

# MILLBAY TERMINAL DEVELOPMENT – FREEPORT PROJECT

Supporting Summary Paper for Executive Decision



## Business Case Summary

The decision is to agree to use the Seed Capital Funds to carry out the proposed project and activities outlined below:

Associated British Ports (ABP) is embarking on a series of strategic infrastructure developments at Mill Bay Plymouth to secure the long-term future of the Ferry Terminal, strengthen the ports freight capability, increase the port's green credentials, and grow the offering to the cruise market. This project forms part of that overall plan – focusing specifically on the freight capability. The activities that the funding will support include:

- Wharf replacements – Jetty and Fender
- RoRo painting and recladding
- Project Management and Delivery Cost
- Contingency

The objective of this project is to commence a phased approach to replacing the existing historic wharf with a stronger wharf. This will increase the Ports ability to handle general cargo and containers over the berth, doubling the existing load capacity of the wharf.

The berth will meet code of practice loading thresholds for a 'General Cargo' and 'Single Height Container' berth, permitting much greater capture of cargo loading/unloading activities. Allowing existing and new customers to bring an increased amount of freight through the port. Supporting policies to increase global trade through Plymouth.

The project will align very strongly with the city's ambition to be a sustainable and clean growth city, investing in clean blue/green travel and tourism and freight activity.

With new businesses moving into the Freeport tax sites there will be an increased requirement for importing and exporting. This infrastructure project will facilitate that requirement, thereby helping to deliver Freeport objectives.

In the last 2 years ABP has had to turn away opportunities of short sea ships as the quay side has not been able to support the cargo, these opportunities include:

- Babcock – As part of their expansion they were looking for a commercial opportunity which ABP were unable to accommodate due to weight restrictions on the pier.
- 2 x Container vessels – An opportunity for a small container vessel to operate to and from Plymouth however as the vessel was not a self-discharge vessel, they were unable to service the calls as we were not able to put a large enough crane on the quayside.
- Project cargo – There have been 3 opportunities in the past 18 months for project cargo to come through Plymouth for the local area which they have had to turn away.

These industries need excellent maritime access for importing raw materials and components and exporting finished products. This requires investment in port infrastructure now ahead of demand which would be an uncertain proposition for a private investor like ABP. However, without this investment key industries will not have the connectivity they require to invest in the PASD Freeport. Without the intervention the project would not be financially viable.