

ABERDEEN CITY COUNCIL

COMMITTEE	City Growth and Resources
DATE	25 August 2021
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	External Transportation Links to Aberdeen South Harbour – Updated Strategic Business Case
REPORT NUMBER	COM/21/174
DIRECTOR	Gale Beattie
CHIEF OFFICER	David Dunne
REPORT AUTHOR	Ken Neil
TERMS OF REFERENCE	3.2

1. PURPOSE OF REPORT

- 1.1 To seek approval of an Updated Strategic Business Case for the External Transportation Links to the Aberdeen South Harbour project.

2. RECOMMENDATION(S)

That the Committee :-

- 2.1 Note and approve the Updated Strategic Business Case (USBC) for the External Transportation Links to the Aberdeen South Harbour project, as per Appendix 1;
- 2.2 Instruct the Chief Officer Growth in his remit as Chair of the Programming Board to submit the USBC to the UK and Scottish Governments to draw down £1.2m from the £25m allocated to this project from the Aberdeen City Region Deal;
- 2.3 Approve the £1.2m for project manager resource and the costs outlined to complete the design work;
- 2.4 Subject to approval by the UK and Scottish Governments, instruct the Chief Officer - Capital to progress the next stages of project delivery, including but not limited to, surveys and investigations, design development, obtaining all necessary approvals, permissions, licences, agreements and consents required to develop the design and an Outline Business Case for the project and to report back to this Committee and the City Region Deal Joint Committee upon completion in 2024, and to provide an update if not completed by that time.

3. BACKGROUND

External Transportation Links to Aberdeen South Harbour

- 3.1 The External Transportation Links to Aberdeen South Harbour project was originally commissioned in 2017 by Aberdeen City Council with the aim of examining transport connectivity to / from the new Aberdeen South Harbour at the Bay of Nigg, and to identify appropriate transport improvements which would then be taken forward for detailed appraisal of a preferred option. This is an Aberdeen City Region Deal (CRD) project, fully funded by the UK and Scottish Governments and has been undertaken in line with the Scottish Transport Appraisal Guidance (STAG). The CRD Agreement confirms commitment to investing up to an indicative £25 million in supporting state-aid compliant roads infrastructure to maximise the impact of the harbour project on the wider regional economy, subject to a satisfactory business case.
- 3.2 Reference is made to the report to the 'City Growth and Resources' Committee of 03 February 2021 on the 'Detailed Options Appraisal' carried out using (STAG). The STAG process informed the selection of a preferred option, focussing on coast road upgrade, replacement of road over rail bridge, public transport and active travel improvements. The Committee resolved:
- (i) to note the contents and outcomes of the Aberdeen South Harbour (ASH) Scottish Transport Appraisal Guidance (STAG) Part 2 study, as per Appendix 4 of the report;
 - (ii) to approve the progression of recommended Road (Option A4), Public Transport (Options B1 and B2) and Active Travel (Options C1 and C4) from the External Transportation Links to the Aberdeen South Harbour Scottish Transport Appraisal Guidance (STAG) STAG Part 2 Appraisal Report, as shown in Appendix 1 of the report;
 - (iii) that subject to approval of the of options in (ii), instruct the Chief Officer – Capital to develop a business case for these options and to report this to the City Region Deal Joint Committee upon completion; and
 - (iv) that subject to approval of the of options in (ii), instruct the Chief Officer – Strategic Place Planning to continue with the Wellington Road Multimodal Corridor Study, ensuring that subsequent appraisal work reflects the decision of this Committee on a preferred option from the External Transportation Links to the Aberdeen South Harbour study, and to report the outcomes of the Wellington Road STAG Part 2 appraisal to this Committee in June 2021.
- 3.3 The next substantive stage of work will be the design process, but prior to that an Updated Strategic Business Case (USBC) is required by the UK and Scottish Governments to authorise further CRD funding for the design process. The USBC will provide project assurance, to the CRD Board, UK and Scottish Governments regarding the arrangements for the design process. The USBC has therefore focused both on the case for the investment and preferred option, but importantly, provides a forward plan for the execution of the design process.

- 3.4 The next stage will also include the active travel improvements but will not include the public transport options at this stage, which includes extending existing bus services and creation of new services to support future cruise ships. This will be reviewed at a future date. However, the infrastructure to support this will be built into the design process.
- 3.5 Within the USBC, it is noted that “as part of the Aberdeen South Harbour development, a new bus turning circle is being provided adjacent to the main harbour access, allowing for the development of a bus stop off the carriageway”.
- 3.6 This USBC follows established HM Treasury guidance – five-case model. It focused on the strategic rationale for the project, the economic case for the preferred option, (both of these items drawing from the STAG appraisal), commercial case (focussing on resourcing of the design process), financial case (drawing on the planned activity schedule), and management case (project management plan).

4. FINANCIAL IMPLICATIONS

- 4.1 The project’s funding was approved as part of the Aberdeen City Region Deal by both Councils on 17th August 2016 and by the UK and Scottish Governments on 21st November 2016. Within the Aberdeen CRD, £25m has been allocated from the UK Government (£12.5m) and Scottish Government (£12.5m) for the transport infrastructure to support the harbour expansion.
- 4.2 Whole life costing for the transport infrastructure will be included as part of the design process.

5. LEGAL IMPLICATIONS

- 5.1 External consideration of resourcing would indicate that external support will be required for the development of the outline business case. This will be undertaken in accordance with the Council’s Scheme of Governance.
- 5.2 There will likely be land acquisition, Traffic Regulation Orders, planning and other approvals required and the detail of this will be developed as part of the design process.

6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	Delivery of a transport link to the new harbour	M	Ensure work is evidence based, and that the development of the Updated

	<p>including active travel improvements supports a number of the Councils strategic objectives relating to economy and a sustainable transport network.</p> <p>Failure to deliver could undermine the Councils ability to meet these aspirations.</p>		<p>Strategic Business Case fully encompasses the outcomes of the appraisal process with particular emphasis on environment, safety, economy, integration, accessibility and social inclusion.</p>
Compliance	<p>Any option may be subject to objection at the various stages of design and procurement/ delivery. This may be a particular issue for land acquisition through the Compulsory Purchase process and any planning applications required.</p>	M	<p>Continue to work with the public and stakeholders to understand and mitigate potential issues.</p> <p>Management of the project in accordance with internal procedures, Scheme of Governance, and external City Region Deal governance requirements.</p>
Operational	<p>There may be risks around the continued operation of the existing route during the construction process but these are not defined at this stage.</p>	M	<p>Identify and monitor risks, and identify mitigations as the project moves from feasibility to design and delivery.</p>
Financial	<p>Achieving completion of the project within the allocated CRD budget and timeframe.</p>	M	<p>Regular reporting to the Aberdeen City Region Deal Transport Working Group to enable appropriate monitoring of budgets moving forward.</p> <p>This project will require subsequent approvals through future Business Cases so completion dates are being recorded and monitored as a risk. The Programme Team will look at accelerating work and managing grant funding</p>

			within the ACRD envelope in discussion with UK/SG
Reputational	There is a risk inherent in not progressing this key infrastructure improvement set out in the Aberdeen City Regional Deal which will deliver a range of benefits including improved access to a major new development facility in the south of Aberdeen. There is a reputational risk to the City if it does not invest in transport infrastructure that caters for the needs of a high performing international city economy by providing a transport network with capacity to cope with the demands of a major facility.	M	Continuing to progress the project and regularly communicating progress with partners will demonstrate the Council's commitment to tackling these issues and that action is being taken.
Environment / Climate	There are a number of environmental designations in the study area such as, a Site of Special Scientific Interest, Local Nature Conservation Sites and a community park. There are also several listed building and scheduled monuments within the study area. The site of the former Ness Landfill is located within the study area.	M	One of the key Transport Planning Objectives is to minimise the environmental impacts. This will form part of the detailed design process with the development of Environmental Impact Assessment, including any mitigations, for the approved option. This project also now takes into account the proposed Energy Transition Zone (ETZ), which contributes to the Council's Net Zero Carbon objectives.

7. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
Impact of Report	
Aberdeen City Council Policy Statement	The project within this report supports the delivery of Economy - Policy Statement 5 Support the Aberdeen Harbour expansion and work collaboratively to maximise tourism opportunities, including attracting high value cruises. The report seeks to improve transport links to the new harbour thereby maximising the economic potential of the facility. Aberdeen Harbour Expansion is a City Region Deal Project.
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	The project within this report supports the delivery of the following Stretch Outcomes: 2. 400 unemployed Aberdeen City residents supported into Fair Work by 2026 3. 500 Aberdeen City residents upskilled/ reskilled to enable them to move into, within and between economic opportunities as they arise by 2026. The implementation of transport infrastructure improvements for the Harbour Development at Bay of Nigg directly supports a range of economic policies and strategies that will benefit the economy and support access to key employment areas. There will also be employment opportunities during construction.
Prosperous People Stretch Outcomes	The project within this report supports the delivery of the following Stretch Outcomes: 7. 95% of children living in our priority neighbourhoods will sustain a positive destination upon leaving school by 2026. 8. Child friendly city where all decisions which impact on children and young people are informed by them by 2026. 11. Healthy life expectancy (time lived in good health) is five years longer by 2026. Active travel is known to improve a number of health conditions, potentially increasing life expectancy. The project include measures to support, encourage and increase active travel thereby also producing less greenhouse gas emissions. There will be further opportunities for engagement through the design process and there will be employment opportunities during construction.
Prosperous Place Stretch Outcomes	The project within this report supports the delivery of the following Stretch Outcomes:

	<p>13. Addressing climate change by reducing Aberdeen's carbon emissions by at least 61% by 2026 and adapting to the impacts of our changing climate.</p> <p>14. Increase sustainable travel: 38% of people walking and 5% of people cycling as main mode of travel by 2026.</p> <p>The project aims to increase active travel which will contribute to reductions in carbon emissions, as well as supporting the ETZ, which is a significant project in itself facilitating the transition from fossil fuel to renewables.</p>
Regional and City Strategies	The proposals within this report support the Regional Transport Strategy, Strategic Development Plan, the Regional Economic Strategy, the City Region Deal and locally the Local Transport Strategy, Aberdeen Active Travel Action Plan, Sustainable Urban Mobility Plan, Aberdeen City Centre Masterplan, LOIP, Air Quality Action Plan, Local Development Plan and Aberdeen Net Zero Vision.
UK and Scottish Legislative and Policy Programmes	The proposals within this report support the aims of Aberdeen City Region Deal. Delivery of active travel and public transport measures contributes towards the delivery of the Scottish Government's National Transport Strategy (NTS2) and Cleaner Air for Scotland 2.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	The STAG process appraises impacts across a range of categories (Economy, Environment, Accessibility and Social Inclusion, Safety and Integration). Further detailed assessments will be undertaken through the design process, as appropriate.
Data Protection Impact Assessment	Not required

9. BACKGROUND PAPERS

- 9.1 [City Growth and Resources Committee Report – 03 February 2021 - External Transportation Links to Aberdeen South Harbour and Wellington Road Multimodal Corridor Study - STAG Part 2 – COM/21/01 - Item 11.2](#)

10. APPENDICES

10.1 Appendix 1 - Updated Strategic Business Case

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