

EAST AYRSHIRE COUNCIL**CABINET – 16 JUNE 2021****Report by Depute Chief Executive: Safer Communities**

**SUBJECT: KILMARNOCK CULTURAL QUARTER ACCESS ROAD
AND CAR PARK**

PURPOSE OF REPORT

1. The purpose of this report is to seek Members agreement to reallocate funds to meet the increased estimated costs of the Kilmarnock Cultural Quarter access road from London Road. The report also seeks Member's approval and reallocation of funds to progress the development of the public car park (53 spaces) on that part of the site of former Kilmarnock Academy not transferred to Centrestage Communities Ltd (CCL) accessed off London Road to support the Cultural Quarter including the Dick Institute the Grand Hall/ Palace Theatre and Centrestage.
2. In addition the report seeks approval for ARA to provide in kind support to Centrestage Communities Ltd to assist with the laying out and lining of their Car Park.

RECOMMENDATIONS

3. It is recommended that Cabinet agrees:
 - (i) To reallocate funding to meet the increased estimated costs of the Kilmarnock Cultural Quarter access road from London Road, as detailed in paragraph 40 of this report;
 - (ii) To also proceed with the construction of the new car park at this time to support the Kilmarnock Cultural Quarter, to be funded as detailed in paragraph 40 of this report;
 - (iii) For ARA to lay out and line the Centrestage Communities Ltd car park as an in-kind contribution to this project, to be funded as detailed in paragraph 41 of this report; and
 - (iv) To otherwise note the contents of this report.

BACKGROUND

4. Peter Brett Associates (PBA) were appointed by ARA in August 2017 to evaluate the traffic, parking and access impacts of the proposed new base for Centrestage on the site of the former Kilmarnock Academy on Elmbank Drive. The study was

to assess the proposed vehicular access from Elmbank Avenue by re-opening its junction with London Road. The premise at that time was that vehicle access to the site parking would be via an upgraded and shared access to the existing access to the adjacent Academy Apartments access on Elmbank Drive.

5. The PBA study found that extending the existing signalised junction of London Road and Holehouse Road to include Elmbank Avenue did not work well in operational terms because of the requirement for a pedestrian all green stage and the long intergreen stages required between some phases (a function of distance between stoplines). Specifically, the PM peak period was modelled as above operational capacity.
6. Considerations at that time also took the view that due to the multiple ownership of the Academy Apartments and the potential extensive negotiations required to obtain permission to utilise their access as the vehicular access to the site, that this would not be a feasible option. Attention then focussed on assessing the feasibility of taking vehicular access to the site via a new priority junction arrangement at the point where Braeside Street meets London Road. The new access road would become a new spine road connecting London Road to Elmbank Drive/Rennie Street and would be an effective diversion of the sub-standard and partially one-way Braeside Street.
7. The Centrestage development was to include 93 operational car parking spaces for Centrestage staff and visitors. Most of these spaces would be accessed from the new access road. Four coach parking bays were also to be provided on Elmbank Drive to serve Centrestage and the Dick Institute.
8. Following the decision of Cabinet on 8 November 2017 to approve the asset transfer of Kilmarnock Academy to Centrestage Communities Ltd, Cabinet at its meeting on 13 December 2017 agreed the extent of the land transfer and to facilitate the wider regeneration agreed to fund the development of the access road from London Road that would also provide an opportunity to create a public car park adjacent to London Road that would provide convenient and additional parking for the Palace Theatre, Grand Hall and Dick Institute, which may assist with the cultural regeneration of the wider area. At that time, the cost of these works had been estimated by ARA as under £0.250m (excluding utility diversion costs).
9. Cabinet on the 22 August 2018 agreed that given an increase in the costs and the significance of the access road to the wider cultural quarter that the costs of the access road, estimated at that time as £0.320m (including an allowance of £0.050m for utility diversion) be funded from the Kilmarnock Town Centre Regeneration budget within the Capital Programme. The costs for the new public car park of £0.190m were to be funded on a 'spend to save' basis from the potential income from the car park based on a 50-60 space car park estimated at £0.025m per annum over 8 years.
10. It was proposed that all the works would be undertaken by ARA. This report provides details of further increases in cost and proposals to meet these costs in relation to the proposed Kilmarnock Cultural Quarter access road and car park.

11. Planning application 18/0394/PP was submitted on 25 May 2018 and Planning Permission was granted on 3 September 2018. (See Appendix1 for Approved Layout Plan). Condition 1 of the Decision Notice is:

- Prior to any use commencing, the new access junction and two-way spine road connecting London Road directly to Elmbank Drive/Rennie Street as indicated on the Approved Access and Parking Strategy Plan (2880.OCM-101 Rev B) shall be implemented in full prior to any use hereby approved commencing in site.

(Reason: in the interests of road safety and the operation planning of the site)

Condition 4 of the Decision Notice is:

- Prior to any use hereby approved commencing on site, 93 general and 5 accessible parking spaces shall be provided on site and be fully line marked. All parking spaces shall comply with the Roads Development Guide Parking Standards.

(Reason: to ensure appropriate car parking is provided on site).

12. In relation to the potential provision of the new public Car Park it should be noted that a report on the “Kilmarnock Parking Review” is scheduled to be presented to this Cabinet prior to this report. The review details the current position in relation to various parking proposals for Kilmarnock and seeks Cabinet approval for a range of amended and new proposals.

KILMARNOCK CULTURAL QUARTER ACCESS ROAD AND CAR PARK

13. Centrestage had contracted with a design team consisting of Armour Construction Consultants (ACC), Occam Architecture Ltd and McColm Structural Engineers to progress the design and planning of the buildings work and associated infrastructure works. Due to the work already undertaken by this team to take the Centrestage project to planning stage it was agreed that the design team would be retained to undertake the detailed design and pre-tender work for the access road and car park. The design team were tasked with designing a scheme to a budget of £0.500m in line with the costs reported to Cabinet on 22 August 2018.

14. Following the procurement of the design team, the first meeting between the Design Team and ARA took place on 5 September 2019. It was noted at this meeting that the scheme as included within the planning approval was costed by Occam but was deemed by East Ayrshire Council as being unaffordable. A key early task was services and site investigations which identified additional costs.

15. ACC submitted a detailed elemental cost plan on 22 May 2020 which indicated an anticipated cost of **£812,761**, split as follows:

Access Road	£517,152
Car Park	£295,609

16. The access road estimate included a provisional allowance of £84,180 for potential service diversions. ACC indicated that there were only minor opportunities for further savings in the range of £50,000-£100,000.

17. Due to the affordability gap from the approved budget the design team was requested to provide separate cost estimates for the access road and car park and priced in accordance with the Method of Measurement for Highway Works. These were provided as part of a full tender package on 12 January 2021. Costs were higher than anticipated as the site investigation and topographical survey found that greater quantities of earthworks would be required, including disposal of unacceptable materials and imported material. The higher than expected drainage costs included underground aqua cells. The total cost was **£844,471** and excludes professional fees, site investigation and public utility diversions, split as follows:

Access Road	£378,899
Car Park	£465,573

ARA Comparison of Costs

18. In order to check the cost estimates provided by ACC, the TRIPS Minor Works Framework estimator was used. The estimator allows Bill of Quantities to be input and a cost estimate is generated providing a benchmark cost as a comparison. The benchmark cost is the average overall cost of the lowest six external contractors and is the cost that the ARA Roads Maintenance Unit would be measured against if they undertook the works to determine performance and demonstrate best value.

19. The comparison of costs is shown in the following table. It can be seen that the ACC costs are high compared with the TRIPS benchmark costs. The larger difference between the ACC and ARA car park estimate is mostly due to lower earthworks rates in the TRIPS framework than used by ACC in their cost estimate.

	Armour Construction Consultants	ARA Benchmark Estimate	TRIPS	Difference
Access Road	£378,899	£312,756		-17%
Car Park	£465,573	£314,227		-33%

Estimated Public Utility Costs

20. There are a number of public utility services affected at the proposed access junction with London Road and the current estimated cost of these are set out below. Further survey work is being undertaken to provide a more detailed estimate to establish the costs to divert the EAC fibre.

<u>Utility</u>	<u>Cost Estimate</u>	<u>Cost Status</u>
BT	£6,136	C4 detailed estimate
Scottish Gas Networks	£26,496	C4 detailed estimate
Scottish Power	£2,881	Quote
Scottish Water	£65,000	Detailed estimate
EAC Fibre	£120,000	Estimate from F&PM
Total	Circa £220,513	Pending detailed estimates

Design Team and Third party Fees

21. The consultancy design contract with ACC was signed in April 2020 at a price of £57,179 based on the development budget of £500,000 and subject to the proposed method of calculation of the final price as set out within the pre-contract design team proposal dated 7 December 2018.
22. Due to the increased estimated construction costs the agreed design team fees paid to date are **£74,884**.
23. Additional third party costs of **£19,557** have been incurred to date. These costs include for ground investigations, trial pits, geotechnical and contamination testing, and public utility investigations. Total design team and third party costs are currently **£94,441**.

Current Overall Project Costs

24. The current total estimated costs are set out below (based on the upper limit of the potential utility costs):

	Armour Construction Consultants	ARA TRIPS Benchmark Estimate
Access Road construction	£ 378,899	£ 312,756
Car Park construction	£ 465,573	£ 314,227
Public utility diversions	£ 220,513	£ 220,513
Design and third party fees	£ 94,441	£ 94,441
Total Cost	£1.159,426	£ 941,937

25. The ACC total estimated project cost of approximately £1.159m. The ARA TRIPS benchmark cost is approximately £0.941m, just over 20% less.
26. It should be noted that if the redevelopment site was happening in isolation, the cost of providing the access road with necessary utility diversions and fees would be in excess of the value placed on the whole site by Ryden of £501,360. It should be noted that any developer of the former Kilmarnock Academy would have had

such a requirement imposed on their development. This effectively means that the property would be uneconomic to develop on a commercial basis without additional funding being provided to ensure that there was a viable Kilmarnock Academy Legacy Project.

27. The previous study work outlined in paragraphs 4-6 identified that this access road is required to provide satisfactory access to the Centrestage buildings and its 93 operational car parking spaces.
28. ARA therefore considers that the direct access road from London Road is necessary to provide an accessible and operationally workable Kilmarnock Academy Legacy Project site and that a funding solution is sought to allow the works to proceed.
29. The proposed new public car park as indicated in the Kilmarnock Parking Review report is also an integral part of the current proposals for both the Cultural Quarter and the wider Kilmarnock town centre. Therefore, it is recommended that the development of the new Car Park proceed to enhance car-parking facilities within the town centre.

Temporary Access to Kilmarnock Academy Legacy Project

30. The Planning Permission granted for this development on 3 September 2018, requires that the access road is constructed and open prior to the Centrestage facilities coming into use, see paragraph 11 above. Without the access from London Road the vast majority of the 93 car parking spaces on the Centrestage site cannot be satisfactorily accessed.
31. Centrestage's CEO has advised that they hope to open the facility on a phased basis, COVID 19 restrictions permitting, starting towards the end of June 2021, with partial occupation building to the middle of August with all aspects of the facility operative, with a formal opening in October 2021. Given the planning conditions above and the delay with the provision of the access road in from London Road, Centrestage have been in discussion with ARA regarding potential interim mitigating measures that will enable the facility to open whilst minimising any adverse impact on the neighbouring residential area.
32. Temporary access to the on-site parking will be achieved by removing a section of the steel palisade fence on Braeside Street. This will allow the on-site parking to be accessed from both London Road (via Braeside Street) and Old Mill Road (via Dick Road). As existing, all vehicles will require to leave via Dick Road until the new access junction is formed.
33. During the construction phase it will be necessary to close entry from Braeside Street and all access and egress will require to be taken via Dick Road. The construction works will be managed via a Construction Management Traffic Plan,

designed to minimise disruption on Dick Road and other residential streets, and to retain access where possible for the residents of Braeside Street.

- 34.** These mitigating measures and the Construction Management Traffic Plan will be publicised via the Council's Communications team, to ensure that all residents in this area are aware of these temporary arrangements.
- 35.** As part of our commitment to supporting Community Led Development, ARA are proposing to provide in kind support to Centrestage Communities Ltd by the laying out and lining of their 93 space Car Park.

FINANCIAL/ RISK IMPLICATIONS

- 36.** In 2018 Cabinet agreed to fund the Kilmarnock Cultural Quarter Access Road and Car Park. The costs of the access road was estimated at £0.320m (including an allowance for utility diversions) it was to be funded from the Kilmarnock Town Centre Regeneration budget within the Capital Programme. The costs for the new public car park of £0.190m were to be funded on a 'spend to save' basis from the potential £25,000 p/a income from the car park.
- 37.** Taking the Armour Construction Consultants more detailed costings the estimated costs for the Access Road are £0.694m including all design & third party fees. Given that it is a particularly challenging period to make forecasts due to the volatility of the market allowing 10% for COVID related inflation and contingencies as advised by Facilities & Property Management a budget of £0.763m is required to be allocated for the access road, with a further £0.512m to complete the car park.
- 38.** Given the agreed allocation for the access road, is £0.320m there is an anticipated shortfall of £0.443m for the access road and based on a spend to save budget for the car park of £0.190m there is a shortfall of £0.322m for the car park. For the access road to proceed there is a need to identify an additional £0.443m, the car park would require a further £0.322m, and would obviously require the access road to be constructed first.
- 39.** The access road and car park would provide significant benefits, particularly in relation to the regeneration of the Cultural Quarter, whilst also addressing an on-street parking shortfall in this area, and enhancing the wider town centre car parking facilities as detailed in the Kilmarnock Parking Review report. As indicated in paragraph 26, the construction of the access road would be a requirement of any non-domestic redevelopment of the Kilmarnock Academy site.
- 40.** As the access road and utility diversion costs benefit both the former Kilmarnock Academy Legacy Project and the town centre car parking, as indicated in the Kilmarnock Parking Review report, considered by Cabinet prior to this report, the balance of the funding for both the access road amounting to £0.443m and the balance of the funding for the new public car park off London Road, amounting to

£0.322m would be funded from the reallocation of a proportion of the £3.156M funding previously allocated for the refurbishment of the multi-storey car park.

41. The proposed in kind support from ARA to Centrestage Communities Ltd by the laying out and lining of their Car Park, is estimated at £0.02m and is proposed to be funded from existing ARA budgets.
42. The Council's ICT Manager has identified risks associated with the diversion of the EAC Fibre cables. There are two data centres within the EAC estate, the primary located at Council HQ, and the secondary at the rear of Civic Centre North. The data centres are connected by approx. 3km of (two) fibre optic cables that run along London Road, through the area of these proposed works; in recent weeks ICT have been undertaking additional measures to improve the resiliency of our network by distributing our core data connections across these two fibre cables, and adding replication on key infrastructure services to both. In the event of a fault on one fibre, we will retain increased infrastructure connectivity on the other until such times as the fibre fault can be repaired.
43. The ground works associated with the proposed scheme on London Road is extensive, and there is significant concern over damage to, or loss of, one or both of these fibres, during the ground works. The recent works ICT have undertaken will not sustain Council-wide IT connectivity should both fibre optic cables be damaged simultaneously; and with the extent of the proposed ground works, there could be an increased likelihood of both fibres being damaged simultaneously; even if only one was damaged, there is no guarantee the other wouldn't be damaged at some point during the contract, so the risk of outages on both fibres at different times must be considered.
44. Whilst there is back-up replication of some core infrastructure services across the two centres, both centres also provide primary IT connectivity across the corporate and curricular estate, with no replication / back-up from one to the other; any protracted loss of service on either or both fibre cables would result in operational difficulties, and the works to locate, access, and repair a fibre fault can take some considerable time to effect.
45. The proposal from ARA to effectively create a 1km alternative route for our fibre optic cables would reduce any consequential impact on IT provisioning in either our corporate or curricular environment during the London Road project; and as part of the London Rd reinstatement works, ICT would work with colleagues in ARA to ensure the current fibre cables were increased in length, again providing further resiliency as we would be increasing the number of fibre cores between our data centres from 2 to 4. A third of the overall route would be diverse in nature, and given that the existing route is congested with other utility services, then the 1km re-routing would provide a long term benefit to the Council's ICT infrastructure.

LEGAL/PROCUREMENT IMPLICATIONS

46. A further legal agreement with CCL will be required in respect of the temporary access arrangement outlined in paragraph 32.
47. There is potential that the Council would need to consider Planning Enforcement Action if the use of the redeveloped Kilmarnock Academy Legacy Project was commenced prior to the construction of the access road from London Road without any justification and mitigation of the impact of the development on the adjacent area. The publication and implementation of the temporary mitigating measures identified in paragraph 32 and 33, as agreed with ARA, will avoid any need for planning enforcement.
48. The ARA TRIPS minor works framework has been utilised as a benchmark. In terms of procuring these works, there are two viable options, either utilise the existing Roads Minor Works Framework and put this through TRIPS or initiate a full open tender. In this instance it is considered appropriate to let the contract through the existing Roads Minor Works Framework, which accommodates works up to £2M and allow ARA to project manage the civil engineering works.
49. The ARA Roads Maintenance Unit will undertake the proposed laying out and lining of the Centrestage Communities Car Park and ensure it is fit for purpose.

EQUALITY AND SOCIO ECONOMIC IMPLICATIONS

50. The Kilmarnock Academy Legacy Project will have very significant positive equality and socio-economic impacts, these have been detailed in the RCGF Stage 2 applications. Key project targets include, 25 new jobs created, 31 construction jobs supported, 94 existing jobs supported, 24 training places created, 2 buildings refurbished and brought back into use (11,196m² of refurbished buildings), 0.92Ha of vacant land brought back into use, up to 15 other community facilities supported, and 15 businesses/enterprises benefitting from supported facilities. The project also includes energy-efficiency measures and environmental improvements that will result in a significant annual carbon reduction.

COMMUNITY PLANNING & TRANSFORMATION IMPLICATIONS

51. The project will contribute towards the Council's Community Planning themes of Economy and Skills, Safer Communities and Wellbeing. In particular helping to enact the Strategic Priority relating to Community Led Regeneration: empower communities and build community resilience.
52. The project fits with the Council's aspiration to transform its relationship with communities thus strengthening and enabling our local people to work with us to deliver sustainable services and jointly respond to challenges in the future.

53. The proposals contained within this report, link to the overall commitment within the Transformation Strategy for community-led regeneration and support the principle of people at the heart of everything we do.

CONCLUSION

54. It is recommended that members agree to reallocate funds to meet the increased estimated costs of the Kilmarlock Cultural Quarter access road from London Road.
55. Given the Kilmarlock Parking Review previously considered by this Cabinet it is recommended that funds are reallocated to enable the development of the new Car Park to proceed to provide parking for the Cultural Quarter and enhance car-parking facilities within the wider town centre.
56. To assist Centrestage Communities Ltd it is recommended that ARA provide in kind support to Centrestage Communities Ltd by laying out and lining of their Car Park.

Background Papers:

Report to Cabinet on 19 May 2021 entitled 'Regeneration Capital Grant Fund Update'

Transformation Strategy Update - Building A Future East Ayrshire: Cabinet 3 March 2021

Development Contributions Update: Cabinet 22 January 2020

RCGF Projects & Kilmarlock Academy Community Asset Transfer: Cabinet 13 December 2017

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CMcK:- 03 June 2021

Appendix 1. Approved Site Plan

