

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

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| Report Name | Aberdeen Harbour Expansion – Supporting Infrastructure Business Case |
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| Report Author | John-Paul Cleary |
| Date of Report | 17 March 2017 |
| Governance | City Region Deal Joint Committee |

1: Purpose of the Report

- i. To update the Joint Committee on the business case for the Aberdeen Harbour Expansion – Supporting Infrastructure project.

2: Recommendations for Action

- i. It is recommended that the Joint Committee notes the content of the report and the business case in Appendix 1.

3: Summary of Key Information

- i. Aberdeen Harbour is a key commercial port serving the North East of Scotland and one of Europe's leading marine support centres for offshore energy. In order to accommodate existing and future demands for harbour services in the area including support for decommissioning, offshore renewables, large cruise liners and a larger Northern Isles ferry, Aberdeen Harbour Board (AHB) is expanding the Harbour into Bay of Nigg, south of the existing harbour.
- ii. The overall cost of the core harbour project (excluding any major road improvements) is expected to be around £350m. This will mostly be privately funded but in order to support the overall funding position, the Aberdeen City Region Deal includes a commitment of up to £11m Council funding to the core harbour project. Appendix 1 contains the draft business case on how this funding will be provided.
- iii. A £20m programme of work has been identified by Aberdeen Harbour

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| 3: | Summary of Key Information |
| | Board as potentially state aid compliant. These items are currently undergoing a state aid assessment by Aberdeen City Council and Aberdeenshire Council with support from Scottish Enterprise. Each Council will need to formally identify its own state aid position. |

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| 4: | Finance and Risk |
| i. | Financial detail is provided in Appendix 1. There are no specific risks related to this report. |