



SFT Outcomes 2021/22

Demonstrating progress with impact

PRIMARY OUTCOME

03

INFRASTRUCTURE INVESTMENT IS AFFORDABLE WITH INCREASED FINANCING INNOVATION

SECONDARY OUTCOMES

01

02

05

07



Growth Accelerator sees Stornoway deep water terminal get underway



Stornoway Deep Water Terminal - Energy Hub

In December 2020, Scottish Government announced an infrastructure investment package of c.£50m to support the development of a new deep-water terminal in Stornoway in the Outer Hebrides, using the Growth Accelerator funding approach.

In April 2022, following extensive work through the COVID-19 pandemic, the Stornoway Port Authority awarded the contract for construction of the new multi-purpose deep water terminal to building and civil engineering firm McLaughlin and Harvey, with it set to be completed by the end of 2023.

When operational, the terminal will provide modern facilities for a variety of industries including energy and aquaculture and its design will allow it to be adapted for a wide range of future uses and vessels. As well as being able to accommodate wind farm and oil and gas construction

vessels, its main berth will be suitable for the largest cruise liners, which will help attract and boost the island's important tourism industry and support and create numerous jobs.

The Growth Accelerator is an innovative funding solution where the partner agrees to a set of outcomes that will be delivered through investment in infrastructure. For Stornoway's newly constructed deep-water terminal, Scottish Government will pay an annual revenue grant to the Port Authority based upon the achievement of such outcomes, which includes targets for cruise passenger numbers, gross port tonnage as well as training programmes for new economic opportunities.

03

**INFRASTRUCTURE
INVESTMENT IS AFFORDABLE
WITH INCREASED FINANCING
INNOVATION**



NET
ZERO



SUSTAINABLE
PLACES



INCLUSIVE
GROWTH



This is the third major infrastructure project that has been supported by the Growth Accelerator; the two other significant developments being Edinburgh St James and the V&A in Dundee, again with public sector investment and funding based on pre-agreed performance outcomes.

SFT's Place, Housing and Economic Investment Team has been an integral part of the Stornoway deep water terminal project for five years, helping originate the initial feasibility study that looked at the use of the innovative funding and financing mechanisms. The Team has been a core partner throughout providing business case, financial and economic advice. Such SFT support also considered how the impact of the then prevailing economic conditions impacted upon the cost and viability of the project, assisting in finding resolution to a number of complex elements.

The project is directly linked to the ScotWind framework, where the terminal will give Stornoway a leading advantage to its land and offshore wind production and assembly for the site just off the coast of the Outer Hebrides.

The project is also fundamental to Stornoway's ambitions for green hydrogen production, also supported by Scottish Government's new Green Growth Accelerator programme.

Programme partners

- Stornoway Port Authority
- The Scottish Government
- Highlands and Islands Enterprise
- Comhairle Nan Eilean Siar