are, and what measures you will take to obtain the evidence you need.

Step 7: Are there potential differential impacts on protected characteristic groups? Please complete for each group, including details of the potential impact on those affected. Please remember to take into account any particular impact resulting from **Covid-19**.

Please state if there is a potentially positive, negative, neutral, or unknown impact for each group. Please state the reason(s) why.

Age

Impact: Positive. Will create a transport system more able to be used by the youngest and oldest, whom are currently most often excluded. The scheme will provide a more accessible link between the east and west of the town with improved access to existing public transport facilities, including improved links between the bus station and train station. Segregated walking and cycling facilities will enhance safety for all users by removing cyclists from the carriageway. The new design will be fully Disability Discrimination Act (DDA) compliant and will promote safe use of the facilities for the youngest and oldest age groups.

Disability

Impact: Positive. Will create a transport system more able to be used by people that have physical and/or mental health issues, whom are currently most often excluded.

The design will be fully DDA compliant and will include updated light-controlled crossing facilities to assist those with physical impairments. The design will remove existing barriers for disability groups by ensuring full access to all elements of the design whilst retaining new street furniture, artwork and green spaces by considered placement.

Gender reassignment

Impact: Neutral

Marriage and Civil Partnership

Impact: Neutral

Pregnancy/Maternity

Impact: Positive. Will create a transport system more able to be used by pregnant women and mothers, whom are currently most often excluded. The design of the scheme will incorporate improved facilities for pram/pushchair use with updated light-controlled crossings to assist crossing movements and improved, more accessible links to existing public transport facilities.

Race - (includes Gypsy Travellers)

Impact: Neutral

Religion or Belief

Impact: Neutral

Sex

Impact: Positive. Will create a transport system more able to be used by women, whom are currently most often excluded because of lower instances of driving licence holding (especially amongst older women) or personal security concerns.

Sexual orientation

Impact: Neutral

Step 8: Consultation with any of the groups potentially affected

If you have consulted with any group potentially affected, please give details of how this was done and what the results were.

Reference Appendix 1 of the report to council, which details the consultation and engagement exercise that have been completed when developing the project.

If you have not consulted with any group potentially affected, how have you ensured that you can make an informed decision about mitigating action of any negative impact (Step 9)?

Step 9: What mitigating steps will be taken to remove or reduce potentially negative impacts?

Not Applicable

Step 10: If a potentially negative impact has been identified, please state below the justification.

Not Applicable

Step 11: In what way does this proposal contribute to any or all of the public sector equality duty to: eliminate unlawful discrimination; advance equality of opportunity; and foster good relations between people of different protected characteristics?

The proposal identifies the positive impact to advance equality of opportunity to transport. Reference detail provided in Step 7.

Step 12: Is there any action which could be taken to advance equalities in relation to this proposal?

The proposal identifies the positive impact to advance equality of opportunity to transport. Actions to advance these will be sought through the delivery of the project.

Step 13: FAIRER SCOTLAND DUTY

This step is only applicable to **strategies** which are key, high level decisions. If your proposal is **not** a strategy, please leave this Step blank, and go to Step 14.

Links to data sources, information etc which you may find useful are in the Guidance.

Step 13(A) What evidence do you have about any socio-economic disadvantage/inequalities of outcome in relation to this strategic issue?

Step 13(B) Please state if there are any gaps in socio-economic evidence for this strategy and how you will take measures to gather the evidence you need.

Step 13(C) Are there any potential impacts this strategy may have specifically on the undernoted groupings? Please remember to take into account any particular impact resulting from **Covid-19**.

Please state if there is a potentially positive, negative, neutral or unknown impact for each grouping.

Low and/or No Wealth (e.g. those with enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future.

N/A

Impact

Material Deprivation (i.e. those unable to access basic goods and services e.g. repair/replace broken electrical goods, warm home, leisure and hobbies).

Impact

Area Deprivation (i.e. where people live (e.g. rural areas), or where they work (e.g. accessibility of transport)).

Impact

Socio-economic Background i.e. social class including parents' education, people's employment and income.

Impact

Other – please indicate: **N/A**

Step 13(D) Please state below if there are measures which could be taken to reduce socio-economic disadvantage/inequalities of outcome.

N/A

Step 14: What arrangements will be put in place to monitor and review the Equality Impact/Fairer Scotland Duty Assessment?

The In-Use stage of the project will allow for such monitoring and review.

Step 15: Where will this Equality Impact/Fairer Scotland Duty Assessment be published?

Published with the committee report available at angus.gov.uk

Step 16: Sign off and Authorisation. Please state name, post, and date for each:

Prepared by: **Craig Hudson – Traffic & Transport Manager – 26 September 2023**

Reviewed by: **Doreen Philips - Snr Practitioner (Equalities) – 9 October 2023.**

Approved by: **Graeme Dailly – Director of Infrastructure & Environment. – 9 October 2023.**
