

**Aberdeen &  
Grampian  
Chamber of  
Commerce**

# **Aberdeen City & Shire**

**New infrastructure:  
creating an amazing  
city region**

**Issue 1 - November 2016**





**Russell Borthwick**

*chief executive  
Aberdeen & Grampian  
Chamber of Commerce*

## Foreword

**We all aspire to live in a great and unique part of the world. We want to be proud of the amazing architecture, the places to see, eat, drink and shop, as well as enjoying a fantastic quality of life.**

We want to be the sort of place that other people love to visit, come to study and somewhere they want to stay to build a career.

Of course, Aberdeen city & shire is already many of these things but we are not yet the finished article - far from it.

The good news is that there is a plan. The regional economic strategy, the city region deal, Opportunity North East's brief to anchor oil & gas here while diversifying our economy, the city centre masterplan, the newly formed VisitAberdeenshire destination marketing organisation and the regeneration of four key towns in Aberdeenshire are part of this plan.

Yes, we are now playing catch up with other city regions. Yes, there have been let-downs and disappointments but we can't continue expending negative energy looking back at what might have been or didn't happen.

We are now making progress. With a range of public and private sector investment projects valued at around £5billion approved and many of them already underway, this represents an exciting and necessary step-change in the region's infrastructure.

I strongly believe that despite current economic challenges, this region's glass is most definitely half full.

We have a collective responsibility and yes, I do mean that it is down to every individual and organisation in the region, to play their part in making the difference and helping to achieve the things we need to make this an even better place in which to live, work, study, visit, invest and do business.

We need to talk things up and embrace the change. We need to accept that we might not like every detail, but delivery of the overall vision will enable the next chapter in the Aberdeen region's success story to be written, send out the message that we are open for business and deliver an amazing legacy for future generations.

If we don't do this, how can we expect outsiders and potential investors to view this as a safe financial bet or a great place to study, live and build a career? We need people and organisations to deliver investment, innovation and jobs here, so we can't make this seem unattractive and too difficult or they will go elsewhere.

I hope that having read this document, you are as excited about our future prospects as I am and you will share this information with friends, family and colleagues.

A handwritten signature in white ink, appearing to read 'mllll' or a stylized version of the name.



**James Bream**

*research & policy director  
Aberdeen & Grampian  
Chamber of Commerce*

## Background

**Aberdeen & Grampian Chamber of Commerce's mission is to help create the buoyant, diversified regional economy that will enable our 1,300 member businesses and the more than 130,000 people they employ to be more successful and prosperous.**

As part of our work to ensure members are kept informed on key business issues affecting them, the policy team has tracked public and private infrastructure investment due to be delivered in the region over the next few years. Currently this totals more than £5billion and the individual initiatives are outlined on the following pages. The tracker does not include residential development.

Projects included in this document are committed; that is, ones which have received planning permission or have funding committed. These include transport, housing, technology, innovation, leisure & retail, commercial property, key sector support and education facilities.

Other developments such as the proposed new bridge over the River Dee, while likely to be delivered, are not yet advanced enough for inclusion. However, the Chamber intends to update this document every six months to ensure members are fully up to date on the investment being unlocked in the region and the positive impact it will have on our economy and our lives. Please let us know if you are aware of a project we should include by contacting [irina.bonavino@agcc.co.uk](mailto:irina.bonavino@agcc.co.uk).

A handwritten signature in black ink, appearing to read 'Irina Bonavino'.

# Transport & infrastructure

## Third Don Crossing (complete)

Construction of a new crossing over the River Don between Bridge of Don and Tillydrone

**£22million**

## Aberdeen Western Peripheral Route (2017)

Construction of a dual carriageway around Aberdeen and dualling of the A90 between Balmedie and Tippetry

**£745million**

## Aberdeen-Inverness rail improvements (2019)

Track improvements to enable quicker journey times, the introduction of high speed trains and increased frequency of service provision

**£170million**

## Berryden Corridor (2019)

Widening of the existing road to a dual carriageway, with associated junction improvements, and a new dual carriageway built from Ashgrove Road to the St Machar Drive roundabout

**£26million**

## Haudagain roundabout (2019)

Improvements to the Haudagain roundabout and construction of a new slip road through Middlefield

**£50million**

## Energy from Waste Facility (2021)

Construction of a facility in East Tullos which uses non-recyclable waste to generate heat and power

**£150million**

## Scottish Water (2021)

Capital investment and maintenance of water and waste infrastructure in Aberdeen and Aberdeenshire

**£120million**

## A96 dualling between Aberdeen and Inverness (2030)

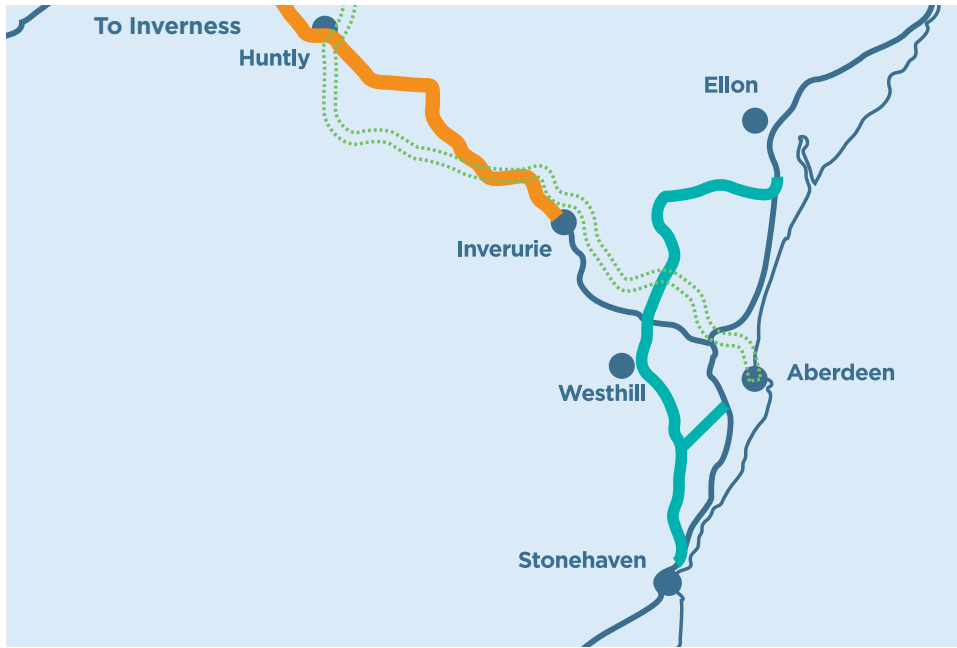
Dualling of the single carriageway between Inverurie and Inverness

**£TBC**

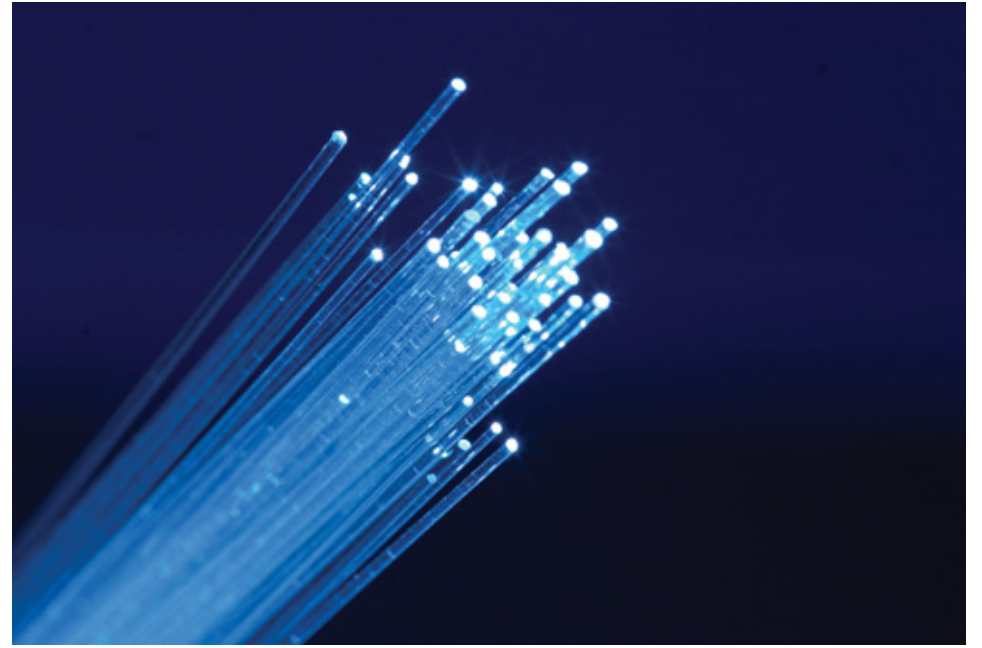
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Total value of projects **£1.2billion+**









# Aberdeen City Region Deal & supporting investment

## Oil & Gas Technology Centre

To maximise the remaining opportunities in the UKCS through technological improvements to reduce costs

**£180million**

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## Innovation hubs

To develop new solutions for global health and nutrition challenges

**£TBC**

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## Aberdeen Harbour

Supporting infrastructure for the Aberdeen outer harbour plan

**£TBC**

—

## Housing infrastructure

Funding to unlock housing sites of strategic importance. Plus a five-year certainty on £130million of affordable housing grants

**£20million**

## Digital infrastructure

To provide businesses with access to world-class digital infrastructure

**£10million**

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## Trunk roads

Improvements to the North-east trunk road network to reduce journey times

**£24million**

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## Rail improvements between Aberdeen and the Central Belt

Work to enable faster journey times, with a particular focus on the line at Montrose

**£200million**

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Total value of committed funding

**£504million**

The UK and Scottish Governments have committed £504million to the region, but the value of some individual projects is still pending.

This initial investment will enable additional funding from the private sector.



# Leisure & retail

## Marischal Square (2017)

City centre office, leisure and hotel development

**£107million**

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## Union Square (2017)

Additional retail and leisure space

**£200million**

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## Aberdeen International Airport (2018)

50% increase in size of main passenger terminal, an expansion of the departure lounge, new catering and retail space

**£20million**

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## Aberdeen Exhibition & Conference Centre (2018)

New AECC to double seating capacity of existing venue, 90,000m<sup>2</sup> multi-purpose arena, hotel and energy centre

**£333million**

## Aberdeen Football Club stadium (2019/20)

Development of circa 20,000-seater stadium with community and sports facilities

**£40million**

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## Bon Accord Centre (TBC)

Expansion of existing retail centre

**£TBC**

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## Ury Estate (TBC)

Development of Jack Nicklaus-designed 18 hole golf course, renovation of Ury House and residential development

**£80million**

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## Royal Whisky Lodge (TBC)

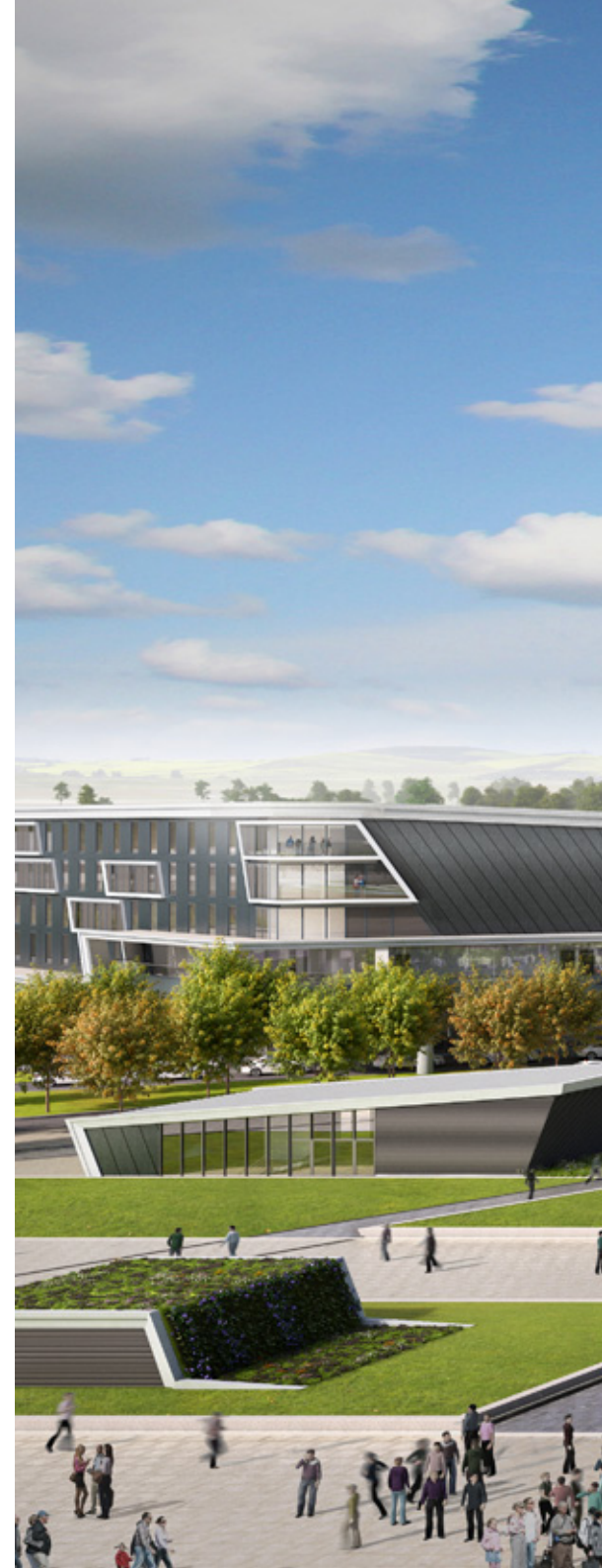
Development of five-star hotel, housing and lodges in Inchmarlo, near Banchory

**£100million**

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Total value of projects

**£880million+**











## Culture

### **Aberdeen Art Gallery (2017)**

Additional gallery space and increase of size to accommodate international exhibitions

**£30<sup>million</sup>**

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### **Aberdeen Music Hall (2018)**

Renovation to develop new studio and opportunities for creative learning, renovation of auditorium and new box office

**£7<sup>million</sup>**

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### **Rubislaw Heritage Centre (TBC)**

Granite heritage centre at Rubislaw Quarry

**£TBC**

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Total value of projects

**£37<sup>million+</sup>**



# Aberdeen City Centre Masterplan

## Union Street improvements (2016)

Deep clean of public spaces and improvements to Castlegate and St Nicholas Kirkyard

**£2million**

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## Union Terrace Gardens improvements (2018)

Redesign and addition of retail and café facilities

**£17million**

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## Woolmanhill (2019)

52 bed hotel, serviced suites and residential properties

**£TBC**

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## Atholl House (TBC)

Delivery of additional residential units, offices and infrastructure works at Queens Square, the North Dee quarter and Guild Street

**£TBC**

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Total value of projects

**£19million+**

This figure is made up of confirmed investment in specific projects and confirmed funding from Aberdeen City Council yet to be allocated to the 50 city centre masterplan projects





# Office & business space

## The Capitol (complete)

Development of Grade A office space at the former Capitol Theatre on Union Street

**£30million**

## Silver Fin building (2017)

Development of Grade A office space on Union Street

**£65million**

## The Core (TBC)

100 acre development of commercial and business space

**£TBC**

## Aberdeen Energy & Innovation Parks (TBC)

Expansion of existing business park

**£TBC**

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Total value of projects

**£95million+**



# Ports & marine development

## Peterhead Port (2017)

Development of a larger fish market and deepening of water. Increase in industrial and commercial space

**£47million**

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## Hywind (2017)

World's first floating offshore windfarm development near Peterhead

**£1.7billion**

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## European Offshore Wind Deployment Centre (2018)

11-turbine 92.4MW offshore wind demonstrator site

**£300million**

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## Aberdeen Outer Harbour (2019)

Development at Nigg Bay

**£330million**

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Total value of projects

**£2.3billion**







## Education

### **University of Aberdeen – The Rowett Institute (complete)**

Relocation to Foresterhill and new building with state-of-the-art facilities for research into nutrition

**£25million**

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### **North East Scotland College – Fraserburgh campus (2017)**

Renovation and expansion of the college facilities in Fraserburgh

**£8million**

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### **Aberdeenshire schools (2017 - 2021)**

Replacement of three schools in Inverurie and Turriff to provide greater capacity

**£77million**

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Total value of projects

**£110million**





**Derek Leith**  
*senior partner*  
*EY Aberdeen*

## Aberdeen: fit for the future

**As Scotland's largest professional services firm, EY is proud to sponsor Aberdeen & Grampian Chamber of Commerce's investment tracker - an important ongoing barometer of the region's progress towards delivering the infrastructure essential for our future prosperity.**

The timing of this document could not be more apt as Aberdeen faces a perfect storm of economic shocks amid a rapidly changing global economy.

The variety and ambition of the infrastructure pipeline offers reason for optimism and confidence and provides a focal point for the region's businesses and people to build from. The Chamber rightly identifies that a renewed positive mindset across the North-east is vital if we are to succeed. This is something EY fully endorses and will continue to support.

A number of major infrastructure improvements, particularly around transport, provide solutions to decade-old problems. This is a stern reminder that a failure to continually invest in infrastructure can take years to reverse - these investments are welcome but long overdue.

Critically, this pipeline of projects also includes ambitious forward-looking infrastructure, including the new

Aberdeen Harbour and the Oil & Gas Technology Centre. The projects will shape the Aberdeen of the future as a diverse, vibrant, knowledge-based economy at the frontier of oil & gas and other burgeoning industries such as life sciences and renewables. This is the future we need to embrace.

Above all, the infrastructure pipeline provides the opportunity for us to harness the entrepreneurial spirit so often underplayed in the North-east. This spirit which propelled Aberdeen onto the world stage as a leader in oil exploration, needs to now embrace new technologies and innovation. To attract, retain and support the skills base that will drive this radical change to our economy, we need to showcase the region as a fantastic place to live. The city centre masterplan, new football stadium, conference centre and cultural offering will enable us to all confidently promote Aberdeen and the North-east as a world-class destination.

This document is an important first step that we can all get behind across the private and public sector. By supporting progress across the infrastructure pipeline we can create the momentum, confidence and togetherness the North-east economy needs.

*D Leith*



Value of projects committed in the region

**£5.3billion+**