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Convener  
Public Audit Committee  
The Scottish Parliament  
Edinburgh  
EH99 1SP

21 June 2023

Dear Mr Leonard

## Infrastructure Investment – Major Capital Projects Progress Update

This suite of material provides the Public Audit Committee with the latest report on the progress of Major Capital Projects for the six months ending March 2023. This update comprises information relating to the reporting of the five-year Infrastructure Investment Plan (IIP) published in February 2021 and the associated pipeline of major projects and national programmes. Information relating to the latest progress of these can be found in the IIP Project Pipeline Update (Annex A), the IIP Major Capital Projects Progress Update (Annex B) and the IIP Programme Pipeline Update (Annex C).

### IIP Progress Report for 2022-23

A link to our second annual progress report of the five-year IIP has also been included within this update. The [IIP Progress Report for 2022-23](#) outlines key achievements and the progress made over the course of the previous year as well as activity planned for the year ahead. The report includes an update on progress in relation to the three main IIP themes; enabling net zero emissions and environmental sustainability; driving inclusive economic growth; and building resilient and sustainable places. In addition, there are three annexes which include information relating to:

- the progress on the recommendations included within the Infrastructure Commission for Scotland's Phase 1 Key Findings report;
- further information relating to major capital projects on associated climate change targets, strategic outcomes and the contribution made to economic development; and
- the latest information relating to supply chain and inflation issues affecting infrastructure delivery.

### Issues affecting infrastructure delivery

The Committee will see that almost half of the projects included within the IIP Major Capital Projects Progress Update (Annex B) show adjustments since the September 2022 update. We are seeing a change in the reasons for project delays and cost increases. In recent reports, cost increases have been driven by inflation caused by Brexit and the war

in Ukraine and delays in projects have been caused by related supply chain issues and labour shortages. In this latest update, whilst inflation remains a factor for both cost increases and time, delays are more often reported as resulting from changes to scope of a project. Where projects have cited scope changes these were driven by combinations of issues including accessibility enhancements, addressing design gaps and build errors, quality assurance construction changes, delivering net zero building standards, updated operational requirements, new carbon emission targets and additional works identified during construction. These adjustments are seen in most sectors and the changes can be seen as a result of one or a combination of these factors.

The business cases for many of the projects now in construction were agreed several years ago and it has been necessary to add to these to respond to changing demands on services and to minimise the carbon footprint of developments. You will see examples throughout the reporting. For example, in the National Waiting Times Centre Board - Hospital Expansion Programme - Phase 2 there was a delay due to changes required to the Central Sterilisation Processing Department (CSPD) area of the building following a lessons learned review with NHS Orkney in relation to their decontamination project which was facilitated by NHS Scotland Assure. In addition, the operational date for HMP Highland is later than originally planned to allow for design changes to meet updated operational requirements and new carbon emission targets.

The Scottish Government is continuing to invest in the capability of leaders and project delivery professionals across the Scottish Government, enabling Civil Servants to make more effective decisions on our major programmes and projects. It has recently established a Projects Council under the leadership of the Head of the Project Delivery Profession. This brings together representatives from all Director General areas and relevant stakeholder teams. The council's role includes improving visibility, transparency and capability of our major projects and the Scottish Government's project delivery profession.

### Medium-Term Financial Strategy

The [Medium-Term Financial Strategy \(MTFS\)](#), published on 25 May, highlighted the challenges facing capital budgets in the coming years. Funding which will be provided by UK Government (excluding Financial Transactions) is expected to fall by 7% in real terms between 2023-24 and 2027-28, significantly eroding the Scottish Government's spending power. The challenging and volatile conditions of the last two years, coupled with UK Government spending decisions, mean that the trajectory of public capital spending exceeds the capital funding we expect to be available. It will therefore not be possible to deliver all the projects and programmes within the timescales originally envisaged in 2021.

The Scottish Government has now committed to publish refreshed multi-year spending envelopes for capital alongside the 2024-25 Draft Budget. In doing so, the period of both the Capital Spending Review and the Infrastructure Investment Plan will be extended by one year to include 2026-27. This will enable us to update plans to reflect the new economic reality and ensure that spending is aligned to the Government's three missions for this Parliament, as set out in April's Policy Prospectus [[Equality, opportunity, community: New leadership - A fresh start](#)].

By the end of 2023, the Scottish Government will also publish a reset of the project pipeline first set out in 2014 and last updated at publication of the Infrastructure Investment Plan in 2021. This will provide transparency over which projects will now be delivered over a longer timescale. The information provided in this update on the pipeline of projects is more limited than in previous reports as a result. As the aim in publishing the pipeline material is to provide confidence to the parliament and markets on the projects that will enter procurement in the coming years, we do not feel it is helpful to provide information in this document that may be subject to change as a result of the review. A full update on the revised pipeline will be provided to the Committee alongside publication of the Draft Budget later this year. I would welcome the opportunity to discuss this work with you in due course.

### Summary note on project and programme plans

A summary note for Committee members has been included with this covering letter which looks in more detail at the reasons for variances from project and programme plans within the March 2023 Major Capital Projects Progress Update.

### Wider infrastructure developments

The latest information relating to the diverse pipeline of projects within the Scotland-wide hub programme can be found on the Scottish Futures Trust's website at [Scottish Futures Trust Hub Pipeline](#).

I thank the Committee for their interest and hope that members find this update helpful. I am copying the update to the Clerk of the Economy and Fair Work Committee, the Clerk of the Finance and Public Administration Committee and the Auditor General for Scotland for their information. The update reports provided to the Committee will also be published on the Scottish Government website.

Yours sincerely

**ALYSON STAFFORD**

## Summary note on projects and programmes plans

This note provides detail on the new and continuing challenges to infrastructure delivery. The factors highlighted in the previous update [published 30 November 2022] continue to have an impact on delivery and are likely to continue to have an impact into next year and beyond. Supply chain and inflationary issues as well as the availability of construction materials and labour shortages driven by Brexit, COVID-19 and the war in Ukraine, have caused cost increases and/or delays to infrastructure projects.

However, as noted in Annex B of the Infrastructure Investment Plan Annual Report, costs and supply of many materials are now stabilising, although the majority of costs remain at the higher levels seen in recent years. As a result we have seen fewer cost increases and time delays resulting from supply chain and inflationary issues in this latest update, but work to develop outline business cases for projects listed in the pipeline update is showing that these project costs are likely to be higher than originally anticipated, resulting in the need to undertake a systematic review of the pipeline as part of the planned refresh of multi-year capital spending allocations, as set out in the Medium Term Financial Strategy.

Where delays are documented in the project reporting these are increasingly a result of changes to the project specifications. Changes are as a result of the need to incorporate learning from a similar projects, meet net zero requirements as set out in National Planning Framework 4 (NPF4), adopted in February 2023, or an expansion in scope or design to respond to emerging service demands. The NPF4 is the Scottish Government's long term strategy for Scotland's development and includes thematic planning policy. The vision of NPF4 is to give priority to the climate emergency and nature crisis, supporting the delivery of sustainable, liveable and productive places. It sets out our strategy for working towards a net zero Scotland by 2045. Delivering all of the ambitions of NPF4 will be challenging, which needs a commitment from all sectors who have an interest in creating sustainable places. The Scottish Government looks for public sector infrastructure to lead the way on this. The Net Zero Public Building Standard produced by the Scottish Futures trust supports public bodies in this aim. Examples of each of these changes are set out below.

### ***Responding to learning from similar projects***

- National Waiting Times Centre Board - Hospital Expansion Programme - Phase 2 – delayed due to changes required to the Central Sterilisation Processing Department (CSPD) area of the building following a lessons learned review with NHS Orkney in relation to their decontamination project which was facilitated by NHS Scotland Assure.

### ***Changes to meet net zero requirement***

- Dunfermline Learning Campus (College element) The new Dunfermline Learning Campus Fife College building will now deliver on the Net Zero Public Sector Building Standard - this voluntary Standard supports public bodies to meet their net zero commitments for their new build and major refurbished infrastructure projects.
- HMP Highland - SPS continues to work with the contractor and their design team to finalise the design of the new facility which incorporates energy reducing measures, utilising a range of available low carbon energy sources and to facilitate future substitution with zero carbon energy sources. The design incorporates ground source heat pumps, vertical wind turbines and solar voltaic panels as well as improving the passive thermal efficiency of the building. The design will now be finalised in early 2023-24.

***Increase in scope or design to respond to emerging service demand***

- East Kilbride Rail Enhancement. The cost has increased to £136.8 million due to further refinement of the full business case cost and the additional scope of the Hairmyres Loop extension and accessibility enhancements.
- CMAL - Two new 100 metre ferries. Hull 801 is now expected autumn 2023 with the backstop contract date by 31 December 2023. This is later than previously reported and is due, as indicated by the CEO of Ferguson Port Marine Glasgow, to a revised schedule intended to address design gaps and build errors, some dating back over many years. Hull 802 will also be completed later than expected as the initial focus will be on the completion on 801.
- NHS Grampian – Aberdeen Baird Family Hospital and ANCHOR Centre. The quality assurance process has led to programme elongation and construction changes.
- National Waiting Times Centre Board – Hospital Expansion Programme – Phase 2. Delays due to changes required to the Central Sterilisation Processing Department (CSPD) area of the building following a lessons learned review with NHS Orkney in relation to their decontamination project which was facilitated by NHS Scotland Assure.
- HMP Highland. Redesign works were required to meet updated operational requirements and new carbon emissions targets.

4. Committee members are invited to note this material and the full suite of Infrastructure Investment Plan reporting updates which can be found on the Scottish Government website at [Infrastructure Investment Plan](#).

## Annex A: Infrastructure Investment Plan 2021-22 to 2025-26 - Project Pipeline Update [Note 1]

The following information has been extracted from the latest IIP Project Pipeline update published on the Scottish Government website.

Project Name	Project Description	Public Sector Procurement Body	Total Capital Investment (£) [Notes 2,3,4,5]	How is the project being Funded?	Procurement Route	Current Project Status	Project Advertised to Market (Planned / Actual Date) [Note 6]	Construction Start (Planned / Actual Date) [Note 6]	Operational / Service Start (Planned / Actual Date) [Note 6]
<b>A90 Laurencekirk Junction Improvement Scheme</b>	The project involves the design assessment and construction of grade separated junction improvement on the A90 at Laurencekirk. To be delivered alongside the Aberdeen City Region Deal.	Transport Scotland	£24,700,000	Capital Funded	To be confirmed as part of OBC process	In Preparation	To be confirmed as part of OBC process	To be confirmed as part of OBC process	To be confirmed as part of OBC process
<b>A720 Sheriffhall Junction Improvement Scheme</b>	The project involves the design assessment and construction of a Grade Separated Junction at Sheriffhall Roundabout on the A720. To be delivered as part of the Edinburgh and South East Scotland City Region Deal.	Transport Scotland	£90,000,000 - £120,000,000	Capital Funded	To be confirmed as part of OBC process	In Preparation	To be confirmed as part of OBC process	To be confirmed as part of OBC process	To be confirmed as part of OBC process
<b>A9/A82 Longman Junction Improvement Scheme</b>	The project involves the design assessment and construction of a Grade Separated Junction at Longman Roundabout. To be delivered as part of the Inverness and Highland City-Region Deal.	Transport Scotland	£85,000,000 - £95,000,000	Capital Funded	To be confirmed as part of OBC process	In Preparation	To be confirmed as part of OBC process	To be confirmed as part of OBC process	To be confirmed as part of OBC process
<b>A9/A96 Inshes to Smithton</b>	Project involves the design, assessment and construction of link road between A9 Inshes Junction and the A96 Smithton Junction. To be delivered as part of the Inverness and Highland City-Region Deal.	Transport Scotland	£25,000,000 - £35,000,000	Capital Funded	To be confirmed as part of OBC process	In Preparation	To be confirmed as part of OBC process	To be confirmed as part of OBC process	To be confirmed as part of OBC process

Project Name	Project Description	Public Sector Procurement Body	Total Capital Investment (£) [Notes 2,3,4,5]	How is the project being Funded?	Procurement Route	Current Project Status	Project Advertised to Market (Planned / Actual Date) [Note 6]	Construction Start (Planned / Actual Date) [Note 6]	Operational / Service Start (Planned / Actual Date) [Note 6]
<b>A737 Improvements at Beith</b>	The design, assessment and construction of 1.8km improvements of the A737 at Beith to improve accessibility, provide safety benefits and promotes active travel with the inclusion of a Non-Motorised Users (NMU) facility.	Transport Scotland	£18,000,000	Capital Funded	Conventional Capital Procurement	Outline Business Case (or equivalent) Prepared But Not Yet Approved	To be confirmed as part of OBC process	To be confirmed as part of OBC process	To be confirmed as part of OBC process
<b>A801 Improvement project</b>	The construction of a new 3.2 kms of the A801 at Avon Gorge (crosses the boundary between Falkirk and West Lothian)	Transport Scotland	£70,000,000  (Falkirk Council's estimated cost with £22,000,000 from Scottish Government)	Capital Funded	Conventional Capital Procurement	In Preparation	To be confirmed as part of OBC process	To be confirmed as part of OBC process	To be confirmed as part of OBC process
<b>A83 Rest and Be Thankful</b>	Creation of a long term solution to provide a sustainable and resilient trunk road into Argyll and Bute to address the issues associated with landslides at the Rest and Be Thankful on the existing A83. A medium term solution will be delivered to improve the resilience of the temporary diversion route.	Transport Scotland	£268,000,000 - £860,000,000	Capital Funded	To be confirmed as part of OBC process	In Preparation	To be confirmed as part of OBC process	To be confirmed as part of OBC process	To be confirmed as part of OBC process
<b>Aberdeen to Central Belt Rail Enhancements</b>	To utilise £200 million as pledged by the Scottish Government, to reduce journey times and enhance capacity on the railway between Aberdeen and the Central Belt.	Transport Scotland	£200,000,000	Capital Funded	To be confirmed as part of OBC process	In Preparation	To be confirmed as part of OBC process	To be confirmed as part of OBC process	To be confirmed as part of OBC process
<b>Monklands Replacement Project</b>	To build a new hospital that will replace the existing University Hospital Monklands on a new site as a key enabler	NHS Lanarkshire	To be confirmed as part of OBC process	To be confirmed as part of OBC process	To be confirmed as part of OBC process	Outline Business Case (or equivalent)	To be confirmed as part of OBC process	To be confirmed as part of OBC process	To be confirmed as part of OBC process

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	for Lanarkshire to deliver the clinical strategy programme.					Prepared But Not Yet Approved			
<b>National Treatment Centre - Tayside</b>	This project will create an elective care centre on the Perth Royal Infirmary site as per the Scottish Government national elective care strategy (forms part of the National Treatment Centres Programme).	NHS Tayside	To be confirmed when OBC finalised	Capital Funded	Framework	Outline Business Case (or equivalent) Prepared But Not Yet Approved	n/a	To be confirmed when OBC finalised	To be confirmed when OBC finalised
<b>Lochgelly Health Centre</b>	The design and construction of a new community health and wellbeing centre in Lochgelly, Fife.	NHS Fife	£13,000,000	Capital Funded	Hub	Outline Business Case (or equivalent) Prepared But Not Yet Approved	n/a	To be confirmed at OBC Approval	To be confirmed at OBC Approval
<b>National Treatment Centres Project</b>	Project forms part of the National Treatment Centres Programme.	NHS Lanarkshire	£50,000,000	Capital Funded	To be confirmed	In Preparation	To be confirmed when Initial Agreement is submitted	To be confirmed when Initial Agreement is submitted	To be confirmed when Initial Agreement is submitted
<b>Kincardine Health Centre</b>	New Health Centre build.	NHS Fife	£7,800,000	Capital Funded	Hub	Outline Business Case (or equivalent) Prepared But Not Yet Approved	n/a	To be confirmed at OBC Approval	To be confirmed at OBC Approval
<b>Lochaber Redesign</b>	Redesign of health services in Lochaber including replacement of Belford Hospital.	NHS Highland	To be confirmed at OBC Approval	Capital Funded	Framework	In Preparation	n/a	To be confirmed at OBC Approval	To be confirmed at OBC Approval
<b>Caithness Redesign - Caithness General Hospital</b>	Reconfiguration and refurbishment of Caithness General Hospital in Wick, as part of the wider Caithness Service Redesign Programme.	NHS Highland	To be confirmed at OBC Approval	Capital Funded	Framework	In Preparation	n/a	To be confirmed at OBC Approval	To be confirmed at OBC Approval
<b>Caithness Redesign -</b>	Development of two community hubs and healthcare villages in Wick	NHS Highland	To be confirmed at OBC Approval	Capital Funded	Hub	In Preparation	n/a	To be confirmed at OBC Approval	To be confirmed at OBC Approval



Project Name	Project Description	Public Sector Procurement Body	Total Capital Investment (£) [Notes 2,3,4,5]	How is the project being Funded?	Procurement Route	Current Project Status	Project Advertised to Market (Planned / Actual Date) [Note 6]	Construction Start (Planned / Actual Date) [Note 6]	Operational / Service Start (Planned / Actual Date) [Note 6]
<b>Community Hubs</b>	and Thurso, comprising community team base, primary care, residential and community beds, and third sector.								
<b>Glasgow South Station</b>	New Ambulance Station to replace existing one.	Scottish Ambulance Service	To be confirmed as part of OBC process	To be confirmed as part of OBC process	To be confirmed as part of OBC process	In Preparation	To be confirmed as part of OBC process	To be confirmed as part of OBC process	To be confirmed as part of OBC process
<b>Institute of Neurosciences</b>	Recovery and Renewal Transformation of Specialist Neurosciences, Oral and Maxillofacial Surgery (OMFS) and Spinal Injuries Services in the West of Scotland	NHS Greater Glasgow and Clyde	To be confirmed as part of OBC process	To be confirmed as part of OBC process	To be confirmed as part of OBC process	In Preparation	To be confirmed as part of OBC process	To be confirmed as part of OBC process	To be confirmed as part of OBC process
<b>HMP Glasgow</b>	By replacing an old and unfit prison, HMP Glasgow will provide a fit-for-purpose community facing prison, which supports the Government's objective of reducing the risk of prisoners reoffending on release from custody.	Scottish Prison Service	To be confirmed as part of OBC process	Capital Funded	Conventional Capital Procurement	Outline Business Case (or equivalent) Prepared But Not Yet Approved  [See Note 7]	17/03/2022	To be confirmed	To be confirmed

### **Notes relating to the updated IIP Project Pipeline**

1. The IIP Project Pipeline relates to those projects with a capital value of £5 million or more where the Scottish Government has a lead role in procurement or funding and where an Outline Business Case (or equivalent) is not yet approved. The majority of information relates to that as at 31 March 2023. If however there has been a significant change in the status of any project between then and end of April 2023, the accompanying information relating to that project has been updated. All planned dates and costs are subject to the continued impact of COVID-19 and issues around labour shortages, supply chains and the availability of construction materials as well as significant cost inflation on a range of construction materials driven in part by the conflict in Ukraine.

2. The Total Capital Investment estimates include the construction contract costs and any associated capital funded costs such as land acquisition and enabling works (e.g. demolition and utilities diversions).

3. Estimated costs for projects will change until the project has reached completion. Cost estimates for projects may rise or fall for a number of reasons. These include changes to the scope of the project, incurring unanticipated or additional costs for preparatory works, costs arising from unavoidable delay to projects, and increases in input costs and construction prices.
4. An estimate for inflation over the delivery period is included. How inflation is managed will vary between contracts and will depend on how far the project has progressed in its delivery.
5. All figures are rounded to the nearest £100,000.
6. Timescale estimates may be lengthened or shortened for a number of reasons. These include changes to the scope of the project, unanticipated or unavoidable delays to construction, unanticipated or unavoidable delays in the procurement process, and the impact of considerations around affordability for the procuring authority. Contracting and procurement processes vary for projects being delivered by way of the hub initiative and Frameworks and consequently these have 'n/a' (not applicable) for 'Project Advertised to Market'.
7. HMP Glasgow - an OBC has not yet been approved but the project however was advertised to the market in March 2022 to commence procurement of pre-construction services as part of a two-stage procurement process in order to maintain the overall delivery of programme. The previously included delivery dates have been removed due to current discussions to amend the programme to align with the allocated budget profile.

#### Additional Notes

- The purpose of the pipeline update is to provide a steer for industry and other interested parties on procurement timescales and values of proposed Scottish Government infrastructure investments to allow for planning and effective scrutiny. These projects are at pre-Outline Business Case (OBC) approval stage and thus previous budgets and timescales have been approximations. In the current climate, it is increasingly difficult to provide this information ahead of the full work to produce the OBC being undertaken. A review of capital budgets will take place over the rest of 2023 and this will provide clarity on the sequencing of planned projects and the impacts of inflation on costs and timescales. We do not consider it helpful to provide detail ahead of that review being completed.
- Transport projects - future dates for all Transport projects are to be confirmed as part of OBC process.
- NHS Greater Glasgow and Clyde's Radionuclide Dispensary project has moved to the IIP Major Capital Projects Progress Update.
- There are five new project inclusions within the pipeline. These are NHS Highland's Lochaber Redesign, Caithness Redesign - Caithness General Hospital and Caithness Redesign - Community Hubs as well as NHS Greater Glasgow and Clyde's Institute of Neurosciences and the Scottish Ambulance Service's Glasgow South Station.
- Three NHS Tayside project inclusions have been removed from the pipeline. The Thrombectomy Project, Critical Care Centre and Cancer Care Centre were all removed as they do not yet have an approved Initial Agreement (IA). These projects will however be reinstated once an IA has been approved.

## **Annex B: Infrastructure Investment Plan 2021-22 to 2025-26 - Major Capital Projects Progress Update**

**The following information relates to projects with a capital value of £5 million or more which are at the Outline Business Case (or equivalent) approved stage or beyond.**

The information mainly comprises projects included at Annex D of the Scottish Government's Infrastructure Investment Plan published in February 2021 and other infrastructure projects which have been commissioned since then.

The majority of information reports the position as at 31 March 2023. If however there has been a significant change in the status of any project between then and the end of April 2023, the accompanying information relating to that project has been updated.

All projects are capital grant funded unless otherwise stated.

As previously flagged in the September 2022 update, the progress of some projects within our reporting has been subject to delays. This is due in part to the continued impact of COVID-19 and issues around labour shortages, supply chains and the availability of construction materials. These related delays have already resulted in an increase in cost for projects and it is likely to result in further additional costs that are still being worked through. In addition to this, we have continued to see significant cost inflation on a range of construction materials driven more recently in part by the conflict in Ukraine. **All planned dates and costs therefore are best estimates and may subsequently be subject to further impact of these ongoing situations.**

## Sector: Transport

### Project: A9 Dualling Tomatin to Moy

**Business case approved stages:** Third project phase of A9 Dualling programme involves approximately six miles (9.6km) of online widening of existing single carriageway to an all-purpose dual carriageway, extending from existing dual carriageways to the south of Tomatin and to the north of Moy. The original Outline Business Case (OBC) outlined that the project was estimated to cost £197 million and planned to be operational in December 2025.

**Progress at September 2022:** No change to cost or timing since the last report.

The project is currently in procurement with the contract anticipated to be awarded in December 2022. The Full Business Case (FBC) will be updated prior to contract award with costs from the successful tenderer.

**Progress at March 2023:** The project is to be revised following the decision not to make an award under the previous procurement. Parliament was advised of this on 8 February 2023. The project is currently in preparation for a new procurement and an OBC is currently being updated along with cost estimates. It is estimated that a contract will be awarded by the end of 2023.

**Contact for public enquiries:** email: [info@transport.gov.scot](mailto:info@transport.gov.scot)

### Project: Reston and East Linton Rail Stations

**Business case approved stages:** Delivery of two new fully accessible Rail Stations with car parks (Reston Station in the Scottish Borders and East Linton Station in East Lothian). The OBC outlined that project was estimated to cost £35 million and that it is planned to be operational in December 2022. The FBC outlined that the overall project was estimated to cost £35 million and was planned to be operational in summer 2023.

**Progress at September 2022:** No change to cost or timing since the last report (as reported in March 2022 update, Reston Station entered service in May 2022 with East Linton Station in construction and planned to be operational by March 2024).

**Progress at March 2023:** No change to timing since the last report.

The overall Anticipated Final Cost (AFC) is now estimated to be £36.6 million to £38.2 million. This increase is due to unforeseen construction challenges with East Linton Station and a contractor claim in relation to the completed works at Reston Station which is currently being evaluated.

**Contact for public enquiries:** email: [info@transport.gov.scot](mailto:info@transport.gov.scot)

## **Project: Levenmouth Rail project**

**Business case approved stages:** Scheme will re-open the disused rail line between Thornton junction and Leven in Fife, providing new passenger rail services to connect the Levenmouth area to Fife, Edinburgh, and the wider rail network. The OBC was predicated on a project cost estimate of £70 million and it is estimated to be operational by December 2023. The FBC was predicated on an anticipated final cost of £116 million and an estimated operational date of spring 2024.

**Progress at September 2022:** No change to cost or timing since the last report (as reported in March 2022 update, the approved FBC reflected an expanded scope and additional investment and that the project commenced construction).

**Progress at March 2023:** No change to cost or timing since the last report.

**Contact for public enquiries:** email: [info@transport.gov.scot](mailto:info@transport.gov.scot)

## **Project: Inverness Airport Station**

**Business case approved stages:** Project will provide a greener method for people to travel to Inverness Airport and help to enable transition to Net Zero Emissions and Environmental Sustainability. The FBC outlined that the project was estimated to cost £39.6 million and that it is planned to be operational in December 2022.

**Progress at September 2022:** No change to timing since the last report.

The total cost is now estimated at £41.8 million which is an increase to that at FBC and is due to final costs now incorporating increased construction inflation. The project is in construction and is progressing to programme.

**Progress at March 2023:** No change to cost since the last report.

Construction is now complete, and the station officially opened on 2 February 2023 with passengers using the new facility the following day. This was later than that outlined in FBC and was due to issues in obtaining a permanent electrical supply.

**Contact for public enquiries:** email: [info@transport.gov.scot](mailto:info@transport.gov.scot)

## **Project: Barrhead Rail Enhancement**

**Business case approved stages:** Project is part of the East Kilbride and Barrhead Rail Enhancement scheme. This scheme is to decarbonise the corridors and to provide improved access to the rail network for the communities along these corridors. The

scheme will make rail services reliable, efficient, and attractive to passengers and support modal shift whilst progressing against Scottish Government's target to decarbonising the rail network. The FBC outlined that the total project cost was estimated to be £63 million and was planned to be operational in December 2023.

**Progress at September 2022:** No change to cost or timing since the last report (as reported in March 2022 update, the project commenced construction in April 2022 and is progressing to programme).

**Progress at March 2023:** No change to cost or timing since the last report.

**Contact for public enquiries:** email: [info@transport.gov.scot](mailto:info@transport.gov.scot)

## **Project: East Kilbride Rail Enhancement**

**Business case approved stages:** Project is part of the East Kilbride and Barrhead Rail Enhancement scheme. The scheme will make rail services reliable, efficient, and attractive to passengers and support modal shift whilst progressing against the Scottish Government's target to decarbonising the rail network. The OBC outlined that total project cost was estimated to be £100 million to £120 million and that it was estimated to be operational December 2024.

**Progress at September 2022:** No change to cost or timing since the last report (as reported in March 2022 update, the total project cost is estimated at £111 million to £124 million which includes additional scope).

**Progress at March 2023:** No change to timing since the last report.

The total cost of the project is now estimated at £136.8 million which is an increase in that previously reported. This is due to further refinement of the Full Business Case (FBC) cost and additional scope of the Hairmyres Loop extension and accessibility enhancements.

The project went to Transport Scotland's Investment and Decision Making Board (IDM) in November 2022 and instruction was given to provide further assurance on the programme and the cost. Network Rail is working through providing further details to Transport Scotland and this should be finalised in the coming months. The project will then return to IDM Board prior to being provided to the Minister for Transport for endorsement.

**Contact for public enquiries:** email: [info@transport.gov.scot](mailto:info@transport.gov.scot)

## **Project: Borders Railway Decarbonisation**

**Business case approved stages:** Project to facilitate the decarbonisation of rolling stock emissions on the Borders Railway through the installation of railway electrification infrastructure. This infrastructure will allow the replacement of the diesel rolling stock which currently operate on the route with new Battery Electric rolling stock. The OBC outlines

that the total project cost is estimated to be £32 million and that the project is estimated to commence construction in 2023 and be operational in May 2027 (£14.4 million of total project cost is attributable to the Tweedbank Feeder Station inclusion within report).

**Progress at September 2022:** The OBC outlines that the total project cost is estimated to be £32 million and that the project is estimated to commence construction in 2023 and be operational in May 2027. The project is in procurement and progressing to programme.

**Progress at March 2023:** The Decarbonisation Action Plan is due for a refresh during 2023. The outcome of this will allow for the project to be replanned and timescales will be determined by the wider pipeline programme and the rolling stock procurement exercise.

**Contact for public enquiries:** email: [info@transport.gov.scot](mailto:info@transport.gov.scot)

## **Project: Fife Decarbonisation**

**Business case approved stages:** Project to facilitate the decarbonisation of rolling stock emissions on the Fife Railway through the installation of railway electrification infrastructure. This infrastructure will allow the replacement of the diesel rolling stock which currently operate on the route with new Battery Electric rolling stock. The OBC outlines that the total project cost is estimated to be £210 million with the full project estimated to be operational in December 2025.

**Progress at September 2022:** The OBC outlines that the total project cost is estimated to be £210 million. The Haymarket to Dalmeny section was approved to FBC in March 2022, with a total cost of £55.6 million and construction in this area has commenced with a completion date of December 2024. The full project is estimated to commence construction in early 2023 and be operational in December 2025. The project is in design / procurement and progressing to programme.

**Progress at March 2023:** The Decarbonisation Action Plan is due for a refresh during 2023. The outcome of this will allow for the project to be replanned and timescales will be determined by the wider pipeline programme and the rolling stock procurement exercise.

**Contact for public enquiries:** email: [info@transport.gov.scot](mailto:info@transport.gov.scot)

## **Project: Markle Level Crossing Bridge Replacement**

**Business case approved stages:** Closure of Markle Level Crossing (in East Lothian) on the East Coast Main Line and its replacement with an overbridge. The OBC outlines that the total project cost is estimated to be £9.2 million and that the project is estimated to be operational by the end of March 2024.

**Progress at September 2022:** Project not included within previous update as negotiations with East Lothian Council to proceed with implementation of the scheme were not concluded at the previous reporting date.

**Progress at March 2023:** The project is in design and progressing to programme and estimated to commence construction in June 2023.

**Contact for public enquiries:** email: [info@transport.gov.scot](mailto:info@transport.gov.scot)

## **Project: CMAL - Two new 100 metre ferries**

**Business case approved stages:** Procurement commenced and Pre-Qualification Questionnaires were issued by CMAL (Caledonian Maritime Assets Ltd) on 15 October 2014 with tender returns on 31 March 2015 and the Preferred Bidder announced on 31 August 2015. The contract worth £97 million to build the two 100m 'dual-fuel' ferries for the Clyde and Hebrides Ferry Service (CHFS) was awarded on 16 October 2015. The first ferry was expected to be delivered in May 2018 with the second vessel following a few months later.

**Progress at September 2022:** The Chief Executive Officer (CEO) of Ferguson Marine wrote to the Scottish Government and the Net Zero, Energy and Transport Committee in late September setting out his proposals relating to the cost estimates and timetable for delivering both vessels. In his update, the total estimated cost to complete is now £202.6 million (including £6.2 million contingency). The Scottish Government has not agreed to an increase in funding for Ferguson Marine since the 23 March 2022 letter to MSP's setting out delivery costs. The Scottish Government is currently undertaking its own due diligence, which is being supported by external, independent financial advisors to ensure that a rigorous approach is taken to scrutinising this request for additional funding.

The CEO has reported that delivery of 801 remains within the delivery window of March to May 2023, with Liquefied Natural Gas (LNG) commissioning due in May 2023. Ferguson Marine have indicated that the delivery of 802 is now forecast to be between January and March 2024. This is later than previously reported and Ferguson Marine attribute this to a change of approach with design consultants for the remainder of the 802 construction, and to allow lessons learned from the build of 801 to be implemented successfully.

**Progress at March 2023:** No change to cost since the last report.

On 16 May 2023, the Cabinet Secretary for Wellbeing Economy, Fair Work and Energy made a statement to Parliament on the due diligence review of the revised cost to complete estimates provided by Ferguson Marine Port Glasgow (FMPG) in September 2022 (£202.6 million (including £6.2 million contingency)) to deliver vessels 801 and 802.

The statement confirmed commitment to delivery of both vessels at the FMPG yard and that the value for money case had been made for vessel 801 (MV Glen Sannox). However, the case for vessel 802 was more challenging and the narrow value for money case had not been made. A Written Authority has been provided to the Accountable Officer to continue 802's funding. The statement also made clear that FMPG should do everything possible to improve productivity, maximise operational efficiency and ensure that there is a tight control on costs as well as having a focus on delivering the vessels as quickly as possible.



The Chief Executive Officer (CEO) of FMPG updated the Scottish Parliament's Net Zero, Energy and Transport Committee on 16 March 2023 by setting out revised delivery dates for vessels. Hull 801 is now expected autumn 2023 with the backstop contract date by 31 December 2023. This is later than previously reported and is due to the CEO indicating that the revised schedule is to address design gaps and build errors, some dating back over many years. Hull 802 is expected late summer 2024 with the backstop contract date by 31 December 2024. This is also later than previously reported and is due to the focus on the completion of 801.

The statement by the Cabinet Secretary confirmed acceptance of the updated delivery dates set out by the CEO on 16 March 2023.

**Contact for public enquiries:** email: [alistair.thomson@transport.gov.scot](mailto:alistair.thomson@transport.gov.scot)

## Sector: Health

### Project: NHS Grampian - Aberdeen Baird Family Hospital and ANCHOR Centre

**Business case approved stages:** Baird Family Hospital will provide a new facility to support maternity, gynaecology, breast screening and breast surgery services. It will also include a Neonatal Unit (NNU), accommodation for reproductive services, an operating theatre suite, a Commercial Medicines Unit (CMU) and research and teaching facilities. ANCHOR centre will be connected to the existing Radiotherapy Centre and together the single facility will provide a focus for all ambulatory care for oncology, haematology, and radiotherapy services in the north. The OBC outlined a cost of £163.7 million and indicated that the ANCHOR Centre was projected to be operational in 2021 and the Baird to be handed over in 2021 and be fully operational early 2022. The FBC outlines that the total project cost is £233.2 million as per FBC Addendum and that the operational date for the ANCHOR Centre is estimated for May 2023 with the Baird Family Hospital estimated for December 2023 (Frameworks Scotland is procurement route for project).

**Progress at September 2022:** No change to timing since the last report.

The total cost is now estimated at £244.8 million which is an increase to that at FBC and as previously reported and is due to delivery challenges and market conditions. The estimated operational dates are under review (as reported in March 2022 update, the estimated operational date for the ANCHOR Centre is August 2023 with the Baird Family Hospital estimated to be March 2024).

**Progress at March 2023:** The project is in construction and making good progress. The total cost is now estimated to be £261.1 million. This is an increase to that previously reported and is due to the continuing challenging market conditions, increased costs in relation to quality assurance, and additional project and specialist resources to address and close off action plans.

The estimated operational date for the ANCHOR Centre is now October 2023 with the Baird Family Hospital now September 2024. This is later than that previously reported and is due to the quality assurance process which has led to programme elongation and construction changes.

**Contact for public enquiries:** email: [gram.nhsgrampianfeedback@nhs.scot](mailto:gram.nhsgrampianfeedback@nhs.scot)

### Project: National Waiting Times Centre Board - Hospital Expansion Programme - Phase 2

**Business case approved stages:** Project is the second phase of the Golden Jubilee Foundation Hospital Expansion Programme (forms part of the National Treatment Centres Programme). The FBC for project outlined that the total cost will be £80.9 million and that it is estimated to be completed in December 2022 and operational on a phased basis up to end of March 2023 (Frameworks Scotland is procurement route for project).

**Progress at September 2022:** No change to cost or timing since the last report.

Construction continues with the operational date being August 2023 as per September 2021 report (as reported in March 2022 update, the total cost of the project is estimated at £82.5 million).

**Progress at March 2023:** No change to cost since the last report.

The estimated completion date is now September 2023 with the operational date now December 2023. This is later than previously reported and is due to changes required to the Central Sterilisation Processing Department (CSPD) area of the building following a lessons learned review with NHS Orkney in relation to their decontamination project which was facilitated by NHS Scotland Assure.

**Contact for public enquiries:** email: [john.scott@gjnh.scot.nhs.uk](mailto:john.scott@gjnh.scot.nhs.uk)

## **Project: NHS Grampian - National Treatment Centre**

**Business case approved stages:** Development of elective care facilities in NHS Grampian including modern and fit for purpose outpatient and ambulatory care facilities, supporting a 'one-stop' model of outpatient provision (forms part of the National Treatment Centres Programme). The OBC outlined that the total project cost is estimated at £52 million and that the project is planned to be operational in June 2024 (Frameworks Scotland is procurement route for project).

**Progress at September 2022:** No change to status of project since last report.

As stated in the September 2021 report, work on the FBC was paused pending the outcome of a clinically led review of the scope of the project. The review is concluding and will result in an amendment to site and a revisiting of the OBC. Revised dates for the project plan will be confirmed following the completion of this review.

**Progress at March 2023:** No change to status of project since last report.

The clinically led review has been undertaken and cost and timings will be updated when work on FBC has concluded.

**Contact for public enquiries:** email: [gram.nhsgrampianfeedback@nhs.scot](mailto:gram.nhsgrampianfeedback@nhs.scot)

## **Project: NHS Lothian - National Treatment Centre**

**Business case approved stages:** National Treatment Centre at St John’s Hospital in Livingston (forms part of the National Treatment Centres Programme). The OBC outlined that the total cost of the project will be £70.9 million and that it will be operational by spring 2023 (Frameworks Scotland is procurement route for project).

**Progress at September 2022:** No change to cost or time since the last report.

The FBC is still under development and updated costs and delivery dates will be confirmed as the FBC is further developed.

**Progress at March 2023:** The FBC is still under development and updated costs and delivery dates will be confirmed as the FBC is further developed. Revised project cost estimates will reflect current market conditions and revised requirements, which will drive a significant increase in forecast costs that will be confirmed through the business case process.

**Contact for public enquiries:** email: [Lothian.Communications@nhslothian.scot.nhs.uk](mailto:Lothian.Communications@nhslothian.scot.nhs.uk)

## **Project: NHS Lothian - Reprovision of Eye Services**

**Business case approved stages:** Project to re-provide eye services including those currently being delivered from the Princess Alexandra Eye Pavilion, Edinburgh (forms part of the National Treatment Centres Programme). The OBC outlined that the total project cost is £112.5 million and that project is anticipated to be operational by December 2026 (Frameworks Scotland is procurement route for project).

**Progress at September 2022:** No change to cost or timing since the last report.

The FBC is under development and project is estimated to commence construction in June 2024 (as per September 2021 report).

**Progress at March 2023:** No change to cost since the last report.

The FBC is still under development and project cost estimates will be revised to reflect the impact of inflation, net zero carbon targets, plot change and updated clinical brief to align with national treatment targets.

**Contact for public enquiries:** email: [Lothian.Communications@nhslothian.scot.nhs.uk](mailto:Lothian.Communications@nhslothian.scot.nhs.uk)

## **Project: NHS Highland – National Treatment Centre**

**Business case approved stages:** New National Treatment Centre providing orthopaedic elective care services and a complete ophthalmology service (forms part of the National Treatment Centres Programme). The FBC outlined that the total project cost is

£41.3 million and that the project was anticipated to be operational by October 2022 (Frameworks Scotland is procurement route for project).

**Progress at September 2022:** The estimated cost is now £43.6 million which is an increase from that previously reported and is due to conclusion of design changes, increased land purchase costs and conclusion of COVID-19 costs.

Construction continues with the estimated operational date now expected to be March 2023 which is later than that previously reported and which is due to the COVID-19 impact, material shortages and resourcing issues.

**Progress at March 2023:** Construction has completed and the project became operational in April 2023. This is later than previously reported and was mainly due to operational commissioning requirements following project completion and handover.

The project cost was £48.6 million which is an increase from that previously reported and was due to the Principal Supply Chain Partner (PSCP) prolongation costs, equipping, legislation changes and compensation events.

**Contact for public enquiries:** email: [kevin.minnock@nhs.scot](mailto:kevin.minnock@nhs.scot)

## **Project: NHS Fife - Elective Orthopaedic Centre**

**Business case approved stages:** Reprovision of elective orthopaedic services at Victoria Hospital, Kirkcaldy that will provide a standalone all-encompassing elective orthopaedic service (forms part of the National Treatment Centres Programme). The FBC outlined that the total project cost is estimated at £33.2 million and that the project is planned to be completed in September 2022 and operational in November 2022 (Frameworks Scotland is procurement route for project).

**Progress at September 2022:** No change to timing since the last report.

Construction continues and the project is planned to be completed late 2022 and be operational in January 2023 (as per September 2021 report). An additional £0.2 million funding was agreed with the Scottish Government to cover a variety of requirements related to the design and the COVID-19 impact within construction. The total project cost is now estimated at £33.4 million.

**Progress at March 2023:** No change to cost since the last report.

Construction completed in January 2023 and the project became operational in March 2023. This is later than previously reported and was mainly due to external market conditions and material availability as well as some additional delays relating to commissioning.

**Contact for public enquiries:** email: [ben.johnston2@nhs.scot](mailto:ben.johnston2@nhs.scot)

## **Project: NHS Forth Valley - National Treatment Centre**

**Business case approved stages:** Project to increase Elective Care capacity is scheduled to be completed by end of 2022. The investment case was approved through the Scottish Government in 2019. Revenue costs around £9 million with capital costs around £10 million subject to final confirmation (forms part of the National Treatment Centres Programme).

**Progress at September 2022:** The capital costs have now been confirmed as £11.1 million which is an increase from that at business case approved stage and which is due to the conclusion of design development. The estimated project completion is now March 2023 which is later than that at business case approved stage and which is mainly due to unforeseen issues with existing utilities.

**Progress at March 2023:** No change to cost since the last report.

The estimated project completion is now anticipated to be June 2023 with an operational date in August 2023. This is later than previously reported and is due to the quality assurance process and development of the detailed commissioning strategy. The revised dates by the principal contractor are subject to NHS Assure status.

**Contact for public enquiries:** email: [scott.urquhart@nhs.scot](mailto:scott.urquhart@nhs.scot)

## **Project: NHS Western Isles – Barra and Vatersay Community Campus**

**Business case approved stages:** The overall Campus project includes replacement of existing Castlebay Community School and St Brendan's Hospital with a multi-use campus that will also include social care housing and community facilities. The OBC outlined a cost of £18 million for the Health and Social Care element of the Campus and that it will be operational in 2024. The Scottish Government is funding the £18 million Health and Social Care element (Hub North Scotland is procurement route for project).

**Progress at September 2022:** Project development has been on hold since the September 2021 report when the construction delivery partner had indicated that there would be an increase in the overall £54 million Campus costs agreed earlier in 2021 as well as the overall delivery of the project.

An amended business case is planned to be submitted to the Scottish Government Health Portfolio Capital Investment Group (CIG) later in 2022 when updated costs and timescales will be presented.

**Progress at March 2023:** An amended OBC was presented to the Scottish Government Health Portfolio Capital Investment Group (CIG) on 25 January 2023. The next steps are being considered by the Scottish Government.

**Contact for public enquiries:** email: [debbie.bozkurt@nhs.scot](mailto:debbie.bozkurt@nhs.scot)

## **Project: NHS Greater Glasgow and Clyde - North East Hub**

**Business case approved stages:** Provision of a new build community hub, which will replace 10 different buildings across Glasgow North East area. Hub will include a number of services including GP practices, pharmacy, podiatry, physiotherapy, speech therapy, adult mental health services, sexual health, social work, staff, and community-training facilities, reprovision of Parkhead community library and wellbeing including health improvement. The OBC outlined that the project is estimated to cost £67.3 million and that it is planned to be operational in June 2024. The FBC outlined that the project is estimated to cost £71.7 million and that it is planned to be operational in July 2024 (Hub West Scotland is procurement route for project).

**Progress at September 2022:** No change to cost or timing since last report (as reported in March 2022 update, the project moved to FBC and commenced construction).

**Progress at March 2023:** No change to cost or timing since last report.

**Contact for public enquiries:** email: [andrew.baillie@ggc.scot.nhs.uk](mailto:andrew.baillie@ggc.scot.nhs.uk)

## **Project: NHS Lothian - Oncology Enabling Projects, Edinburgh Cancer Centre**

**Business case approved stages:** Project relates to upgrading the Edinburgh Cancer Centre at the Western General Hospital. The FBC outlined that the total cost of the project was £20.6 million and that the project would be operational by November 2022 (Frameworks Scotland is procurement route for project).

**Progress at September 2022:** No change to cost since last report.

The estimated overall completion for project in construction is now November 2023 which is later than previously reported and is due to the extended market testing period for the last element of the programme in connection with current market conditions (as reported in March 2022 update, the overall estimated programme cost is £23.1 million).

**Progress at March 2023:** No change to timing since last report.

The total cost of the project is now estimated at £23.3 million. This is an increase on that previously reported and is due to the market testing of the last element of the programme, the Cancer Assessment Unit (CAU).

**Contact for public enquiries:** email: [Lothian.Communications@nhslothian.scot.nhs.uk](mailto:Lothian.Communications@nhslothian.scot.nhs.uk)



## **Project: NHS Ayrshire & Arran - Foxgrove (National Secure Adolescent Inpatient Service)**

**Business case approved stages:** Project comprises 12 bedded medium secure adolescent inpatient facility for Scotland located in Irvine, North Ayrshire (Frameworks Scotland is procurement route for project). The approved FBC outlines that the estimated cost of project will be £18.7 million and that it will be operational by December 2023 (Frameworks Scotland is procurement route for project).

**Progress at September 2022:** The FBC has been provided with supported status by NHS Assure and approval is expected imminently. Updated costs and programme to be finalised for incorporation into building contract to reflect inflation.

**Progress at March 2023:** The FBC was approved in September 2022 and construction commenced thereafter. Project completion and hand over of the facility is expected during September 2023. A period of 8-10 weeks testing and commissioning will follow with potential for the facility to be receiving young people from December 2023 onwards.

**Contact for public enquiries:** email: [fraser.bell@aapct.scot.nhs.uk](mailto:fraser.bell@aapct.scot.nhs.uk)

## **Project: NHS Tayside - Electrical Infrastructure Zone 2 - Radiotherapy, Maternity and West Ward Block**

**Business case approved stages:** Project will provide fully compliant primary electrical infrastructure, site resilience and dual unified supplies for the Radiotherapy, Maternity and West Ward block at Ninewells Hospital. The approved FBC outlined that the total cost of the project was £7.9 million and that it would be operational by May 2021 (Frameworks Scotland is procurement route for project).

**Progress at September 2022:** The total project cost is now estimated to be £10 million which is an increase in what was previously reported. This is due a variety of factors including provision of an alternative High Voltage cable route and the switchover process.

Construction continues and the estimated operational date is now January 2023 which is later than previously reported and is due to COVID-19 measures and construction market pressures which have affected both time and availability of construction materials.

**Progress at March 2023:** The total project cost is now estimated to be £12.4 million which is an increase in what was previously reported. This is due to further costs relating to the alternative High Voltage cable route as well as increased construction costs.

Construction continues and it is now expected that the project will become operational in June 2023 which is later than previously reported. This is due to the extended programme and delays associated with COVID-19 measures.

**Contact for public enquiries:** email: [tay.projectinfo@nhs.scot](mailto:tay.projectinfo@nhs.scot)



## **Project: NHS Tayside - Ninewells Electrical Infrastructure Zone 3**

**Business case approved stages:** Project will provide fully compliant primary electrical infrastructure, site resilience and dual unified supplies for Zone 3 at Ninewells Hospital. The OBC outlined that the total cost of the project is £4.6 million and that it will be operational by 2021.

**Progress at September 2022:** No change to cost or timing since last report (as reported in March 2022 update, the current indicative cost is around £8 million and project is estimated to commence construction in June 2023 and be operational in January 2025).

**Progress at March 2023:** No change to cost or timing since last report.

The FBC being developed will reflect lessons learned from Zone 1 and 2 projects, the latest construction costs, and inflationary pressures, as well as an extended programme.

**Contact for public enquiries:** email: [tay.projectinfo@nhs.scot](mailto:tay.projectinfo@nhs.scot)

## **Project: NHS Ayrshire & Arran - National Treatment Centre - Ayrshire & Arran**

**Business case approved stages:** Project will provide additional capacity that will deal with Orthopaedic procedures and reduce backlog of treatments in the west of Scotland (forms part of the National Treatment Centres Programme).

**Progress at September 2022:** The project is progressing to FBC which is due to be submitted in March 2023. Indicative costs are currently £22 million which is an increase in what was previously reported. This is due to design development and an increase in scope for the facility which is greater than initially anticipated as well as a longer programme reflecting the greater scope and market rates which are subject to ongoing inflationary pressures. Costs are being further developed to reflect the detailed design.

The project is now estimated to be operational in 2025 which is later than previously reported and which is due to design development and an increase in scope for the facility which is greater than initially anticipated.

**Progress at March 2023:** No change to cost or timing since last report.

The project is progressing to FBC which will be submitted to the Scottish Government Health Portfolio Capital Investment Group (CIG) towards the end of spring 2023. The costs and the programme delivery reflecting the greater scope and market rates which are subject to ongoing inflationary pressures, will be updated as part of the FBC process.

**Contact for public enquiries:** email: [fraser.bell@aapct.scot.nhs.uk](mailto:fraser.bell@aapct.scot.nhs.uk)

## **Project: NHS Greater Glasgow and Clyde - Radionuclide Dispensary**

**Business case approved stages:** Project to create a modern Radiopharmacy facility to continue the manufacture of radiopharmaceutical medicines and distribution of them to Nuclear Medicine Departments throughout Health Boards in West Central Scotland and the West of Scotland. The OBC outlines a cost of £20.9 million and that the project will be operational July 2025 (Frameworks Scotland is procurement route for project).

**Progress at September 2022:** Project not included within previous update.

**Progress at March 2023:** The OBC was approved by the Scottish Government Health Portfolio Capital Investment Group (CIG) in April 2023. The project is progressing to programme and is estimated to commence construction spring 2024.

**Contact for public enquiries:** email: [andrew.baillie@ggc.scot.nhs.uk](mailto:andrew.baillie@ggc.scot.nhs.uk)

## **Sector: Further Education**

### **Project: Dunfermline Learning Campus (College element)**

**Business case approved stages:** New build college campus in Dunfermline, Fife. Following Scottish Government approval to award the contract in December 2022, the cost of the project is estimated at £131 million with project completion estimated for December 2024 and an operational start date of spring 2025.

**Progress at September 2022:** The Decision Point 4 (DP4) submission has now been assessed by the Scottish Funding Council (SFC) and approved at a Chair's special committee. The DP4 approval was ratified by the SFC Board on 3 September 2022. The DP4 approval was for £119.4 million. Due to further inflation and resulting cost uncertainty, the project cost is likely to increase further. This has resulted in a delay to the DP4 recommendation to the Scottish Government. The SFC are now awaiting final full costs prior to making its recommendation to the Scottish Government.

Due to the delay in the DP4 recommendation, construction is now estimated to commence at the end of November 2022 with completion aimed for the end of 2024 which is later than previously reported.

**Progress at March 2023:** No change to timing since last report.

Following the Decision Point 4 (DP4) - Preconstruction Report, the Scottish Funding Council (SFC) made a recommendation to the Scottish Government for Fife College to enter into a contract to complete the project and the Scottish Government approved this. Construction commenced in January 2023, which was later than previously reported and was due to protracted contract price negotiations with the main contractor. Project completion however is still estimated for December 2024 with an operational start date of spring 2025 to allow for fit-out and transition.

The cost of the project is now estimated at £131 million. This is an increase in what was previously reported and is due to construction cost inflation and the cost to deliver net zero building standards.

**Contact for public enquiries:** email: [ndixon@sfc.ac.uk](mailto:ndixon@sfc.ac.uk)

## Sector: Justice

### Project: HMP Highland

**Business case approved stages:** HMP Highland will provide a fit-for-purpose community facing prison, which supports the Government's objective of reducing the risk of prisoners reoffending on release from custody. The approved OBC outlined that the total cost of the project is in the range of £98 million to £110 million and that it will be operational by July 2024.

**Progress at September 2022:** The project cost is now £139.5 million which is an increase in what was previously reported. This is due to the project being updated to reflect the inclusion of Net Zero Carbon measures into the design, certain other design development, longer delivery timescales and construction price inflationary pressures higher than previously forecast.

The programme delivery dates including the main construction start have been extended and it is now estimated that the project will be operational in February 2025 which is later than previously reported. This is due to redesign works required to adapt the design to meet updated operational requirements and new carbon emission targets.

A programme of advance works is proceeding.

**Progress at March 2023:** No change to cost since the last report.

The second stage contract award is anticipated in summer 2023 and the fully developed programme will be agreed at this point. Completion of the construction phase is now forecast to be spring 2025 with an operational date forecast for June 2025. This is later than previously reported and is due to redesign works required to adapt the design to meet updated operational requirements and new carbon emission targets.

**Contact for public enquiries:** email: [gaolinfo@sps.pnn.gov.uk](mailto:gaolinfo@sps.pnn.gov.uk)

### Project: National Facility for Women Offenders

**Business case approved stages:** New national facility in Stirling, which forms part of the 'Transforming Scotland's care of women in custody' programme. The OBC outlined that the total cost was £53.2 million and that the project was to be operational in October 2020. The FBC for the project outlined that the total cost of the project will be £72.6 million and that it will be operational by February 2022.

**Progress at September 2022:** The project cost has increased to £81.8 million which is an increase from the £74 million previously reported in the March 2021 report. This is due to delays owing to the impact of COVID-19 and construction sector market and supply chain issues, labour shortages and design development.

The operational date is now June 2023 which is later than previously reported and which is due to ongoing prolongation of the programme for Phase 1. The construction completion date has been delayed as a result of material and labour shortages in the construction sector and re-planning of the complex commissioning stage. The operational date will be around three months after construction completion to allow for final preparations for occupation including staff training and situational planning.

**Progress at March 2023:** The cost projection has risen to £85.76 million due to the ongoing challenging market conditions. Timescales have not changed since the last report.

**Contact for public enquiries:** email: [gaolinfo@sps.pnn.gov.uk](mailto:gaolinfo@sps.pnn.gov.uk)

## **Project: HMP Barlinnie Programme of Works**

**Business case approved stages:** Refurbishment of Prisoner Reception and partial refurbishment of the existing Health Centre and additional works to improve healthcare facilities within the accommodation halls. The approved FBC outlined that the total cost of the project will be £7.7 million and that it will be operational by November 2022.

**Progress at September 2022:** No change to cost since last report.

Construction continues and operational date is now anticipated to be March 2023 which is later than previously reported. This is due to significant delays caused by labour shortages and additional work to existing fabric identified during refurbishment works (as reported in March 2022 update, the total cost of project is estimated at £9 million).

**Progress at March 2023:** No change to cost since last report.

Construction completed in April 2023 and project is now operational. This was later than previously reported and was due to delays caused by continued labour shortages and additional work to existing fabric identified during refurbishment works.

**Contact for public enquiries:** email: [gaolinfo@sps.pnn.gov.uk](mailto:gaolinfo@sps.pnn.gov.uk)

## **Sector: Rural and Environment**

### **Project: RBGE - Edinburgh Biomes**

**Business case approved stages:** Project will transform the current failing RBGE (Royal Botanic Garden Edinburgh) estate – home to Scotland’s national biodiversity research collections - to a create a world-class facility that will produce climate, economic, wellbeing and environmental benefits, as part of a green economic recovery for Scotland. The FBC outlined that the total cost of the project will be £89.9 million and the full programme will be completed by October 2027 with the public entrance Glasshouse the final planned phase of work. The Scottish Government funding amounts to £58 million 2021-2026 (Framework agreement is procurement route for project).

**Progress at September 2022:** No change to full programme since the last report.

Following a period of preparation works, the formal site start to the refurbishment of the Victorian Palm House commenced in September 2022 with Balfour Beatty (Principal Contractor). The decant of the internationally important plant collection continues in the front range glasshouses. The RBGE is assessing the tender report received in September 2022 for the energy centre and infrastructure. The procurement process has been protracted and heavily impacted by on-going market conditions with inflation being noted as the main reason for the tender delay.

In September 2022, Balfour Beatty provided an interim cost update based on their work with the market to date. On review of this, it is clear that the energy centre and infrastructure will need to be delivered in two separate phases to suit available funding in each year. Balfour Beatty are currently working to provide a proposal to allow the infrastructure part of the works to commence as a first phase, starting this year. The energy centre would follow as a second phase. The impact of construction material inflation and labour costs continue to be assessed across the remainder of programme, with potential impact on the phasing of works. The final operational date however remains the same as FBC.

**Progress at March 2023:** No change to full programme since the last report.

The refurbishment of the Victorian Palm House continues as does the decant of the internationally important plant collection in the front range glasshouses. The RBGE is assessing a tender report received in March 2023 for the Infrastructure works and expects a tender for the Decant Glasshouse soon. The procurement process has been protracted and heavily impacted by on-going market conditions with inflation being noted as the main reason for the tender delay. The March 2023 Infrastructure only tender is the result of Balfour Beatty’s work to provide a proposal to allow the Infrastructure part of the works to commence as a first phase starting as soon as possible. The Energy Centre would follow as a second phase. The impact of construction material inflation and labour costs continue to be assessed across the remainder of programme with potential impact on the phasing of works.

**Contact for public enquiries:** email: [andrew.mackie@gov.scot](mailto:andrew.mackie@gov.scot)

## Summary of changes note

This note summarises key points and changes within the report since the September 2022 progress update.

### Projects no longer included within the report

The following projects were reported as being completed or operational within the last progress update and are therefore now no longer included:

- Community Custodial Unit D - Dundee
- Community Custodial Unit E - Liliac Centre, Maryhill

### Projects included within report for first time

- Markle Level Crossing Bridge Replacement
- NHS Greater Glasgow and Clyde - Radionuclide Dispensary

### Notable events relating to projects within the report since last update

- National Treatment Centre (Highland) - The new £46.8 million NHS Highland centre in Inverness opened to patients in April 2023. The facility forms part of the National Treatment Centres Programme and will transform the experience for patients undergoing a range of orthopaedic and ophthalmology procedures. It is equipped with 24 beds, five operating theatres and 13 consulting rooms.
- Elective Orthopaedic Centre - The new £33.4 million NHS Fife centre in Kirkcaldy opened to patients in March 2023. The state of the art, purpose built centre forms part of the National Treatment Centres Programme and will make Fife the first NHS region in Scotland to carry out hip and knee replacements as day cases not requiring overnight stays. The centre has 3 theatres, 7 bedded recovery areas, a 34-bedded inpatient ward and a dedicated Orthopaedic Outpatient Department.
- Inverness Airport Station - The new £42 million Inverness Airport Station was officially opened in February 2023. The new station and wider rail network infrastructure investment will build resilience and additional capacity and will make rail a more attractive option and encourage more people to choose this sustainable transport option as an alternative to the car.
- Dunfermline Learning Campus - The contract for the design and construction of the new Dunfermline Learning Campus in Fife was awarded in January 2023 and construction commenced thereafter. The new campus will house teaching facilities and learning spaces for students, staff, and business clients. It will bring together about 4,500 school pupils and college students from Fife College, St Columba's RC High School, and Woodmill High School.
- Foxgrove (National Secure Adolescent Inpatient Service) – Following FBC approval in September 2022, NHS Ayrshire & Arran's new £18.7 million national facility for young people at Ayrshire Central Hospital in Irvine commenced construction. Foxgrove will be an inpatient unit for children aged 12 to 18 years who have complex difficulties and

need a high level of care. It will provide the first medium secure adolescent inpatient service for young people in Scotland. The purpose-built facility in Ayrshire means that children will be cared for nearer to home and will receive appropriate care, treatment, therapies, security, and on-going education.



## **Annex C: Infrastructure Investment Plan 2021-22 to 2025-26 - Programme Pipeline Update**

**The following information relates to infrastructure programmes with an investment of £20 million or more.**

The information mainly relates to the delivery of key major infrastructure programmes included at Annex D of the Scottish Government's Infrastructure Investment Plan published in February 2021 and other ongoing key major infrastructure programmes included within previous updates.

The majority of information reports the position as at 31 March 2023.

Programmes inclusions are presented by sector.

All planned dates and costs are subject to the continued impact on labour supply of the COVID-19 pandemic and the UK's exit from the European Union as well as issues around supply chains and the availability of construction materials together with significant cost inflation on a range of construction materials driven more recently in part by the conflict in Ukraine.

## **Sector: Transport**

### **Programme name: A9 Dual carriageway**

**Programme description:** Phased improvements to the existing A9 Perth to Inverness.

**Estimated total investment:** £3 billion (at 2008 prices).

**How is programme being funded:** First three phases of programme capital funded. A range of financing options to be considered during subsequent stages of design and assessment.

**Programme delivery timetable:** Preparatory and construction work underway with phased programme of schemes as they emerge from statutory process. A market consultation exercise was undertaken in 2021 and 2022 to inform assessment of procurement options for the remaining sections when the statutory process is complete. Determination of the optimal procurement option is a complex exercise which is considering a pipeline of work in a form that can be delivered by the industry, supports the economic recovery post COVID-19 and minimises disruption to users of this lifeline route. In light of recent fluctuations in the economic environment, this work will also assess the impact of market changes on the potential procurement approaches available. Completion of this assessment will inform decision making on the procurement approach for the remaining schemes. It is expected that an update on the timescale to completion will be provided to Parliament in autumn 2023.

**Latest programme progress:** Design is nearing completion (for eight of nine sections), delivery is underway and we are finalising the assessment of options to determine the most efficient delivery model for the remainder of the programme. Road users are already benefiting from the dualled sections between Kinraig and Dalraddy and Luncarty and the Pass of Birnam, which opened in September 2017 and August 2021 respectively. The next section to be constructed is between Tomatin and Moy, which is shortly to commence a new procurement in spring 2023 with the aim of achieving a contract award before the end of 2023.

The statutory process is well underway for seven of the remaining eight schemes. Ministerial consent to publish Made Orders has been received for all seven of these schemes with four published, namely: Glen Garry to Dalwhinnie, Dalwhinnie to Crubenmore, Tay Crossing to Ballinluig and Pitlochry to Killiecrankie. Made Orders for the other three schemes with Ministerial consent are scheduled to be published in the coming months. This means that 92% of the programme has Ministerial decisions to make Orders and complete the statutory process.

The only section not to have started the statutory process is Pass of Birnam to Tay Crossing, which was subject to a Co-creative Process and where work is currently underway to identify the preferred route in the coming months.

**Contribution to economic development:** It is designed to deliver economic growth through improved road safety and reliable and quicker journey times, as well as better links to pedestrian, cycling and public transport facilities.

**Contact for public enquiries:** email: [A9Dualling@transport.gov.scot](mailto:A9Dualling@transport.gov.scot)

## **Programme name: A96 Dual carriageway**

**Programme description:** Phased improvements to the A96 from Inverness to Aberdeen.

**Estimated total investment:** £3 billion.

**How is programme being funded:** A range of financing options to be considered during subsequent stages of design and assessment.

**Programme delivery timetable:** The Scottish Government is committed to improving the A96 between Inverness and Aberdeen and will take forward a transport enhancements programme on the corridor. Delivery of any section of the dualling programme can only commence if it is approved under the relevant statutory procedures and thereafter a timetable for its progress can be set.

**Latest programme progress:** As part of the Co-operation Agreement with the Scottish Green Party, the Scottish Government will take forward a transport enhancements programme on the corridor that improves connectivity between surrounding towns, tackles congestion and addresses safety and environmental issues. The current plan is to fully dual the A96 route between Inverness and Aberdeen. However, we are conducting a transparent, evidence-based review of the programme which is well underway.

The Public Consultation and Initial Appraisal reports on the Corridor Review were published on 22 December 2022. 16 retained options are now being taken forward through the next stages of the detailed appraisal process, with outcomes expected to be announced alongside a Climate Compatibility Assessment in the first half of 2023 for final public consultation, before a final decision can be reached.

Dualling from Inverness to Nairn as well as a bypass of Nairn is included in the transport enhancement programme, as set out in the Co-operation Agreement and we continue to progress the preparation stages of the scheme with a view to completing the statutory process. The A96 Dualling Inverness to Nairn (including Nairn Bypass) scheme, which runs from Inverness to Hardmuir is separate from the wider ongoing A96 review process. Delivery of the scheme itself can only commence if approved under the relevant statutory procedures and thereafter a timetable for progress can be set in line with available budgets.

**Contribution to economic development:** Economic growth through reduced journey times, improved journey time reliability, improved road safety and opportunities for active travel and public transport.

**Contact for public enquiries:** email: [A96Dualling@transport.gov.scot](mailto:A96Dualling@transport.gov.scot)

## **Programme name: A82 Tarbet to Inverarnan**

**Programme description:** Improvements to the 17 km route between Tarbet and Inverarnan adjacent to the west bank of Loch Lomond.

**Estimated total investment:** £250 million - £500 million.

**How is programme being funded:** Capital funded

**Programme delivery timetable:** Delivery of the scheme can only commence when it is approved under the statutory procedures and thereafter a timetable for construction can be set.

**Latest programme progress:** Detailed development and assessment of the preferred option for the A82 between Tarbet to Inverarnan scheme is being informed by an enhanced understanding of the specific complexities of improving this iconic route. Detailed consideration of mitigating disruption to all road users during construction is being informed through on-going engagement with key stakeholders.

**Contribution to economic development:** Economic growth through improved road safety, increased opportunities for active travel and public transport, and improved journey time reliability.

**Contact for public enquiries:** email: [A82upgrade@jacobs.com](mailto:A82upgrade@jacobs.com)

## **Programme name: Glasgow Subway Modernisation**

**Programme description:** Major modernisation includes a smartcard ticketing system linked to wider integrated ticketing; new rolling stock and signalling; refurbished stations with improved accessibility including replacing escalators.

**Estimated total investment:** Scottish Government contribution of up to £246 million to Strathclyde Partnership for Transport (SPT) towards estimated total project cost £287.5 million.

**How is programme being funded:** Grant funding contribution up to period 2024-25.

**Programme delivery timetable:** Modernisation will support the future of the Subway, linking it to other transport modes across the City of Glasgow, including the Interchanges at Govan and Partick and contribute to the regeneration of the City.

**Latest programme progress:** Glasgow Subway modernisation continues at a rapid pace. SPT have completed all 15 of their stations including 2 city centre flagship stations. SPT has taken delivery of a number of new trains and is conducting off-line testing on a test track in Glasgow. A £16 million programme of tunnel improvements is now complete, this

essential work is vital before introducing the new trains on the system. With new train testing underway off-site on train testing track, this next milestone for modernisation will be moving the new trains into the system during non-passenger service at night for 'online' testing. The programme remains on course to see the new trains introduced into the Subway system this year.

**Contribution to economic development:** Economic growth through improved accessibility, integration of public transport and improved journey time reliability.

**Contact for public enquiries:** email: [enquiry@spt.co.uk](mailto:enquiry@spt.co.uk)

## **Programme name: Active Freeways**

**Programme description:** High quality arterial active travel, providing sustainable transport infrastructure between settlements and major trip attractors.

**Estimated total investment:** £50 million.

**How is programme being funded:** The commitment is to allocate 10% of the transport budget (or £352 million) per annum towards Active Travel by the end of this parliamentary session.

**Programme delivery timetable:** Targeting delivery of projects in 2025-26.

**Latest programme progress:** To develop the design of active freeways as recommended in STPR2 (Strategic Transport Projects Review 2), Transport Scotland is currently working with active travel delivery partners to transform the way in which we collectively deliver active travel. This will make best use of our collective capabilities to bring forward a programme of schemes, including Active Freeways, that will help realise the modal shift and step change required in travel behaviours that was signposted by the second National Transport Strategy.

**Contribution to economic development:** Development of active freeways on radial routes and other high-demand corridors in Scotland's large urban areas, with priority given initially to the larger cities. Comprehensive networks of active freeways would connect outlying neighbourhoods, including those with poor existing links, to city centres and other important destinations. Supporting connections would allow people to readily access active freeways from their homes, schools and workplaces, and other busy locations. Active freeways would also connect to other routes to provide links to neighbouring settlements.

**Contact for public enquiries:** email: [stpr2@transport.gov.scot](mailto:stpr2@transport.gov.scot)

## **Programme name: Future Transport Fund – capital to support a range of low and zero carbon investment**

**Programme description:** Grants and investments to support a range of low and zero carbon transport initiatives such as: electric vehicle charging and hydrogen infrastructure; fleet transformation; Innovation and Sector Transition Initiative; Freight Facilities Grant; Strategic Timber Transport Scheme.

**Estimated total investment:** £233 million (latest projection has been revised from £287 million following the outcome of the Targeted Review of the Capital Spending Review to 2025-2026 and the Scottish Budget for 2023-2024).

**How is programme being funded:** Grant funding.

**Programme delivery timetable:** 2021-22 to 2025-26.

**Latest programme progress:** Working with all Scottish local authorities to develop Electric Vehicle (EV) charging strategy and expansion plans for cars and vans that will support applications to the EV Infrastructure Fund, aiming to enable public/private investment to support the Scottish Government's vision for scaling up and commercialising investment in electric vehicle charging for cars and vans across Scotland. Utilising new evidence and data to support ongoing engagement with public bodies to deliver fleet rationalisation and decarbonisation, focusing on opportunities for collaboration we will invest to support continued decarbonisation of public body fleets this financial year.

Supporting innovation through the Zero Emission Mobility Innovation Fund, supporting manufacturing scale-up and near-to-market innovation of components, systems and zero emission vehicles in Scotland.

Investing in test equipment supporting the development and testing of zero emission vehicles, or their components and systems working in partnership with Scotland's universities and enterprise agencies to support Scotland's vehicle supply chain, including, enhancing the capabilities of the University of Strathclyde's Power Network Demonstration Centre to support the development and testing of zero emission vehicles, or their components and systems, due to become operational early in 2024.

The Strategic Timber Transport Fund (delivered primarily through the Strategic Timber Transport Scheme) will continue to operate through this financial year. The Scheme attracted 39 applications for 2023-24 and Scottish Forestry is currently allocating the available budget to the projects that deliver the most benefits. Allocations will be made to the continuing Timberlink Service and the Electric Lorry trail which will run for the next 3 years.

**Contribution to economic development:** Economic growth through working with the private sector to increase the scale and pace of investment in EV charging networks and the provision of infrastructure to reduce the cost and time required to develop and test of zero emission vehicles. Supporting economic opportunities in Scotland's EV charging and

automotive supply chain and supporting the development of local markets for hydrogen, supporting public sector fleet decarbonisation, and leveraging Scotland's strengths in renewable energy generation and opportunities for economic growth through hydrogen supply chain development.

**Contact for public enquiries:** email: [TSLCE.BMU@transport.gov.scot](mailto:TSLCE.BMU@transport.gov.scot)

## **Programme name: Bus Partnership Fund (formerly Future Transport Fund – Bus Priority Investment)**

**Programme description:** Investment in bus priority infrastructure to tackle the negative impacts of congestion on bus services, making journey times shorter and services more reliable for passengers. Encouraging people to leave their cars at home and raise bus usage assisting in increasing equality and meeting our climate change targets.

**Estimated total investment:** Part of £500 million of long term investment in bus priority infrastructure.

**How is programme being funded:** Grant funding.

**Programme delivery timetable:** 2021-22 onwards.

**Latest programme progress:** Building on the first round in June 2021, the second round of Bus Partnership Fund (BPF) awards were made in February 2022, bringing the total Partnerships funded to eleven, covering twenty-eight local authorities across Scotland. To date, up to £26 million of initial funding has been awarded to local authorities to work in partnership with operators, to identify, develop and deliver bus priority measures.

In the short term, BPF has funded the delivery of bus priority traffic light equipment to reduce delay for buses at junctions, bus lane cameras and has made a number of temporary bus measures permanent. Around £0.2 million has been awarded to the North East Bus Alliance to deliver bus priority infrastructure on Market Street, Guild Street, and Bridge Street in Aberdeen city centre to implement bus lanes and gates which are expected to be operational by the end of summer 2023, coinciding with the completion of improvements at South College Street which is also partly funded through the BPF.

With a limited number of projects that were ready to be implemented, funding is being provided to Partnerships to identify and develop further bus priority projects. Seven strategic business cases have progressed to the outline business case stage in the Aberdeen and Glasgow City Regions. There are currently thirteen strategic business cases that have been submitted by Partnerships. These are being reviewed and where appropriate will lead to further awards in the coming months.

**Contribution to economic development:** The Bus Partnership Fund focusses on the evidence of how bus services will be improved by addressing congestion. The approach is also expected to leverage other bus service improvements. Together these will help

reduce inequalities and take climate action through reducing private car use and increase bus patronage.

**Contact for public enquiries:** email: [Amy.Phillips@transport.gov.scot](mailto:Amy.Phillips@transport.gov.scot)

## **Programme name: Support for zero-emission bus fleet transition**

**Programme description:** Supports the transition to zero-emission buses and considers input from the Bus Decarbonisation Taskforce.

**Estimated total investment:** £120 million.

**How is programme being funded:** Grant funding.

**Programme delivery timetable:** 2021-22 to 2025-26.

**Latest programme progress:** Launch of second round of Scottish Zero Emission Bus Challenge Fund (ScotZEB 2). ScotZEB 2 will make up to £58 million available to support bus and coach operators, Small and Medium Enterprises (SMEs), as well as community, transport to health, and transport to school bus operators transition their fleets and supporting infrastructure to zero-emission alternatives. This round of subsidy seeks to make zero-emission buses the default choice for operators, with no further need for public subsidy. Opening in May 2023 and closing in September 2023, the Challenge Fund will invite collaborative bids demonstrating innovative approaches to fleet decarbonisation.

**Contribution to economic development:** ScotZEB 2 aims to support the pathway to zero emission buses designed by the Bus Decarbonisation Taskforce. Specifically, the Scheme is designed to support change across the market so that zero emission buses become a self-sustaining industry with new collaborative business models being adopted by bus operators and energy providers which leverage in commercial investment, drive down prices of new technology, and support the circular economy for vehicle batteries. The Scheme specifically supports SME's and those named above to develop competitive bids which will change the way the Scottish bus market operates. To date, the Scottish Government has awarded £113 million supporting the purchase of 548 new battery-electric buses. In each funding round we have been able to reduce the subsidy per bus as the market adjusts.

**Contact for public enquiries:** email: [amber.jamieson@transport.gov.scot](mailto:amber.jamieson@transport.gov.scot)

## **Programme name: Rail Services Decarbonisation Action Plan**

**Programme description:** Initial Decarbonisation projects subject to STPR (Strategic Transport Projects Review) Phase 1 includes (not exhaustive) Traction Power - 6 Feeder Stations to support electrification, and Barrhead Electrification and East Kilbride Enhancements. Phase 2 is in development and will include (not exhaustive) Aberdeen to Central Belt Electrification.



**Estimated total investment:** £907 million (this is not the total cost of the Rail Services Decarbonisation Plan programme; it is the predicted expenditure from 2021-22 through to 2025-26).

**How is programme being funded:** Grant funding.

**Programme delivery timetable:** 2021-22 to 2028-29 for initial projects. Full programme is around 15 years.

**Latest programme progress:** We will progress decarbonisation of Scotland's passenger rail services for 2035, ahead of the UK's target of 2040. The order and programme of route decarbonisation will depend on business cases and available budgets. Delivery of the full programme is subject to the availability of funding. We will continue development of a rail decarbonisation strategy and delivery of our initial projects, ensuring alignment with STPR2 Phase 1, National Transport Strategy, Capital Spending Review and wider Scottish Government policy.

We have already announced the decarbonisation of the line from Glasgow to Barrhead is due for completion in December 2023. The first of our new feeder stations to support electrification and power supply resilience is due to be commissioned in spring 2023. We continue to make good progress on the development of the next phase of decarbonisation projects.

**Contribution to economic development:** Through investment in electrification and complementary traction systems, we will decarbonise the traction element of domestic daytime passenger rail journeys in Scotland. This also demonstrates our approach to investment in green technologies and our commitment to creating a greener, more environmentally just economy with growth in greener, more sustainable sectors.

**Contact for public enquiries:** email: [Edward.Mchugh2@transport.gov.scot](mailto:Edward.Mchugh2@transport.gov.scot)

## **Programme name: Little Minch Skye Triangle Infrastructure Programme**

**Programme description:** Infrastructure improvement work at the following ports: Uig (Skye), Tarbert (Harris) and Lochmaddy (North Uist).

**Estimated total investment:** £108 million.

**How is programme being funded:** Capital funding / Grant funding.

**Programme delivery timetable:** Estimated completion dates:

- Tarbert: Completed
- Lochmaddy: summer 2023
- Uig: summer 2024 (marine works), summer 2024 (landside terminal building)

**Latest programme progress:** Tarbert – Marine works completed January 2022. Tarbert - Landside works completed in January 2023. The new pier and terminal building is in use by CalMac, including the upgraded marshalling area which has increased vehicle capacity.

Lochmaddy - Second procurement exercise completed in September 2021 with a contract award to George Leslie Ltd in February 2022. George Leslie Ltd will be responsible for completing all civil engineering works for the harbour upgrade project, including the extension and strengthening of the pier, upgraded fendering, seabed dredging land reclamation and extended marshalling and parking areas. Construction works commenced in March 2022 and are estimated to complete in summer 2023. CalMac will continue to operate ferry services during the works.

Uig construction project - In November 2021, the Highland Council awarded RJMcleod Ltd the civil engineering contract for infrastructure improvements at the port. The works include an extended marshalling area, new berthing structure strengthening and widening, linkspan replacement, approach way repair and widening, a relocated new waiting shelter, a new terminal building (to be tendered separately and constructed during the main works), dredging and utility provision. The Marine works planned completion date is now summer 2024. This was moved from winter 2023 to accommodate the revised berth closure period. A solution was reached and agreed with project partners, local community representatives and elected officials that the berth closure period was reduced from 24 to 14 weeks, split over two periods during 2023 (16 January to 13 March 2023 and 30 October to 11 December 2023). The changes followed considerable engagement with the communities and further detailed work to understand the resilience of the continued operation of Uig and gives confidence in operation of ferry services through the busy summer period.

**Contribution to economic development:** The Little Minch Skye Triangle Infrastructure Programme contributes to the economic development of these island populations, communities and businesses, by ensuring that its upgraded port infrastructure supports and ensures ferry services continue to operate, thus boosting economic sustainability through tourism; for this route. (Tarbert (Harris), Lochmaddy and Uig).

**Contact for public enquiries:** email: [caroline.connelly@transport.gov.scot](mailto:caroline.connelly@transport.gov.scot)

## **Programme name: Rail Major Project Enhancements**

**Programme description:** Funds Pipeline of Rail Infrastructure projects to enhance Scotland's Railway. Initial Non -Decarbonisation projects subject to STPR (Strategic Transport Projects Review) Phase 2 alignment (not exhaustive) include Aberdeen to Central Belt (Journey Time Improvements), Access for All schemes, Far north Line, Freight Gauging, Stations (New & Upgrades) and Levenmouth – Reconnection Project.

**Estimated total investment:** £406 million.

**How is programme being funded:** Grant funding.

**Programme delivery timetable:** 2026.

**Latest programme progress:** Work continues on the Levenmouth Reconnected Project which will deliver a double tracked railway with two new stations and active travel links by spring 2024. We continue to make good progress on our new stations. In the Borders, the new Reston station entered service in May 2022 and this will be followed by East Linton Station by the end of March 2024. The new Inverness Airport Station entered service in January 2023. Financial reviews undertaken to align project progress with budget requirements and the alignment of Rail Major Project Enhancements (non-decarb) projects continues pending the outcome of the current STPR 2 Phase 2 consultation process.

**Contribution to economic development:** To deliver a programme of enhancements, which can deliver improvements to journey times and increases in capacity and reliability for passenger and freight services. By implementing Access for All measures it will improve the accessibility of Scotland's railway stations.

**Contact for public enquiries:** email: [Edward.Mchugh2@transport.gov.scot](mailto:Edward.Mchugh2@transport.gov.scot)

## **Programme name: CMAL – Voted Loans – net vessel investment**

**Programme description:** Provides for loans to Caledonian Maritime Assets Ltd (CMAL) for procurement of vessels. Proposals cover: Islay, Little Minch, Gourock-Dunoon/Kilcreggan, Small Vessel Replacement Programme, Oban-Craignure, Mallaig-Lochboisdale, Northern Isles freighters.

**Estimated total investment:** £396 million (£281 million plus £115 million for Little Minch).

**How is programme being funded:** Voted loans.

**Programme delivery timetable:** 2021-22 to 2025-26.

**Latest programme progress:** Engagement between Transport Scotland and CMAL is ongoing via working groups, including CalMac and Serco NorthLink as ferry operators.

CMAL confirmed the purchase of MV Utne (now MV Loch Frisa) in October 2021. The vessel underwent modification and improvements works and entered service on the Craignure-Oban route in summer 2022.

CMAL awarded contracts for two new major vessels for Islay routes in March 2022. The first vessel is expected to be delivered by October 2024 and will enter service following sea trials and crew familiarisation. The second vessel will follow in early 2025.

Design consultants have been appointed to progress the Small Vessel Replacement Programme. This will result in up to 7 new vessels serving communities across Scotland within the next five years.

Consideration continues to be given to bringing additional vessels in to the CMAL fleet for deployment on the Hebrides ferry service (CHFS) and Northern Isles ferry service (NIFS) networks through potential purchase of second-hand vessels.

**Contribution to economic development:** Delivery of new and additional vessels contributes to the economic development of our island and remote communities and businesses through improved ferry services.

**Contact for public enquiries:** email: [david.torrance@transport.gov.scot](mailto:david.torrance@transport.gov.scot)

## **Programme name: Piers and Harbours Grants**

**Programme description:** Provides grants to fund port operators (other than local authorities) for improvement to piers and harbours, particularly to support ferry services to and from Scotland's islands. Includes project such as Ardrossan, Little Minch (Skye Triangle) and Gourock Harbour, proposed projects at Lochboisdale, Armadale and Kennacraig, and an Oban Masterplan.

**Estimated total investment:** £306 million (this figure includes Little Minch (Skye Triangle) as stated above).

**How is programme being funded:** Capital funding / Grant funding as per GBER Article 56(b) regulations which dictate what funding intervention rate is applied.

**Programme delivery timetable:** 2021-22 to 2025-26.

**Latest programme progress:** Engagement between Transport Scotland and projects leads, such as Peel Ports / North Ayrshire Council and CMAL is ongoing via working groups, including CalMac as ferry operator.

Ardrossan – work continues on the marine and landside infrastructure including the Passenger Access System (PAS) and Liquefied natural gas (LNG) work-streams. Discussions on commercial arrangements between Transport Scotland and Peel Ports Group continue.

Troon – fender works have been completed including a new suspended concrete deck to support the ferry service when it operates temporarily out of the port during the Ardrossan construction period, completed in March 2022. The majority of the landside works have now been completed, including the temporary terminal building. Preparatory drainage works are required and engagement continues with SEPA (Scottish Environment Protection Agency). The site is expected to be fully operational by June 2023.

Gourock - project is in the design and planning stage being developed by CMAL following the public consultation event in October 2021. Engagement with communities will follow once the project progresses. Other projects are at early stages of development.

**Contribution to economic development:** Upgrades made possible by grant funding to port and harbours infrastructure contributes to the economic development of island communities and communities and businesses, by ensuring that the port infrastructure supports economic growth and ensures ferry services continue to operate.

**Contact for public enquiries:** email: [david.torrance@transport.gov.scot](mailto:david.torrance@transport.gov.scot)

## **Programme name: Road Adaptations Fund**

**Programme description:** Trunk Road Adaptation Schemes to address the impacts of climate change, improve network efficiency, safety and resilience contributing to a low carbon economy.

**Estimated total investment:** £60 million.

**How is programme being funded:** Capital funded.

**Programme delivery timetable:** 2022-23 to 2025-26.

**Latest programme progress:** Budget has been allocated from 2023-24 and will be utilised accordingly. A programme of projects across Scotland has been commenced with several schemes due to be delivered this financial year.

**Contribution to economic development:** Fund enables significant value multidisciplinary schemes to be progressed ranging from specific roads schemes to joint schemes that interface with rail, sea and active travel. Schemes will improve connectivity, journey time reliability and safety of the road network, which includes a number of geotechnical improvements in complex locations across the north of Scotland.

The fund will contribute to a number of high-profile schemes across Scotland including; concluding short term mitigation works at A83 Rest and Be Thankful (summer 2023), new Lhanbryde Cycleway, as well as A893 Ullapool Harbour and Shore Street upgrades (summer 2023). In addition, there are planned non-motorised unit improvements on A9 Raigmore Interchange, working with Highland Council. These schemes will provide safety and active travel improvements.

As well as large notable projects the fund also allows smaller improvements to be made to the network. These often provide significant betterment to existing outdated provisions such as linking cycle paths / footways, review of Vehicle Restraint Systems, and layby upgrading/provision. This contributes to reliability and road safety for transport of goods, general travel and connectivity across Scotland.

**Contact for public enquiries:** email: [George.fiddes@transport.gov.scot](mailto:George.fiddes@transport.gov.scot)

## Sector: Health

### Programme name: National Treatment Centres

**Programme description:** New Diagnostic and Treatment Centres to allow people to be treated more quickly for planned surgery. The programme will encompass the provision of additional elective capacity across 10 National Treatment Centres (NTCs) in 9 Health Boards to cover the all-Scotland requirement out to 2035. This will require new build as well as refurbishment of existing infrastructure.

**Estimated total investment:** Over £600 million.

**How is programme being funded:** Capital funded.

**Programme delivery timetable:** Delivery of all units is expected to be completed by 2027.

**Latest programme progress:** The four NTC's currently in construction are estimated to be operational in 2023. The remaining NTC's are at various stages of development and are progressing. Projects in development are incorporating the policy requirement to be Net Zero Carbon buildings.

- Golden Jubilee National Hospital's Phase 1 Ophthalmology Unit became operational in November 2020.
- NTC - Fife became operational in March 2023.
- NTC - Highland became operational in April 2023.
- NTC - Forth Valley project to increase Elective Care capacity in NHS Forth Valley is under construction and is now estimated to be completed in August 2023.
- Golden Jubilee National Hospital's Phase 2 is under construction and estimated to be operational in December 2023.
- NTC - Ayrshire and Arran is progressing towards Full Business Case (FBC) submission which is expected to be submitted for review towards the end of spring 2023.
- NTC – Tayside's Outline Business Case (OBC) development is progressing and is expected to be submitted for review towards the end of spring 2023.
- NTC - Lothian at St John's Hospital in Livingston - OBC for the has been approved and NHS Lothian are in the process of developing their FBC.
- NTC – Grampian has concluded a clinically led review of the scope of the project and is finalising an options appraisal process. Revised dates for the project plan are currently under development.
- NHS Lothian's replacement for Edinburgh Eye Pavilion is now an integral part of NTC programme and NHS Lothian are working towards a FBC submission.

- NTC - Lanarkshire project is at the early stage of planning and will progress towards an Initial Agreement.

**Contribution to economic development:** Each of the projects in development will utilise a Project Bank Account. The NTC programme will support at least 40,000 procedures and 1,500 new NHS jobs. Each project will provide a number of Community Benefits delivered as a requirement of the Principal Supply Chain Partners appointment.

**Contact for public enquiries:** email: [alan.gray2@gov.scot](mailto:alan.gray2@gov.scot)

## **Programme name: eHealth**

**Programme description:** HEPMA National Implementation Programme.

**Estimated total investment:** £24 million (2016-2025 with c£2.4 million still to be allocated).

**How is programme being funded:** Capital and revenue funded.

**Programme delivery timetable:** 2022-23 to 2024-25.

**Latest programme progress:** The implementation of HEPMA (Hospital Electronic Prescribing and Medicines Administration) has been ongoing for a number of years. A national Full Business Case (FBC) was produced and a national framework has been in place since 2016. Boards were tasked to look towards regional convergence which has been accepted as a significant challenge.

Due to the complexities involved, the regions (with the exception of the North) have moved towards a board-by-board roll-out with regional convergence as the longer term view. These complexities have led to significant delays in meeting the original FBC timeline and ultimately financial challenges due to the slow roll out. The launch of the Digital Health and Care Strategy has helped re-energise the programme with delivery across the county now being taken forward at pace. HEPMA has already been successfully implemented in six Health boards across Scotland and all remaining Health Boards all expected to roll it out by the end of 2025.

**Contribution to economic development:** The use of HEPMA can ensure the best value of public money by providing a range of benefits including accurate prescribing and administrations medicine, better communication between and within settings, greater consistency of clinical decision-making, better use of information, and improved use of medicines to enable transformation of clinical services and releasing staff time to care and efficiency.

**Contact for public enquiries:** email: [francis.santos@gov.scot](mailto:francis.santos@gov.scot)

## **Sector: Schools**

### **Programme name: Learning Estate Investment Programme**

**Programme description:** The programme will benefit tens of thousands of pupils across Scotland. The programme will see more schools that are low emission, digitally enabled and better connected to their local communities.

**Estimated total investment:**

£2 billion of infrastructure investment will be enabled (£1 billion capital-equivalent investment from the Scottish Government with rest from Local Authorities. The Scottish Government's contribution will be funded through an outcomes-based funding model over a 25 year period from project completion).

**How is programme being funded:** 50/50 split between Scottish Government and local authorities.

**Programme delivery timetable:** All projects are expected to be complete by the end of 2027.

**Latest programme progress:** The first phase of school projects to benefit from funding through the Learning Estate Investment Programme (LEIP) was announced in September 2019. A second phase was announced in December 2020. Details of the schools can be found on the Scottish Government website at [Learning Estate Investment Programme](#).

The first LEIP projects started construction during the summer of 2021. The successful third phase of LEIP projects will be announced in 2023.

**Contribution to economic development:** Investment in infrastructure is synonymous with economic growth. The LEIP is driving investment in new jobs in line with the Construction Industry Training Board published benchmarks for the education sector as well as providing Scotland's learners with facilities that help equip the workforce of the future.

**Contact for public enquiries:** email: [matthew.rennie@gov.scot](mailto:matthew.rennie@gov.scot)



## Sector: Housing

### Programme name: Alternative Funding to Support Affordable Housing

**Programme description:** The Affordable Housing Supply Programme is focussed on delivering more affordable and social homes, helping to create great places, and continuing to ensure the right types of homes in the right places to support Local Housing Strategies and regional development priorities / Delivery of the Housing to 2040 strategy vision and aims.

**Estimated total investment:** We currently estimate that total investment will be in the region of £6 billion of which £3.5 billion is available through Scottish Government capital grant towards delivery of affordable homes, with the remainder being an investment contribution by delivery partners.

**How is programme being funded:** Capital funding committed from Scottish Government for five years to 2025-26 as well as borrowing by local authorities and registered social landlords / Housing Capital budget and private sector investment.

**Programme delivery timetable:** Initial phase 2021-22 to 2031-32.

**Latest programme progress:** We have started to deliver against our commitment to 110,000 affordable homes by 2032, of which at least 70% will be available for social rent and 10% will be in our remote, rural and island communities. To December 2022, a total of 7,493 homes have been delivered towards the 110,000 target, of which 6,172 (82%) are homes for social rent.

Also, in line with the Housing to 2040 Vision, we will continue to support the delivery of housing as follows:

- Funding City Regional Deal housing activity including investing in strategic sites to deliver strong place-based investments over the next 20 years.
- Continued support for housing infrastructure investment, building on the Housing Infrastructure Fund (HIF), which has invested nearly £50 million to date in unlocking developments. Since the new round of HIF grant funding was opened in October 2021, we have made £4.85 million of grant approvals, supporting transportation infrastructure works in the Dunfermline area that will ultimately help unlock delivery of c.8,000 new homes.
- Continued delivery of over £100 million of long-term loan investment delivering up to 1,850 mid-market rent (MMR) housing across Scotland by the end of 2024.

Through the Innovative Finance Steering Group, we will provide strategic advice to the Scottish Government on opportunities for innovative finance models to support affordable housing sector to deliver 110,000 affordable homes target by 2032.

**Contribution to economic development:** Delivering this ambitious 110,000 affordable homes target would support a total investment package over the period 2021-22 to 2031-32 of around £18 billion (in 2022 prices) and up to 15,000 full-time equivalent jobs each year in the construction and related sectors in the Scottish economy.

**Contact for public enquiries:** email: [morehomesbusman@gov.scot](mailto:morehomesbusman@gov.scot)

**Programme name: Housing Supply Supporting Home Ownership**

**Programme description:** The delivery of support for Help to Buy, First Home Fund and Open Market Shared Equity.

**Estimated total investment:** £208 million.

**How is programme being funded:** Financial Transactions capital.

**Programme delivery timetable:** 2021-2023.

**Latest programme progress:** Financial Transactions funding totalling £84 million was made available across both the First Home Fund (FHF) and Help to Buy (Scotland) Affordable New Build and Smaller Developers Scheme (HtoB) in financial year 2021-22, with £64 million for Open Market Shared Equity (OMSE). £60 million has been made available to OMSE in 2022-23 and we will continue to support OMSE in 2023-24 which contributes towards the Affordable housing supply Programme targets.

The First Home Fund (FHF) and Help to Buy (Scotland) Affordable New Build (HtoB) both closed on 31 March 2022. A small number of transactions across both schemes will settle during financial year 2023-24.

**Contribution to economic development:** A strong and growing house-building industry is key contributing factor to Scotland's future economic prosperity.

**Contact for public enquiries:** email: [morehomesbusman@gov.scot](mailto:morehomesbusman@gov.scot)

## **Sector: Regeneration**

### **Programme name: Regeneration and Place**

**Programme description:** The Place-Based Investment Programme (PBIP) aims to accelerate ambitions for place, 20-minute neighbourhoods, town centre action, community led regeneration and community wealth building. The programme includes the Regeneration Capital Grant Fund (RCGF), support for Clyde Gateway as well as potential pathfinder demonstrator projects.

**Estimated total investment:** £325 million.

**How is programme being funded:** Capital funded.

**Programme delivery timetable:** 2021-22 to 2025-26.

**Latest programme progress:** Local Authorities received £38 million for 2021-2022 from PBIP and a further £33 million in 2022-2023 to support place based investment in their communities. Further investment of £75 million is planned by 2025-26. In relation to RCGF, 48 projects across Scotland have received offers of grant for more than £50 million across 2021-22 and 2022-2023 and 23 projects have received offers of grant funding for 2023-24. Additional funding was allocated to the 5-year programme to support a number of place-based demonstrator projects and meet increased costs of projects.

**Contribution to economic development:** Our regeneration programmes work together to support resilient and sustainable communities, through empowering people to take action, supporting communities to develop community assets, encouraging business and enterprise activity and delivering more services and activities locally. We are embedding Fair Work and Net zero ambitions in all our programmes contributing to core policy ambitions to eradicate child poverty and reducing inequality and disadvantage. Regeneration creates the conditions that support community wealth building, 20-minute neighbourhoods and a more fair and equal society where communities are at the heart of the decisions that affect them. The 48 RCGF projects recommended have the potential to support or create more than 4,000 jobs, create more than 44,000 sqm of business space and support over 90 community facilities which will benefit more than 850 businesses or enterprises across disadvantaged and fragile rural communities.

**Contact for public enquiries:** email: [PBIP@gov.scot](mailto:PBIP@gov.scot)

### **Programme name: Clyde Gateway Regeneration Capital**

**Programme description:** Clyde Gateway is a partnership between Glasgow City Council, South Lanarkshire Council and Scottish Enterprise backed by funding and direct support from the Scottish Government. It has an initial 20-year operating plan which is delivering large scale physical, social and economic transformation over 840 hectares located in the east of Glasgow and including part of South Lanarkshire. Support for Clyde Gateway forms part of the wider £325 million Place-Based Investment Programme (PBIP).

**Estimated total investment:** £28.5 million.

**How is programme being funded:** Capital and revenue funded.

**Programme delivery timetable:** 2021-22 to 2025-26

**Latest programme progress:** Clyde Gateway received core grant support of £10 million for 2021-22 and 2022-23, supporting remediation work in Shawfield and creation of business space in Dalmarnock and Bridgeton. A further £5 million of support will be offered for 2023-24.

**Contribution to economic development:** The capital support towards Clyde Gateway's 20-year business plan will continue to support its ambitions to deliver investment in the area, remediating and decontaminating vacant and derelict land while creating supporting infrastructure to create space for economic activity housing and green space. To date this activity has seen more than 6,700 jobs created and 3,700 businesses supported.

**Contact for public enquiries:** email: [gatewayenquiries@clydegateway.com](mailto:gatewayenquiries@clydegateway.com)

## Sector: Digital

### Programme name: Reaching 100% programme (R100)

**Programme description:** The R100 programme is a commitment unique across the UK, to enable access to superfast broadband with speeds of at least 30 Megabits per second (Mbps) to every home and business in Scotland.

**Estimated total investment:** Over £600 million has been committed to the R100 contracts with additional investment also available through the R100 Scottish Broadband Voucher Scheme (SBVS). Over the past year (2022-23) we have successfully secured further UK Government funding of £16 million through Project Gigabit to extend R100 contract coverage in the North and South.

**How is programme being funded:** Government funding of £600 million has been committed to the North, Central and South R100 contracts (£579 million by SG and £21 million by UKG). Extra funding has since been added into the South contract, in July 2022 and to the North contract in August 2022. In the South contract, this amounted to £6.6 million of funding from UK Government's Project Gigabit. In the North contract, this amounted to £29.6 million made up of £20.2 million of Scottish Government funding and £9.4 million from UK Government.

As the R100 contracts are 'gap funded', the contract delivery partner BT, also contributes towards the capital costs of delivery. This currently amounts to £54 million, including extra contributions added alongside the additional funding described above.

In 2021, UKG announced that it was investing £4.5 million in the Central contract area and £8 million in the North contract area to flip around 9,000 properties from fibre to the cabinet (FTTC) to fibre to the premises (FTTP).

**Programme delivery timetable:** High quality infrastructure continues to be built across the country through the R100 contracts, the voucher scheme and ongoing works by commercial operators. The R100 Central and South contracts were signed in December 2019 followed by the North in December 2020. Overall contract build is currently expected to complete in 2027-28. These dates reflect additional time required to accommodate the extended build outlined above.

**Latest programme progress:** All 16 new subsea fibre cables have been laid through the R100 North contract. These cables will provide gigabit capable, future-proofed, resilient connectivity to the following 15 Scottish islands island communities for decades to come:

- Colonsay, Iona and Lismore in Argyll and Bute.
- Eigg in the Highlands.
- Eday, Flotta, Hoy, Rousay, Sanday, Shapinsay and Stronsay in Orkney.
- Fair Isle, Unst, Whalsey and Yell in Shetland.
- There is also a cable laid between Sanday and Fair Isle.

All of the planned R100 build in the South and North contract areas, including the recently announced extended build and the vast majority in the Central contract, will be gigabit

capable. This is more than 30 times faster than the original commitment to deliver 30Mbps. As much of the technology delivered will go beyond the original superfast commitment, the engineering works will take time, but it will ensure that a future-proofed and resilient broadband infrastructure reaches some of the most rural and remote areas of Scotland.

The R100 contract build is well underway with connections now live in all contract areas. As at 28 February 2023, the three R100 contracts for North, South and Central had delivered 20,277 contracted premises and an additional 5,212 non-contracted “overspill” premises.

The demand led R100 SBVS continues to provide homes and businesses access to superfast broadband where no contracted or commercial build is scheduled. Since launch, the R100 Scottish Broadband Voucher Scheme (SBVS) has delivered almost 3,000 connections to voucher eligible properties. There are another c650 connections either in build or going through the approvals process.

**Contribution to economic development:** The R100 programme continues to contribute to Scotland’s economy. Access to superfast broadband is a key enabler for economic recovery and R100 public spending is focused where it is needed most – in rural Scotland. This can be illustrated through recent feedback from beneficiaries of the R100 programme through a series of case studies. A formal evaluation process will also be initiated in 2023-24.

**Contact for public enquiries:** All public enquiries should be directed towards the R100 Enquiries Team at the [Superfast Broadband - R100 Public Enquiries](#) website. Further information can be found at the [Superfast Broadband](#) website.

## **Programme name: Digital Public Services Programme**

**Programme description:** Increased investment in developing common digital operating platforms and the transformation of key public services.

**Estimated total investment:** £110 million.

**How is programme being funded:** Capital funding for the programme fund covers financial years 2022-23 to 2025-26.

**Programme delivery timetable:** Programmes are currently in-flight and are on target to deliver benefit realisation over the parliamentary term.

**Latest programme progress:** In June 2022, the Scottish Government Payments Service, reached another significant milestone with its first beta partner Independent Living Fund Scotland (ILF Scotland) and officially launched a Minimum Viable Service (MVS) as the service formally moved into a private beta phase. This beta launch commenced the start of ILF Scotland process regular weekly BACS (Bacs Payment Scheme) payment cycle via the Scottish Government payments service. With ongoing incremental development and gradual increase of volumes and values processed, as of March 2023 the payments

service has now processed 1,641 payments over 42 consecutive weeks (batches) to the value of £3 million with 11 releases deployed to date.

The successful private beta launch follows a period of significant technical development and testing, undertaking the necessary assurance assessments, an external cyber security assessment and further rounds of inclusive testing with stakeholders and users.

From April 2023 onwards, the Student Award Agency Scotland (SAAS) are confirmed as beta partner 2. With development underway and plans for a test student payment scheduled in June 2023 and plans for transition of funds throughout 2023-24 to be agreed.

Ongoing monitoring, iteration and service improvement will continue as we progress towards the end of beta (April 2024). Completion of the programme's next set of priorities and overall development of the payments service is expected at the end of financial year 2023-24, with on boarding of public bodies and benefit realisation expected to continue over a 10-year period until 2032.

Platform and Service development will continue throughout 2023-24 with technology partner Scott Logic as the programme continues to build functions and features in line with the technical and product roadmap. Ongoing development of the service management support function will continue as well as build internal capacity and capability within the Scottish Government. Digital will enable the effective transition of platform ownership from technology partner planned for March 2024.

The Digital Identity Programme continues to work with its development partner, Scott Logic, to develop and deliver the digital identity service. The first live trial version (private beta) of the service was launched on 28 February 2023 in partnership with Disclosure Scotland. Users are using the digital identity service to access the results of their Protection of Vulnerable Groups checks. It is part of an overall "end-to-end" service, which aims to reduce the time it takes for people to complete their Disclosure checks and access their certificates online – rather than receiving a paper certificate in the post. Within the private beta, users can sign on securely using an email address, password and "two-factor authentication" code sent via text message. Then users verify their identity using biometric photo verification, with a passport, driving licence or biometric residence permit.

Following the private beta launch, further developments planned for later this year will include adding other methods for two-factor authentication and identity verification; and work to add the attribute store. The Scottish Government also plans to start on-boarding more public service customers during 2023 onwards.

The Cloud programme is delivered Release 1.0, a minimum viable Scottish Government Cloud Platform AWS (Amazon Web Services) service in July 2022 and continues to provide services to Digital Payments, Digital Identity, Digital Connectivity R100 and Digital Data GISat (Geo Imaging Satellite). The design of Release 2.0 AWS strategic architecture has been completed and the build work is scheduled for completion in May 2023. Procurement of the AWS One Government Value Agreement is progressing, enabling Scottish Government Cloud Platform Service AWS customers access to discounted rates has been completed and is now available. The Azure environment has been secured

through the existing Scottish Government Microsoft Enterprise Agreement, with the Alpha stage completed and Beta underway and due to be completed in June 2023.

The Cloud programme has ministerial approval for the Full Business Case of the Scottish Government Cloud Platform Service including a Service, Operations and Cost model for live service. Work is ongoing to confirm a pipeline of customers to on-board to the Scottish Government Cloud Platform Release 2.0. The Cloud programme is on track to deliver Release 2.0, a Scottish Government Cloud Platform AWS live and Microsoft Azure beta service in May 2023. A Release 3.0 for SG Cloud Platform Microsoft Azure live is scheduled for the summer 2023.

The CivTech 2022-26 Full Business Case was approved by Ministers in May 2022. This incorporates a significant scaling of the programme, in line with the 2022-26 Programme for Government commitment of up to £46 million funding for Challenges and £13.5 million operating costs.

The FBC envisaged a significant scaling of the CivTech team in 2022-23, and despite the recruitment constraints limiting this growth, CivTech delivered on all of its planned outputs for 2022-23. 20 Challenges were launched through CivTechs 7 and 8 (starting in June 2022 and October 2022 respectively); the GovTech Cluster was brought near to launch with the identification and procurement of a 'cluster driver organisation'; the Challenge Sponsor support system was successfully launched on CivTech 7, and the Business Growth System was expanded to include a post-Accelerator Stage. Major strategic partnerships were launched, including Innovate for Nature, the first of CivTech's 'Innovate for...' initiatives which bring together organisations in Scotland with common themes to work in partnership through the CivTech Innovation Flow; and a robust benefits realisation system reached its second stage of development.

In 2022-23, a £5 million contract funding was awarded to CivTech companies, representing a significant increase over previous years. While company Key performance indicators (KPIs) for 2022-23 are currently being assembled and therefore cannot be reported at this point, reports clearly indicate that the growth in businesses, jobs created, societal benefits and direct financial benefits to the exchequer from CivTech Alumni companies have continued to grow.

While the spend and recruitment controls in place may constrain certain elements of the CivTech programme in 2023-24, delivery levels will continue to be maximised within those constraints. CivTech 9 will launch in July 2023 with 14 to 15 Challenges and up to £10 million contract funding available for solutions developed through CivTech. The GovTech Cluster will launch, and further 'Innovate for...' initiatives will launch.

The Artificial Intelligence (AI) Strategy Delivery Programme has taken forward a number of innovation projects including the Scottish AI Register (<https://scottishairegister.com/>), launched in March 2023, which will make transparent the development and use of AI in the public sector and offer the public a simple and effective platform to have a say in how AI is used to make decisions and deliver public services. It is designed to help public sector organisations starting out on their AI journey by providing them with structure and guidance to adopt a consistent, ethical, and open approach to developing and using AI. The Register includes a public-facing website providing detailed information about AI



systems being used or developed in the public sector. This includes information related to the use of data (including personal data when applicable), how the system works, accountability, impact assessment, risk management and human oversight. The Register aims to track the entire life cycle of AI systems, from conception and development to use and retirement.

Throughout the last year we have continued to develop the analytical workbench (AWB) platform. We anticipate the full production version of the AWB to be available to users by the end of spring 2023. Built in the Edinburgh International Data Facility (EIDF), the AWB is creating a capability for the public sector that allows rapid adoption and development of new technologies, access to high-performance compute and the ability to collaborate across organisational boundaries to share resources, code, and ideas. The workbench is a safe, secure, permission-controlled environment that enables analysts to collaborate on data projects across organisational boundaries. The workbench provides easy access to a wide range of common, open-source analytical tools and the platform has the power needed for complex analysis with large datasets. The project has delivered virtual machines suitable for use with differing types of data, a choice of operating systems, easy to use mechanisms to get data securely in and out of the workbench and it also provides facilities for hosting interactive content.

**Contribution to economic development:** The Scottish Government's Digital Strategy 2021, A changing nation: How Scotland will thrive in a digital world, will drive efficiencies across the public sector. Digital Identity Scotland will provide a single digital identity for Scottish citizens to access public services in Scotland and the Payments platform will provide a centralised payments out/in digital service for public sector organisations to consume as required.

The Cloud First Programme enables the Scottish public sector to realise the benefits of Cloud services by accelerating the adoption of modern cloud technology by providing a Scottish Government Cloud platform. The programme will consolidate technical resources across Scottish Government to ensure public services are secure, sustainable and cost effective while supporting delivery of the Scottish Government's ambitions for a modern, flexible and responsive organisation, delivering services for the citizens of Scotland.

CivTech Alumni companies are employing over 300 people with an in-year gross increase in jobs in 2021-22 of 72 and an average remuneration of £44,441 per annum - 61% of turnover comes from Scotland; 30% comes from the rest of the UK; and 9% internationally. Private sector investment has risen from a total of around £6 million in March 2020 to over £50 million at March 2022. Of the 66 companies that have taken part in CivTechs 1-6, there is an 86% 'survival rate', comparing well to typical private sector accelerators where up to 80% of the teams fail, and to general start-up survival rates which have been calculated at 50% at the end of year 5.

**Contact for public enquiries:** Digital Identity Programme email: [digitalidentityscotland@gov.scot](mailto:digitalidentityscotland@gov.scot) / Digital Payments Programme email: [SGpaymentservice@gov.scot](mailto:SGpaymentservice@gov.scot) / Cloud Programme email: [Cloud1st@gov.scot](mailto:Cloud1st@gov.scot) / CivTech Programme email: [Mark.Elliott@gov.scot](mailto:Mark.Elliott@gov.scot) / AI Strategy email: [Jeremy.Darot@gov.scot](mailto:Jeremy.Darot@gov.scot)

## **Sector: Energy**

### **Programme name: Scotland's Heat Network Fund**

**Programme description:** Provides capital support to accelerate the deployment of new zero emission heat networks as well as support the decarbonisation and extension of current heat networks. The Fund will stay open to applications for the foreseeable future, with quarterly updates to be provided detailing the budget committed so far.

**Estimated total investment:** £300 million.

**How is programme being funded:** Programme is capital funded by the Scottish Government.

**Programme delivery timetable:** 2021-22 to 2025-26.

**Latest programme progress:** Scotland's Heat Network Fund was launched in February 2022 to provide certainty to investors on the capital support available in Scotland to deploy heat networks. Scotland's Heat Network Fund has awarded over £6.4 million to three heat network projects as of March 2023, including an extension to Aberdeen City Council's Torry Heat Network and two shared ground loop communal heating systems serving both social and affordable homes.

The Heat in Buildings Strategy published in October 2021 committed £400 million to large scale heat decarbonisation over the next 5 years. The £300 million Scotland's Heat Network Fund makes up part of this commitment.

The launch of the Heat Network Support Unit will help build a pipeline of projects that will submit applications to the Fund. The Heat Network Support Unit is designed to address challenges in the pre-capital stage of heat network development. It identifies prospective heat network projects; supports the development of heat network projects across Scotland, through advice and grant funding; and builds capacity and expertise across the public (and private) sector in Scotland to develop and run successful heat networks.

**Contribution to economic development:** Capital investment from the Fund will help grow a strong heat network industry in Scotland and create high quality jobs. Applicants to the Fund must demonstrate their project's potential to have a positive and significant contribution on skills and supply chain in Scotland.

**Contact for public enquiries:** email: [HeatNetworkFund@gov.scot](mailto:HeatNetworkFund@gov.scot)

### **Programme name: Low Carbon Infrastructure Transition Programme (LCITP)**

**Programme description:** Programme supports the acceleration of projects to develop investment grade business cases and the delivery of low carbon infrastructure projects.

**Estimated total investment:** Phase 1 (2015-2018) £76 million / Phase 2 (2018-2021) £60 million

**How is programme being funded:** Programme is capital funded by the Scottish Government with support for 40% activity through the European Structural Funds up until the Green Recovery: Low Carbon Energy Project Capital Fund invitation which was launched in September 2020 and fully funded by the Scottish Government.

**Programme delivery timetable:** 2015-16 to 2022-23

**Latest programme progress:** The LCITP is now closed to applications. There are still 21 projects in the pipeline from previous LCITP funding invitations that are currently being constructed. The LCITP has supported the co-development of over 30 proofs of concept and development proposals for low carbon projects. The LCITP has run a number of open funding invitations including the Social Housing Net Zero Heat Fund, Green Recovery: Low Carbon Energy Project Development Funding, Scottish Low Carbon Heat Funding Invitation, Transformational Low Carbon Demonstrator Invitation and the Innovative Local Energy Systems Invitation. Up to March 2023, LCITP has offered over £73 million of capital funding to 36 low carbon projects.

COVID-19 and Brexit impacted upon both the supply chain and delivery of projects and the delivery timetable has been extended.

**Contribution to economic development:** The LCITP has provided significant capital investment across various low carbon energy sectors in Scotland. Grants under the LCITP have been awarded on a competitive basis with the scoring criteria for applications requiring projects to demonstrate their potential to have a positive economic and social impact on Scotland.

**Contact for public enquiries:** email: [LCITP@gov.scot](mailto:LCITP@gov.scot)

## **Programme name: Heating in Buildings (Formally Energy Efficient Scotland Domestic programmes)**

**Programme description:** Investment in our domestic energy efficiency and zero emission heating systems supporting the elimination of poor energy efficiency as a driver of fuel poverty and reducing emissions from the housing stock.

**Estimated total investment:** £590 million.

**How is programme being funded:** Capital funded through the following routes:

- National fuel poverty scheme - currently Warmer Homes Scotland (WHS) which is delivered through a contract with Warmworks. A successor scheme is being procured to go live when the current contract expires. The successor will have a greater focus on decarbonisation and increased spend per intervention with an increased contract value.

- Area Based Schemes (ABS) which are delivered through grant funding to local authorities.

**Programme delivery timetable:** 2021-22 to 2025-26.

**Latest programme progress:** £55 million allocated to WHS and £64 million to ABS in 2023-24.

More than £210 million has been invested through the WHS scheme since its launch in September 2015 helping over 32,000 households throughout Scotland. The successor scheme is under procurement and the existing scheme will be replaced in October 2023. Currently, households who receive improvements through the scheme are expected to save an average of £160 per year on their energy bills.

Our ABS programme has delivered £24 million in investment in the period up to November 2022 with further projects underway and others starting early in 2023. We recognise that the challenge of delivering these may increase further during the winter but continue to support councils to maximise delivery of energy efficiency improvements.

**Contribution to economic development:** Contributes to the development of the supply chain and skills base across all regions of Scotland including rural and island locations in order to support rapid acceleration in zero emissions heating system conversions and energy efficiency upgrades. Improves Scotland's housing stock by improving the property's energy efficiency and emissions ratings to the standard required to meet statutory targets. Provides benefits to the wider community through vocational training and employment opportunities. Aligns with Local Heat and Energy Efficiency Strategies and Delivery Plans in order to maximise benefits to local communities from the heat transition.

**Contact for public enquiries:** Home Energy Scotland acts as referrals administrator for national fuel poverty scheme and can be contacted through the [Home Energy Scotland](#) website / Heat in Buildings National Delivery email: [ceu@gov.scot](mailto:ceu@gov.scot) / Area Based Schemes Delivery Team email: [SGareabasedschemes@gov.scot](mailto:SGareabasedschemes@gov.scot)

**Programme name: Social Housing Net Zero Heat Fund**

**Programme description:** Fund to support social housing landlords across Scotland to take forward projects to deploy zero emissions heat, improve energy efficiency and reduce fuel poverty. This fund is for the retrofit or refurbishment of existing housing stock and is not for new build social housing.

**Estimated total investment:** £200 million.

**How is programme being funded:** Programme is being capital funded solely by the Scottish Government.

**Programme delivery timetable:** 2021-22 to 2025-26.

**Latest programme progress:** The fund has awarded over £38.6 million to 43 social housing projects across Scotland in financial year 2022-23. A further 10 projects are currently in assessment. The £0.5 million Social Housing Net Zero Development Funding Invitation is supporting 7 Social Landlords to produce feasibility studies and Business Cases for projects which can then subsequently progress to be considered for capital support under the Social Housing Net Zero Heat Fund. The Heat in Buildings Strategy increased the budget to £200 million to accelerate the deployment of energy efficiency measures and zero emission heating in order to achieve our 2045 climate ambitions.

**Contribution to economic development:** Applications for funding under the Social Housing Net Zero Heat fund must demonstrate the expected benefits that the project will deliver including economic benefits. Projects must also have a positive economic impact for tenants and demonstrate a reduction or no increase in energy bills.

**Contact for public enquiries:** email: [netzerosocialhousing@gov.scot](mailto:netzerosocialhousing@gov.scot)

## **Programme name: Green Public Sector Estate Decarbonisation Scheme**

**Programme description:** Programme to support heat decarbonisation and energy efficiency across the public sector estate.

**Estimated total investment:** £200 million.

**How is programme being funded:** Programme is being funded solely by the Scottish Government in line with recent Programme for Government commitments.

**Programme delivery timetable:** 2021-22 to 2025-26.

**Latest programme progress:** The Green Public Sector Estate Decarbonisation Scheme (GPSEDS) delivers an offer of support for public bodies across Scotland. The scheme comprises three support elements for public sector bodies: The Scottish Public Sector Energy Efficiency Loan Scheme, The Scottish Public Sector Non-Domestic Energy Efficiency (NDEE) Frameworks and Project Support Unit (PSU) and the Scottish Central Government Energy Efficiency Grant scheme.

The Grant funding aspect of the GPSEDS relaunched in May 2022 to support multi-year projects and to continue to boost heat decarbonisation and improve energy efficiency across Scotland's public sector. Since re-launching in 2022, the scheme has committed £30 million of investment across 32 Capital projects to be delivered over the course of three financial years. Since re-launching the fund has also supported 17 pre-capital projects totalling around £750k of resource funding. The fund remains open to applicants and will support projects up to the end of this parliamentary term.

The Scottish Government is working closely with Salix Finance to review the offering to wider public sector to ensure this is fit for purpose in 2023-24.

The Heat in Buildings Strategy increased the budget to £200 million to accelerate decarbonisation and increased energy efficiency of existing public sector building in order to achieve our 2045 climate ambitions.

**Contribution to economic development:** The GPSEDS continues to provide significant capital investment across the public sector. Investing capital and resource funding in energy efficiency and heat decarbonisation projects in public sector organisations provides them with support to meet ambitious net-zero targets while freeing up their own resources to invest in services that benefit the people of Scotland.

**Contact for public enquiries:** email: [GPSEDS@gov.scot](mailto:GPSEDS@gov.scot)

## **Programme name: Heat in Buildings Grants and Loans (formerly Heat in Buildings Capital Investment)**

**Programme description:** Investment to support heat decarbonisation and energy efficiency in homes and buildings, community energy, decarbonising islands and energy.

**Estimated total investment:** £344.5 million.

**How is programme being funded:** Capital – grants and loans delivered via a number of delivery partners.

**Programme delivery timetable:** 2021-22 to 2025-26.

**Latest programme progress:** Funding issued as planned via CARES (Community and Renewable Energy Scheme), SME (Small and medium-sized enterprises) Loan & Cashback scheme, Home Energy Grant and Loan scheme and District Heating Loan Fund.

CARES 'Let's Do Net Zero Community Buildings' fund opened in May 2022 and provides a rolling programme of support to communities, charities, and faith organisations to decarbonise their buildings and reduce energy bills. This support takes a whole building retrofit approach, covering energy efficiency measures, zero emissions heat installations, and additional small-scale generation where there is a clear benefit to the community organisation in terms of energy bill reduction.

CARES, via the 'Let's Do Net Zero: Off Electricity Grid Communities Fund,' is also providing a package of support to some of Scotland's more remote and rural off grid communities to help them upgrade their energy systems and decarbonise their energy supplies, with the aim of making them more resilient and sustainable in the future.

CARES Community Heat Development Programme works with community organisations and groups of householders to help develop their ideas for locally generated, low and zero carbon heat project ideas. By providing funding for and access to advisors, community organisations receive advice and support to assess the feasibility of potential community heat projects and advice on next steps, including any potential routes for further funding.



The Home Energy Scotland (HES) Grant and Loan Scheme was launched in December 2022 as an update to the cashback offered through the HES Loan scheme and offers applicants a grant, interest free loan or combination of both to support the installation of energy efficiency measures and zero emissions heating. This scheme intends to offer applicants a straightforward, flexible and accessible way to access targeted priority measures. A rural uplift has been introduced to the scheme in recognition of the higher costs faced by rural households associated with the installation of measures.

**Contribution to economic development:** The SME Loan and cashback scheme aims to support businesses based in Scotland by installing measures which will increase their energy efficiency and reduce their carbon output and energy costs while improving financial savings and business competitiveness. This is primarily accessible via the Business Energy Scotland (BES) advice and support service.

CARES provides advice and support, including funding support (grants and loans) to community groups and other eligible organisations seeking to explore their renewable energy options. The aim is to support the growth of community and local energy in Scotland and to ensure that communities across Scotland are engaging in and benefiting from the energy transition to net zero. Local and community energy projects have the potential to help local communities reduce carbon emissions, create local jobs, upskill local people, reduce energy costs and overall allow greater investment in local economies.

**Contact for public enquiries:** Advice and support is delivered on behalf of the Scottish Government at the [Business Energy Scotland](#) website / Loan and cashback support can be found at the [Home Energy Scotland](#) website / CARES is delivered on behalf of Scottish Government and further information can be found at the [Local Energy Scotland](#) website.

## **Programme name: Clyde Mission Heat Decarbonisation Fund**

**Programme description:** Investment in zero emission heat projects along the River Clyde.

**Estimated total investment:** £25 million.

**How is programme being funded:** Programme is capital funded by the Scottish Government.

**Programme delivery timetable:** 2023-24 to 2025-26.

**Latest programme progress:** The 2022-23 Programme for Government made a commitment to launch £25 million of capital funding over the current parliamentary term to support the delivery of low/zero emissions heat projects including heat networks and communal heating systems located within the Clyde Mission area, which contribute to the aims of Clyde Mission. Ministers have agreed that the funding will be awarded to Glasgow City Council on behalf of the Clyde Mission partner Councils (including Argyll & Bute).

**Contribution to economic development:** Projects will be expected to demonstrate a contribution to inclusive economic growth through developing skills, creating employment, and supporting secure supply chains across Scotland. Projects should contribute to a reduction in fuel poverty and utilise vacant and derelict land.

**Contact for public enquiries:** email: [clydemişsion@gov.scot](mailto:clydemişsion@gov.scot)

## **Programme name: Scottish Industrial Energy Transformation Fund (SIETF)**

**Programme description:** SIETF is the Scottish administered version of IETF (Industrial Energy Transformation Fund) and supports manufacturers to fund the deployment of investment-ready energy efficiency technologies and/or decarbonisation at their industrial sites. The fund also supports feasibility and engineering studies into energy efficiency or deeper decarbonisation.

**Estimated total investment:** The 2022 Programme for Government committed us to continue SIETF which leverages over £100 million of total investment to directly reduce emissions from industrial processes.

**How is programme being funded:** £34 million of Scottish Government capital committed in 2020 (as part of low-carbon funding).

**Programme delivery timetable:** 2021-22 to 2025-26.

**Latest programme progress:** Our SIETF programme continues to receive significant applications from a wide range of industrial manufacturing sectors across the country. By enhancing energy efficiency it cuts energy costs, in particular for Scotland's diverse food and drink sector. Phases 1 and 2 up to 2022 provided 20 projects with grants totalling £12 million and Phase 3 has received 31 applications that will be processed in 2023/24. The programme will be reviewed prior to further invitations to apply.

**Contribution to economic development:** Investment to support energy efficiency or decarbonisation of energy-intensive industries (EII) can sustain high-value jobs that are often in the supply chains which are vital for regional communities, the Scottish manufacturing sector and economy as a whole. There are significant barriers however to attracting the necessary investment – particularly long payback periods – whilst sites must remain internationally competitive. Via match-funding, SIETF grants are incentivising investment across various sectors including food and drink, pharmaceuticals, glassmaking, and a data centre. This demonstrates the steps which government and industry are taking together to deliver against Scotland's climate change ambitions by co-investing to decarbonise the industrial sites that local jobs and communities depend upon.

**Contact for public enquiries:** email: [SIETF@gov.scot](mailto:SIETF@gov.scot)



## **Programme name: Energy Transition Fund**

**Programme description:** This package of investment will support our energy sector and help us make significant progress on energy transition, as we move toward a net zero society by 2045.

**Estimated total investment:** £75 million.

**How is programme being funded:** The Energy Transition Fund (ETF) was launched in June 2020, and was increased from £62 million to £75 million in September 2021. The ETF will support our energy sector and the North East over the next 5 years, to make progress on energy transition as we move toward a net zero society by 2045.

**Programme delivery timetable:** 2020-21 to 2024-25.

**Latest programme progress:** The Energy Transition Fund is actively funding the following:

- £26.3 million for an Energy Transition Zone - ETZ was officially opened in February 2022 and will transform north east Scotland into a globally integrated energy cluster focussed on accelerating net zero through energy transition activities.
  - £11.4 million funded from 2020-23, and £6.4 million to be delivered in 2023-24.
  - Latest workstreams revolve around greenfield site developments- working in conjunction with Aberdeen City Council to expedite granting of planning permission.
- £16.6 million to Net Zero Technology Centre - at the heart of the Net Zero Technology Transition Programme (NZTTP) are seven interconnected projects focussing on reducing emissions and transforming the industry to an integrated, digitally enabled energy system, with the North Sea as the nexus.
  - £8.2 million funded from 2020-23, and £6.2 million to be delivered in 2023-24
  - Delivered a world first running of a Gas Turbine on e-methanol – showcasing a readily deliverable solution to decarbonise North Sea operations.
- £6.5 million for a Global Underwater Hub - the vision for the Global Underwater Hub (GUH) is to transform the globally competitive underwater sector in the UK to accelerate the transition to net zero, drive innovation and growth and make a step change in the development and internationalisation of technology and services.
  - £3.6 million funded from 2020-23 and £770k to be delivered in 2023-24.
  - Delivered the first two phases of the Digital Ecosystem project – covering development of the website and customer engagement platform.
  - Ran Subsea Expo from 21-23 February 2023 - huge engagement with the sector and strong support from stakeholders.
- £15.2 million to the Aberdeen Hydrogen Hub - the Aberdeen Hydrogen Hub will play a leading role in supporting the Scottish Government's Net Zero Emissions target and presents the opportunity to deliver Scotland's first commercially investable, 'green hydrogen' production facility focussed initially on the decarbonisation of transport.
  - £5.85 million funded from 2020-23, and £5.65 million to be delivered in 2023-24.
  - 10 Hydrogen buses added to the original 15 on fleet, and equipment procured to convert Aberdeen City Council vehicles to Hydrogen.

All four projects have completed their funding application and are at delivery stage, with grant offer letters signed. The two projects that are jointly funded by UK Government (The

Energy Transition Zone Ltd and Global Underwater Hub) are still awaiting UK Government funding being finalised and issued. Funding Delivery for the Energy Transition Zone has moved from the Department for Business, Energy and Industrial Strategy (BEIS) to the Department for Levelling Up, Housing and Communities. The Global Underwater Hub funding from BEIS has been partially delivered, with the capital funding being awarded. The resource funding is still outstanding. The ETF team continue to engage proactively with UK Government colleagues to facilitate issuing of UK Government Funding.

**Contribution to economic development:** Investment of £75 million over 5 years into the North East to support transition to renewable energy and support a thriving energy economy. ETZ is part of the wider harbour redevelopment works supported by the Aberdeen City Deal

**Contact for public enquiries:** email: [Neil.purdom@gov.scot](mailto:Neil.purdom@gov.scot)

## **Programme name: Emerging Energy Technologies Fund (EETF) – including hydrogen and CCS**

**Programme description:** Support carbon capture and storage (CCS), negative emissions technologies (NETs) and hydrogen development.

**Estimated total investment:** £180 million.

**How is programme being funded:** Scottish Government has committed £180 million capital grant as part of Climate Change Plan over 5 years - £100 million on Hydrogen and £80 million on CCS and NETs.

**Programme delivery timetable:** 2021-22 to 2025-26

**Latest programme progress:** In June 2022, we launched the first tranche of the EETF hydrogen investment programme via the £10 million Hydrogen Innovation Scheme with a focus on innovation in renewable hydrogen production, storage and distribution technology. The second tranche of the EETF hydrogen investment programme, the £90 million Green Hydrogen Scheme, is due to follow.

While the legislative and regulatory levers required to deliver the CCUS Cluster Sequencing process are reserved to the UK Government, we remain wholly committed to supporting the development and deployment of CCUS and stand firmly behind our commitment to make available £80 million of financial support.

Due to the unfortunate delays from the UK Government in awarding the Scottish Cluster, it has not yet been possible to deploy this support and we continue to urge the UK Government to provide a timetabled solution for when the Scottish Cluster will be awarded.

**Contribution to economic development:** The Emerging Energy Technologies Fund (EETF) will, over the next four years, invest £180 million in the development of hydrogen

and CCUS industries in Scotland and support the development of negative emissions technologies - creating attractive diversification opportunities and new, sustainable green jobs for those currently working in the oil and gas industry.

**Contact for public enquiries:** CCS email: [nicholas.young@gov.scot](mailto:nicholas.young@gov.scot) / EETF email: [EETF@gov.scot](mailto:EETF@gov.scot)

## **Sector: Low carbon manufacturing**

### **Programme name: Low Carbon Manufacturing Challenge Fund (LCMCF)**

**Programme description:** New Challenge Fund that will support Scottish manufacturers' scope to innovate and drive the decarbonisation of manufacturing businesses.

**Estimated total investment:** £26 million.

**How is programme being funded:** Capital Funded.

**Programme delivery timetable:** 2022-23 to 2025-26.

**Latest programme progress:** Small amount of capital from 2021-22 has been used to fund a CivTech 6.0 Challenge to develop a tool to help manufacturers' baseline carbon emissions. At the completion of the CivTech accelerator phase, we signed a Pre-Commercial Agreement with a small Scottish start-up called iSumio to work towards a beta product by the end of 2022.

iSumio have now succeed in producing their beta product named Neoni® as a part of the Agreement and are seeking to test this with industry. We are continuing to work with the company to support this phase with an aim to move towards a full commercial launch of the product later this year.

We launched the Low Carbon Manufacturing Challenge Fund (LCMCF) in May 2022. The goal is the development of new products, services or technologies that will reduce emissions, energy consumption, waste production and decrease the use of raw materials in the manufacture, and/or end use of the existing alternative. Alternatively, we want to support the development of new business models based on the principles of a circular economy. Through circular supplies, resource recovery, product life extension or use of sharing platforms, for example.

Administered by Scottish Enterprise, LCMCF grants are for a minimum of £150,000 with £3 million made available across 2022-23. The first grant award of £750,000 to NorFrame was announced in December 2022 to support the establishment of a fully renewable energy powered factory to manufacture timber kit frames for homes, schools and commercial buildings. There continues to be a good level of interest in the Fund from industry with a large volume of proposals at various stages of the pipeline.

**Contribution to economic development:** The LCMCF will support development of new business models. These will potentially lead to new products that will drive low carbon transition in the Scottish manufacturing sector, drive collaborative development across supply chains of new manufacturing processes and technologies, develop options to enhance capacity in growth sectors and exploit opportunities in support of the transition to a circular, net zero carbon economy.

**Contact for public enquiries:** email: [stuart.strachan@gov.scot](mailto:stuart.strachan@gov.scot)

## **Sector: Circular economy**

### **Programme name: Waste Sector**

**Programme description:** Investment to improve local authority recycling collection infrastructure, accelerate landfill gas capture and improve waste data through electronic waste tracking.

**Estimated total investment:** £75 million.

**How is programme being funded:** Capital funding committed from Scottish Government for the five years from 2021-22.

**Programme delivery timetable:** 2021-22 to 2025-26.

**Latest programme progress:** Since the launch of the £70 million Recycling Improvement Fund in March 2021, over £53 million has been awarded to 17 local authorities to invest in local authority recycling infrastructure. As one of the biggest investments in recycling in Scotland in a generation, we are funding more frequent recycling services and collections of new materials, the expansion of food and garden waste collections to new areas, boosting Scotland's capacity to recycle soft plastics and films, and local service redesigns to align with Scotland's Household Recycling Charter.

This landmark investment is making it easier for households to make the right recycling choices, and make an important contribution to meeting Scotland's waste, recycling and climate targets. The projects announced to date have the potential to reduce CO<sub>2</sub>e emissions by 49,000 tonnes each year - the equivalent of taking 26,000 cars off the road. The Scottish Government is working in partnership with COSLA (Convention of Scottish Local Authorities), SOLACE (Society of Local Authority Chief Executives) and Zero Waste Scotland to deliver the fund.

More information on the aims, scope and distribution of the fund is available at the [Zero Waste Scotland](#) website

A summary of responses to the consultation (21 January and 15 April 2022) on plans for the introduction of a mandatory digital waste tracking service in the UK was published on 15 December 2022. Funding has been allocated to support SEPA (Scottish Environment Protection Agency) with implementation of waste tracking in Scotland. The ambition is to provide a step change in the quality and timeliness of data on waste and resource flows to support decision-making. By making it easier to identify opportunities to reduce the waste produced and reuse the materials we consume, this will support our transition to a circular economy.

Work to accelerate landfill gas capture in Scotland was a new boosted policy, as outlined in the recent Climate Change Plan update, working with SEPA and key industry partners to scale up the existing landfill gas capture programme to mitigate effects of landfill and environmental impact of closed landfill sites. This is supported by additional funding from the Low Carbon Fund with the aim to harness the energy generated from landfill gas

capture and maximise circular economy opportunities, where possible. Due to other unavoidable resource implications, including COVID-19 contingency work, progress on this policy outcome was paused. We will take forward plans this financial year (2023-24).

**Contribution to economic development:** This investment has the potential to unlock local reprocessing investments, create jobs and a ready supply of recycled material for new packaging. It is part of building a fully circular economy in Scotland, which will drive materials up the waste hierarchy and keep them in high value use for as long as possible. Research has shown that 10,000 tonnes of waste can create 1 job in incineration, 6 jobs in landfill, 36 jobs in recycling or up to 296 jobs in repair and reuse. The circular economy represents an enormous economic and industrial opportunity for Scotland and can improve productivity and open up new markets, while also benefiting workers and communities by providing local employment and lower priced goods. A more circular economy is also more self-sufficient – it reduces our reliance on imported goods and materials and provides increased economic resilience. This contributes to a range of UN (United Nations) Sustainable Development Goals, including ensuring sustainable consumption and production patterns.

**Contact for public enquiries:** email: [zero\\_waste\\_inbox@gov.scot](mailto:zero_waste_inbox@gov.scot)

## **Sector: Flood management**

### **Programme name: Flood Risk Management**

**Programme description:** Additional spending on flood risk management, in support of enhanced adaptation and climate resilience as part of a green recovery.

**Estimated total investment:** £150 million.

**How is programme being funded:** Capital funding committed from Scottish Government for the five years to 2026.

**Programme delivery timetable:** 2021-22 to 2025-26.

**Latest programme progress:** £31 million of the £150 million has been allocated to local authorities to take forward work on flood protection schemes. A joint Scottish Government/COSLA (Convention of Scottish Local Authorities) Flood Risk Management Working Group set up in 2021, is looking at funding arrangements for flood risk management actions going forward and how the remaining flooding money will be allocated. It will put recommendations to the joint Scottish Government/COSLA officers' Settlement Distribution Group with Ministers and Council Leaders subsequently being provided with advice later in 2023.

**Contribution to economic development:** Additional investment in flood risk management will increase our flood resilience and reduce economic losses caused by flooding, including reducing interruption to economic activities and the cost of repairing damaged structures and other infrastructure assets.

**Contact for public enquiries:** email: [Flooding\\_Mailbox@gov.scot](mailto:Flooding_Mailbox@gov.scot)

## **Sector: Natural capital**

### **Programme name: New planting and forest expansion**

**Programme description:** New planting and forest expansion.

**Estimated total investment:** £283 million.

**How is programme being funded:** Capital funded.

**Programme delivery timetable:** 2021-22 to 2025-26.

**Latest programme progress:** The 'draft' Forestry and Land Scotland (FLS) Acquisition Strategy sets out the principles under which FLS will use both the £30 million of Scottish Government low carbon funding and the FLS strategic funds to acquire land in order to grow Scotland's national forests and land.

Utilising these funds, in 2022-23 FLS acquired 3,700 ha of new land at a total cost of £20.9 million. Roughly, 40% of this land will be plantable for trees with the remainder being managed for peatland / habitat restoration, and/or ecological / recreational outcomes.

Stepped increases in new planting targets have been set with the aim of achieving 18,000 ha planting in 2024-25. Annual targets are now as follows: 2022-23 15,000 ha, 2023-24 16,500 ha and 2024-25 18,000 ha. Although Scottish Forestry approved claims for over 13,000 ha of new woodland creation in 2021-22, actual planting achieved was confirmed as 10,480 ha in July 2022. We also anticipate that planting for 2022-23 will fall below target with circa 12,800 hectares of claims having been submitted. This is due to ongoing challenges in Forestry sector capacity restraints.

The Bute House Agreement 4,000 ha/yr native woodland creation target was exceeded for 2021-22 with 4,360 ha of native woodland approved for the year ending 31 March 2022. We are also on target to achieve the native woodland target for planting in 2022-23.

Plans to implement required infrastructure and resource for longer term ambitions have progressed well with our targeted recruitment of 33 new posts having been substantially completed. In addition to tackling the supply-side capacity constraints, our work on Forestry Grant Scheme (FGS) Enhancements should increase demand for woodland creation, through increased applications for Trees on Farms and riparian plantings and through improved community engagement leading to faster application processing. Although we still have to quantify the impact of these improvements, they should have a positive effect on the pipeline of future projects.

**Contribution to economic development:** A report on the economic contribution of the forestry sector in Scotland showed that Scottish forestry contributes approximately £1 billion GVA (Gross Value Added) to Scotland's economy every year. GVA measures the contribution to the economy of each individual producer, industry or sector in the UK.



Forestry's economic contribution to Scotland is £954 million GVA: £771 million comes from forestry and timber processing; and £183 million comes from forest recreation and tourism. Employment levels are up with more than 25,000 full time employees now working in the sector.

Forestry and timber processing contributes £771 million GVA per year to Scotland's economy; and employs 19,555 people (full time) in Scotland. Forest recreation and tourism contributes £183 million GVA to the Scottish economy every year; and employs 6,312 people (full time) in Scotland. Forestry activities are spread across Scotland, including in rural and remote areas where they generate important income and employment opportunities.

**Contact for public enquiries:** email: [Pat.Snowdon@forestry.gov.scot](mailto:Pat.Snowdon@forestry.gov.scot)

## **Programme name: Peatlands**

**Programme description:** Capital investment as part of our 10-year £250 million commitment to restore 20,000 ha annually, and 250,000 ha by 2030.

**Estimated total investment:** £100 million.

**How is programme being funded:** Programme currently funding full capital costs of peatland restoration projects delivered by our partners. Looking ahead, a range of alternative funding models will be explored.

**Programme delivery timetable:** 2020-21 to 2025-26.

**Latest programme progress:** Peatland restoration continues to be progressed across Scotland through the work of our current delivery partners (NatureScot (Peatland Action), Forestry and Land Scotland, Cairngorms National Park, Loch Lomond and Trossachs National Park and Scottish Water). As per latest figures (until February 2023) during 2022-23, around 7,500 hectares of degraded peatland were put on the road to recovery. This number will be confirmed in May 2023 once the required quality assurance is completed.

We have also developed, in partnership with Environmental Systems, a digital portal. This is designed to help project developers, policy makers and researchers to gather information about the condition of peatland across Scotland, and support site selection and design of future peatland restoration projects. It is available here: <https://peatscope.com>

Through our Peatland Programme, we continue to work with our partners to understand and address the structural, operational and resourcing challenges around significantly upscaling rates of restoration.

**Contribution to economic development:** Investment in peatland restoration over the coming 10 years will help to support small and medium size businesses that deliver restoration works, often in rural areas. It will also provide opportunities for landowners and land managers, farmers and crofters and third sector bodies. This includes huge potential for peatland restoration to provide significant numbers of green jobs over the next decade.

Restoration also helps peatland and its valuable biodiversity adapt to climate change. That in turn provides us with adaptation benefits including reducing flood risk and soil erosion and improving water quality. Our peatland restoration programme will benefit Scotland's communities as part of a Just Transition to Net Zero. It will improve people's enjoyment of the natural world, provide jobs, and offer many other public benefits to health, education, environmental justice, and tourism.

**Contact for public enquiries:** email: [peatland.restoration@gov.scot](mailto:peatland.restoration@gov.scot)

## **Programme name: Low Carbon Vacant and Derelict Land Investment Programme**

**Programme description:** The Vacant and Derelict Land Investment Programme (VDLIP) is a capital programme to help with tackling persistent vacant and derelict land and supporting place-based approaches to delivering regeneration and sustainable inclusive growth, as part of a 'just transition' to net-zero by 2045. It is a competitive fund open to all 32 local authorities and the Clyde Gateway URC (Urban Regeneration Company).

**Estimated total investment:** £50 million.

**How is programme being funded:** Capital funded.

**Programme delivery timetable:** 2021-22 to 2025-26.

**Latest programme progress:** In September 2021, 10 successful projects were announced from the first round of funding representing an investment of £5 million in 2021-22. Another 10 additional successful projects were announced in May 2022 constituting a further investment of £5 million for financial year 2022-23. In February 2023, it was announced that a further 15 successful projects were being awarded funding for 2023-24 totalling an award value of £9.3 million. The call for 2024-25 funding will be announced in April 2023. Successful projects can be viewed at the [Low Carbon Fund: VDLIP projects](#) website.

**Contribution to economic development:** Scotland currently has more than 11,000 hectares of registered vacant and derelict land which offers significant potential to be brought back to positive use to the benefit of communities. This fund supports projects that prioritise such sites and protect our existing natural capital ensuring that future infrastructure investment goes into areas where it is needed the most, stimulating economic growth, creating jobs, promoting environmental justice, and supporting communities to flourish and tackle inequalities.

**Contact for public enquiries:** email: [vdlip@gov.scot](mailto:vdlip@gov.scot)

**Sector: Cities / Regions**

## **Programme name: Glasgow City Region Deal**

**Programme description:** The Deal empowers Glasgow and its City Region partners to identify, manage and deliver a programme of investment to stimulate economic growth and create jobs in their area, spreading the benefits of economic growth across Glasgow and Clyde Valley, and ensuring deprived areas benefit from this growth.

**Estimated total investment:** £1.13 billion. Scottish Government is a full partner and investing £500 million over 20 years. UK Government investing £500 million over same period and the regional partners £130 million. Scottish Government is also investing £20 million in the Imaging Centre of Excellence.

**How is programme being funded:** Capital funded.

**Programme delivery timetable:** 20 years from 2015-16 until 2034-35.

**Latest programme progress:** The Deal, which was signed August 2014, is now well underway and the Glasgow City Region Cabinet has approved a number of projects. Project selection and approval is a matter for the Glasgow City Region Cabinet (and not Scottish Ministers).

Following site clearance and utility diversions, works on road construction started in December 2022 for the Clyde Waterfront and Renfrew Riverside Project with further work in the south commencing in 2023 following the approval of licenses from Peel Ports. Larkhall Community Growth Area (CGA), A72 Lanark Road / M74 Signalisation construction work is due to begin throughout June 2023. Construction is also due to start at East Kilbride CGA to improve the social and physical infrastructure to accommodate the increase in the number of residents. With the focus on the roads and education.

The Pan Lanarkshire Orbital project in North Lanarkshire has made history in that it is one of the largest concrete bridge lifts in Europe and a 5,000-tonne railway crossing was moved into position in May 2023 on the West Coast Main Line at Ravenscraig. The Access and Integrity of the Waterfront sub-project Tradeston Bridge refurbishment including enhanced lighting functionality is now complete.

**Contribution to economic development:** The Deal supports Glasgow partners to develop the region's economy.

**Contact for public enquiries:** email: [cityregiondeals@gov.scot](mailto:cityregiondeals@gov.scot)

## **Programme name: Aberdeen City Region Deal**

**Programme description:** The 10-year Deal paves the way for investment in innovation and internationalisation as well as digital connectivity and infrastructure across the region.

**Estimated total investment:** The value of the Deal has risen to over £1 billion as a result of increased private investment. Scottish and UK Governments have committed up to

£125 million each while regional partners have committed just over £750 million (revised from an original commitment of £576 million). The Scottish Government has also committed to invest a further £254 million over the same 10-year period as the City Region Deal to deliver further economic benefits.

**How is programme being funded:** Capital funded.

**Programme delivery timetable:** 10 years from 2016 until March 2027.

**Latest programme progress:** The Net Zero Technology Centre (NZTC) continues to develop and deploy new technologies to reduce energy emissions and to support an integrated net zero energy system. It has now screened over 1,800 technologies, resulting in more than 175 field trials and 33 commercialised technologies - 12 companies joined its TechX Clean Energy Accelerator in February 2023, which is helping energy start-ups and early stage businesses to grow.

The National Subsea Centre officially launched in 2022, becoming the second national research and development centre launched by NZTC through Deal funding. A partnership with Robert Gordon University, it aims to accelerate energy transition through smart technologies applied in subsea and marine sectors.

The Bio Therapeutic Hub for Innovation (BioHub) is due to officially launch in May 2023, providing support and physical infrastructure to grow businesses in the life sciences sector. This will complement the Food Hub for Innovation (SeedPod). This aims to help food and drinks businesses to grow, construction beginning in 2023 towards a planned opening in 2024.

Work to accelerate progress on the external transport links to Aberdeen South Harbour continues. This aims to maximise the benefits of the Aberdeen South Harbour project, which is due to officially open in July 2023. Projects have been approved to utilise £5 million of additional Scottish Government funding for digital infrastructure improvements. Work is expected to begin in the course of 2023.

**Contribution to economic development:** The projects in the Aberdeen City Region Deal will support Aberdeen in its ambition to be an energy transition capital. Significant investment in innovation, digital connectivity and infrastructure will help diversify and transform the region's economy.

**Contact for public enquiries:** email: [cityregiondeals@gov.scot](mailto:cityregiondeals@gov.scot)

## **Programme name: Inverness and Highland City-Region Deal**

**Programme description:** The Deal aims to drive inclusive economic growth across the region through investment in housing, skills, innovation and entrepreneurship, tourism, transport and digital.

**Estimated total investment:** £315 million. Scottish Government has committed to investing up to £135 million in the Deal, the UK Government up to £53 million, and the Council and regional partners a further £127 million over 10 years.

**How is programme being funded:** Capital funded.

**Programme delivery timetable:** 10 years from January 2017 until January 2027.

**Latest programme progress:** The Deal was signed in January 2017 and is now underway with many projects now in delivery.

The Deal has seen 211 affordable homes constructed to date with a further 146 currently under construction - 11 assisted living Fit Homes are complete with a further 18 nearing completion. The Inverness College UHI Centre for Health & Life Sciences completed construction in March 2023, slightly later than previously reported due to supply chain issues and the passing away of the Project Director. Following the award of the main construction contract for Inverness Castle in February 2022, work started on-site in April 2022 and continues to progress as planned.

**Contribution to economic development:** Regional Partners have estimated that the Deal will have the following economic benefits and will:

- Help to rebalance population with the aim of retaining and/or attracting an additional 1,500 young people in the 18-29 age group over the initial 10-year deal period.
- Create an additional 1,125 direct jobs as a result of City Region Deal projects with a further 2,200 additional jobs in the construction sector.
- Help to up-skill labour market and contribute to moving towards a high skilled high wage economy, improve productivity and real wages which are estimated to increase by an additional 1.3 per cent and bring an additional £100 million per annum to the regional economy.
- Create 6,000 new houses over 20 years of which 1,600 will be affordable homes.
- Deliver private sector leverage from house building and through opening up land for commercial development which will see an additional return over a 20-year period of around £800 million being invested in the economy of the city and region.

**Contact for public enquiries:** email: [cityregiondeals@gov.scot](mailto:cityregiondeals@gov.scot)

## **Programme name: Edinburgh and South East Scotland City Region Deal**

**Programme description:** The city region has a strong and successful economy on which to build, however there remain a number of issues that need to be addressed. Prosperity and success is not universal across the city region. There are 22.4% of children living in poverty, there is a lack of mid-market and affordable housing and too many people are unable to move on from low wage/low skill jobs. The City Region Deal aims to address issues including child poverty and the lack of mid-market and affordable housing, and is working to create new economic opportunities, new meaningful new jobs and to reduce inequalities.

**Estimated total investment:** £1.3 billion. Scottish and UK Governments committed to investing up to £300 million each in the Deal. Regional partners, including six local authorities and region's universities and private sector, will contribute £730 million.

**How is programme being funded:** Capital and revenue funded.

**Programme delivery timetable:** 15 years from 2018 until 2032.

**Latest programme progress:** The Deal was signed in August 2018 and is now underway. Since then, the Joint Committee have been steadily signing off business cases for projects within the Deal.

The Scottish Government has committed £60 million to the Data Driven Innovation theme to support research, development and innovation. Within this theme, the Bayes Centre and National Robotarium are complete, with the Edinburgh Futures Institute aiming to open to students and the Usher Institute on track to complete in 2023. Design work continues on the Easterbush link roads and Edinburgh Food and Drink Innovation Hub.

Investment in business infrastructure (Fife Industrial Estates Regeneration and Tweedbank Innovation Park) is designed to ensure that businesses and communities across the city region are fully able to engage in the data-driven innovation opportunities, Elements of both interventions have been delivered, with work continuing on the remaining phases.

Scottish Government investment will support on strategic transport improvements as part of the City Region deal, including up to £120 million to support improvements to the A720 City Bypass for the grade separation of Sheriffhall Roundabout and £20 million investment to support public transport infrastructure improvements identified by the West Edinburgh Transport Appraisal. Design work is underway on the West Edinburgh project, while progress on the Sheriffhall project is dependent on the outcome of a Public Local Inquiry which took place in January 2023.

Under the Culture theme the Scottish Government will provide up to £10 million to support the delivery of the new Dunard Centre, a concert hall and performance venue that will reinforce Edinburgh's position as a pre-eminent Festival City. Site clearance began in February 2023.

**Contribution to economic development:** The Deal will address inclusion issues, create new economic opportunities, and is expected to provide up to 21,000 jobs.

**Contact for public enquiries:** email: [cityregiondeals@gov.scot](mailto:cityregiondeals@gov.scot)

**Programme name:** Stirling and Clackmannanshire City Region Deal



**Programme description:** The Deal will enable the city region to thrive in new and emerging sectors with a highly skilled, flexible workforce, supported by outstanding infrastructure.

**Estimated total investment:** £214 million. Scottish Government and UK Government each invest £45.1 million (£43.2 million of SG investment is capital). Regional Partners have committed investment of £123.8 million. Scottish Government also making an investment of £5 million in addition to the Deal.

**How is programme being funded:** Capital funded.

**Programme delivery timetable:** 10 years.

**Latest programme progress:** The Deal was signed on 26 February 2020. The Scottish Government is working together with the UK Government and the regional partners towards implementation of the Deal focusing on the transition into project delivery.

Work has continued to deliver the projects outlined in the signed Deal, including the first phase of Scotland's International Environment Centre at the University of Stirling and the Walk, Cycle Live Stirling active travel routes, with further progress anticipated in the coming year.

**Contribution to economic development:** The Deal forecasts that 5,000 jobs will be created and £640 million of private investment unlocked.

**Contact for public enquiries:** email: [cityregiondeals@gov.scot](mailto:cityregiondeals@gov.scot)

## **Programme name: Tay Cities Region Deal**

**Programme description:** The Deal's themes reflect the Tay Cities Regional Economic Strategy and the focus on inclusion, industry and innovation as well as internationalisation and empowerment.

**Estimated total investment:** £700 million. Scottish Government and UK Government will each invest £150 million (£127.4 million of Scottish Government investment is capital expenditure). A potential £400 million is being leveraged as a result of Deal funding. Scottish Government are also making an investment of £50 million in addition to the Deal.

**How is programme being funded:** Capital and resource funded.

**Programme delivery timetable:** 10 years.

**Latest programme progress:** The Deal was signed on 17 December 2020. Significant progress has been made since the Deal was signed with business case approval for over £160 million of the total capital investment, of which £78 million had been drawn down by regional partners (to end of 2022).

Regional partners have developed a Benefits Realisation Plan to demonstrate the impact of the Deal, including progress towards inclusive growth and net zero, and will fully implement reporting on the benefits of the Deal this year. To the end of September 2022, 677 jobs have been created and £123 million of investment in the region secured.

**Contribution to economic development:** 6,000 jobs and a £400 million of investment unlocked by the Deal (as included within the £700 million total investment).

**Contact for public enquiries:** [cityregiondeals@gov.scot](mailto:cityregiondeals@gov.scot)

## **Programme name: Ayrshire Growth Deal**

**Programme description:** The Deal's vision is to enable Ayrshire to be vibrant, outward looking, confident, attractive to investors and visitors, and for it to make a major contribution to Scotland and the wider UK's growth.

**Estimated total investment:** £251.5 million. Scottish Government & UK Government will invest £103 million each. Regional partners will invest £45.5 million.

**How is programme being funded:** Capital funded (£91.5 million). Revenue funded (£11.5 million).

**Programme delivery timetable:** Scottish & UK Government investment will be over the next 10 years.

**Latest programme progress:** The Deal was signed in November 2020 by Scottish Government, UK Government, and regional partners.

The HALO, which has regenerated the previous Jonnie Walker site in Kilmarnock into a fully integrated Enterprise and Innovation Hub, has been completed with clients such as Barclays already making use of the campus. The project won an award for 'Best Regeneration Project' at the 2022 Scottish Property Awards.

One of the programme of space and aerospace projects at Prestwick, a Commercial Build Space FBC has been approved at September 2022 Joint Committee. The Commercial Space will provide high quality, high specification industrial and commercial space to meet the needs of the developing aerospace and space sectors. The project has been signed with Mangata.

The Scottish Government will continue to work with the three local authorities and UK Government to further develop the detail of the projects supported through the deal and to maximise inclusive growth opportunities.

**Contribution to economic development:** Regional partners estimate that the Deal will create 7,000 new jobs and unlock an additional £300 million from the private sector. Scottish Government investment includes £40 million for an Economic Infrastructure Programme which includes innovative projects around engineering, manufacturing and



digital automation, over £60 million for an Aerospace and Space Programme and £18.5 million for tourism and regeneration.

**Contact for public enquiries:** email: [cityregiondeals@gov.scot](mailto:cityregiondeals@gov.scot)

## **Programme name: Borderlands Growth Deal**

**Programme description:** The Borderlands Deal is the first cross-border Deal, delivering across five local authority areas, two in the South of Scotland (Dumfries & Galloway and Scottish Borders) and three in the North of England (Carlisle City, Cumbria and Northumberland). The Deal's ambition is to unlock the region's potential as an economic hub to encourage new business and job opportunities. The Deal involves cross border collaboration recognising the economic and social ties between the south of Scotland and north of England and the desire of regional partners to work together on shared challenges and opportunities.

**Estimated total investment:** £191 million within the Scottish element of the Deal. The Scottish Government will invest up to £85 million and the UK Government will invest up to £65 million in Scottish Deal. Regional partners will invest £41.2 million.

**How is programme being funded:** Capital funded.

**Programme delivery timetable:** Scottish Government and UK Government investment will be made over 10 years.

**Latest programme progress:** The Deal was signed in March 2021. Priority themes and areas have been identified for Scottish Government and UK Government investment. They are Enabling Infrastructure, Improving Places, Supporting Business, Innovation and Skills, and Encouraging Green Growth.

Partners are continuing to develop business cases, in particular for the Mountain Bike Innovation Centre in the Tweed Valley, the Dairy Nexus in Dumfries, the Business Infrastructure Programme and the River Tweed Route.

**Contribution to economic development:** The Deal is focused on four strategic investment themes: delivering green growth and attracting new businesses and investment; improving transport and digital connectivity; delivering skills and innovation; and improving places to support their longer-term resilience are key. The ambition is to attract new residents and develop the region's tourism offer and to encourage more visitors capitalising on the region's natural capital. The programme of investment will deliver significant economic benefit for communities and businesses. It is estimated that across the whole Borderlands region, over the programme lifetime (and a further 10 years to capture the benefits), the Borderlands Inclusive Growth Deal will:

- Benefit 1.1 million residents and deliver an estimated additional 5,500 job opportunities.
- Attract more than four million extra tourists to the area and improve mobile and digital connections.

- Unlock investment in towns across the area and generate around £1.1 billion of additional GVA (Gross Value Added) with a sustainable and inclusive approach to growth for the Borderland's economy.
- Tackle the three principle socio-economic challenges of the region by narrowing the productivity gap, increasing the working age population, and delivering inclusive growth by addressing digital exclusion, the earnings gap and access to quality jobs and access to education.

**Contact for public enquiries:** email: [cityregiondeals@gov.scot](mailto:cityregiondeals@gov.scot)

## **Programme name: Moray Growth Deal**

**Programme description:** The Deal will help drive inclusive economic growth. It will help both retain and attract young people to live and work in area, address gender inequality in employment; and create new high-quality jobs and opportunities across Moray.

**Estimated total investment:** £100.8 million. Scottish Government and the UK Government will both invest £32.5 million each and regional partners will contribute an additional £35.8 million.

**How is programme being funded:** Capital and revenue funded (Scottish Government funding is 90% capital and 10% revenue).

**Programme delivery timetable:** 10 years.

**Latest programme progress:** The full Deal was signed on 20 December 2021. Since then, the Digital Health project (which aims to provide a rural centre of excellence for digital health care innovation) and the Bus Revolution project (provision of a low-carbon, demand-responsive bus service to improve public transport connectivity in Moray) have entered delivery. Officials continue to work with regional partners to further develop the detail of the remaining Deal projects and to maximise inclusive growth opportunities.

**Contribution to economic development:** As well as creating high-quality jobs and opportunities across Moray, the Deal will address key growth challenges, including keeping young people in the area to live and work, and addressing gender imbalances in key sectors of the economy to unlock future potential.

The vision for the Deal is built on four pillars - Connections; Business Support, Skills and Employability; Moray the Place/Brand; and Moray's Priority Business Sectors that will unlock investment and drive inclusive and sustainable economic growth across the area.

Regional Partners estimate that economic benefits arising from the Deal will include the following:

- Directly and indirectly create over 3,500 jobs associated with the economic benefits accrued from growth deal projects. Of these, 450 jobs will be directly created as part of Growth Deal project delivery.
- Attract an additional 50,000 tourists and construct over 300 affordable new homes.

- Support 450 businesses to scale up to increase the value of the Moray economy by £82 million and create new and improve existing facilities for businesses.
- Create an enhanced culture and leisure offering for local people to make Moray a more attractive place to live and work.

**Contact for public enquiries:** email: [cityregiondeals@gov.scot](mailto:cityregiondeals@gov.scot)

## **Programme name: Argyll and Bute Growth Deal**

**Programme description:** The Deal will focus on strengthening communities (including attracting, training and retaining talents) and on connecting Argyll and Bute's high value business sectors to national and international business markets.

**Estimated total investment:** £50 million. Scottish Government and the UK Government will invest £25 million each.

**How is programme being funded:** Capital funded.

**Programme delivery timetable:** 10 years.

**Latest programme progress:** The Heads of Terms agreement was signed on 11 February 2021. The Scottish Government continue to work with the Council and partners to encourage and facilitate progress. There is a shared ambition to conclude the Full Deal Agreement as soon as possible.

**Contribution to economic development:** The Deal is at Head of Terms agreement and its economic development benefits and targets will be confirmed at full deal stage. The planned investment will drive sustainable and inclusive economic growth, benefitting individuals, businesses and communities across the area. The Deal aims to leverage the area's natural marine resources to build its thriving aquaculture industry and promote sustainable tourism, as well as providing new training opportunities and creating high value jobs.

Heads of Terms has indicated that investment will be targeted across three key drivers:

- Connecting high value business sectors with national and international business markets.
- Attracting additional skills, training, and learning opportunities, new residents, visitors and businesses.
- Growing by doing more of what works; making more of Argyll and Bute's natural and built resources.

The Deal aims to target specific issues facing the region, in particular, Argyll and Bute Council have cited population forecasts estimating that by 2027, the region will need another 10,000 working-age people to keep businesses running and provide public services.

**Contact for public enquiries:** email: [cityregiondeals@gov.scot](mailto:cityregiondeals@gov.scot)

## **Programme name: Islands Growth Deal**

**Programme description:** The Deal which covers the Outer Hebrides, Shetland and Orkney, will invest in the priority themes identified by the Islands Growth Deal partners; leading the way to a low carbon future, supporting growth and future industries, and creating thriving, sustainable communities.

**Estimated total investment:** £393 million. The Scottish Government and the UK Government will invest £50 million each. Regional partners will invest an additional £293 million.

**How is programme being funded:** Capital and revenue funded (Scottish Government funding is 90% capital and 10% revenue).

**Programme delivery timetable:** 10 years.

**Latest programme progress:** The Deal was signed on 20 January 2023, and the Islands Growth Deal is now in its delivery phase. The Islands Centre for Net-Zero was the first project to be fully approved in March 2023. Officials continue to work with regional partners to further develop the detail of the remaining Deal projects and to maximise inclusive growth opportunities.

**Contribution to economic development:** The Deal has three broad themes along which its objectives are planned: leading the way to a low carbon future which will contribute to net-zero commitments by supporting energy transition, delivering port infrastructure, and piloting decarbonisation in an island context; supporting growth and future industries, which will see the development of significant island tourism and cultural assets, and innovation in key Space, Food and Drink and Creative Industries sectors; and building thriving sustainable communities, which will see the expansion of existing learning facilities, sustainable housing provision, and investment in a skills programme targeting key sectors including decarbonisation and renewable energy.

Regional partners anticipate that the Deal is likely to create up to 1,300 sustainable jobs across the three island groups aimed at retaining and attracting young talent.

**Contact for public enquiries:** email: [cityregiondeals@gov.scot](mailto:cityregiondeals@gov.scot)

## **Programme name: Falkirk Growth Deal**

**Programme description:** The Deal aims to channel investment behind two pillars of Innovative Industry and Creating Great Places, each of which includes a series of interlinked projects.

**Estimated total investment:** £130.8 million. The Scottish Government will invest £40 million, matching the commitment of the UK Government, local partners are

contributing £50.8 million. An additional £10 million is also being made available by the Scottish Government to support Green Recovery.

**How is programme being funded:** Capital and revenue funded (exact split yet to be decided).

**Programme delivery timetable:** 10 years (following Full Deal signing, with drawdown anticipated to begin in 2024-25).

**Latest programme progress:** A Growth Deal Board is in place and outline business cases for each project are in development following Head of Terms signing in December 2021. Full Deal signing is expected during 2023-24.

**Contribution to economic development:** Falkirk partners predict that the proposed interventions will generate around £802 million of gross value added GVA (Gross Value Added) uplift, approximately deliver an additional 2,000 jobs in the region and attract in excess of £1 billion of private investment.

**Contact for public enquiries:** email: [cityregiondeals@gov.scot](mailto:cityregiondeals@gov.scot)

## **Sector: Inclusion and growth**

### **Programme name: Stornoway Growth Accelerator**

**Programme description:** Growth Accelerator payments to the Stornoway Port Authority will help underpin a game-changing infrastructure project. This will secure the sustainable future of the Hebrides by building the enabling infrastructure within Arnish Low Carbon & Renewables Enterprise Area, to provide catalyst for significant further economic and environmental development.

**Estimated total investment:** £57.25 million.

**How is programme being funded:** The Scottish Government investment is £33.7 million of revenue funded Growth Accelerator payments over 25 years, subject to achievement of agreed outcomes plus £1.84 million direct grant for works carried out in 2021-22.

**Programme delivery timetable:** Timetable was delayed due to inflated COVID-19 related construction costs. Contract has been awarded with completion of construction targeted for December 2023.

**Latest programme progress:** The project has been progressing on schedule and on budget and is due to complete in December 2023. Parallel work is ongoing to ensure maximisation of benefits and implementation of any associated island infrastructure developments required to respond to the increased economic activity expected from the new terminal.

**Contribution to economic development:** This project contributes to economic development in the Western Isles across a range of sectors including marine tourism (through cruise traffic), supply chain work for offshore renewables generated by the ScotWind leasing round and aquaculture.

**Contact for public enquiries:** email: [Emma.Kinloch@gov.scot](mailto:Emma.Kinloch@gov.scot) / [Kate.Bryson@gov.scot](mailto:Kate.Bryson@gov.scot)

### **Programme name: Agricultural Reform Programme**

**Programme description:** The programme will deliver the ambitions set out in the Scottish Government's Vision for Agriculture, published in March 2022 and brings together work including the Route Map, Scottish Agriculture Bill, Future Support Framework, Agriculture Reform Implementation Oversight Board (ARIOB), and the National Test Programme (NTP). ARP will ensure Scotland will have a support framework that delivers high quality food production, climate mitigation and adaptation, and nature restoration through a just transition.

**Estimated total investment:** Up to £220 million.

**How is programme being funded:** Remaining European Union (EU) Common Agricultural Policy (CAP) funding will be exhausted during 2023-24. EU exit means we no longer have long-term certainty of funding. HM Treasury have provided yearly allocations for the current UK Parliamentary term. There is no funding commitment from 2025.

**Programme delivery timetable:** 2021-22 to 2026-27.

**Latest programme progress:** An Agricultural Reform Route Map was published in February 2023 which sets out the timescales for information and interaction with the agricultural industry following the Parliamentary Statement on “Pathway to Reform – a Phased Transition for Implementation of Reformed Rural Support” in November 2022.

As set out in the ARP Route Map, by the end of June 2023 we will have published the public consultation and provided the sector with more information around the conditions that will be applied in 2025. We will also be using this opportunity to update and refine the route map to allow stakeholders to plan for the future and understand when further information will be made available.

Existing CAP and SRDP schemes are being managed during a period of budgetary pressure and some uncertainty. Capital funding is being prioritised to schemes that deliver towards key Scottish Government outcomes on climate and nature restoration, alongside crofting.

**Contribution to economic development:** Projects provide grant funding to businesses for purposes including to develop or create food processing facilities, run co-operative ventures to ensure more value is retained by producers, to improve supply-chain efficiency, and to enable investment in equipment to increase productivity and reduce environmental impact.

**Contact for public enquiries:** email: [www.ruralpayments.org](http://www.ruralpayments.org)

## **Programme name: National Islands Plan – Islands Programme**

**Programme description:** The Islands Programme (IP) investment supports delivery of the Scottish Government’s National Islands Plan (NIP).

**Estimated total investment:** £25.8 million.

**How is programme being funded:** Infrastructure Investment Fund capital finance.

**Programme delivery timetable:** 2021-22 to 2025-26.

**Latest programme progress:** As announced on 31 January 2023, the Scottish Government is investing £4 million in 2023-24 through the Islands programme to ensure ongoing delivery of the National Islands Plan, by supporting a range of areas, including tourism, infrastructure, innovation, energy transition and skills.

Delivery through a simplified and streamlined bid model for 2023-24 allows the Islands Programme to continue to operate as a strategic programme to help improve the

outcomes for island communities, whilst delivering on the 13 Strategic Objectives of the National Islands Plan. The continuation of local authorities as lead applicants builds partnerships across communities, the public, private and third sector, whilst delivering national strategy and policy across our islands. The Scottish Futures Trust will continue as delivery partners for the Islands Programme (IP) and provide additional support for our local authority partners.

It is important to note that Scottish Government's commitment to the islands does not just include investment through the IP. Support for our island economy is mainstreamed and so sectoral support lies across many areas - all of which contribute to the Wellbeing Economy and through other funding that we have committed across Scotland.

**Contribution to economic development:** The IP ensures delivery of the NIP, which comprises 13 strategic objectives that are critical to improving the quality of life and economic development of Scotland's islands. Created in partnership with communities and informed by our learning of how islands have responded and adapted to COVID-19, the five-year NIP has actions that set out how we will tackle population decline and fuel poverty; and promote, protect and enhance environmental wellbeing; health and wellbeing; community empowerment; transport services; digital connectivity; and biosecurity – through actions linked to the sustainable economic development strategic objective.

**Contact for public enquiries:** email: [info@islandsteam.scot](mailto:info@islandsteam.scot)



## **Sector: Boosting competitiveness**

### **Programme name: National Manufacturing Institute Scotland (NMIS)**

**Programme description:** Funding to progress the new National Manufacturing Institute Scotland (NMIS) with aim to develop and enhance skills, accelerate innovation, and improve productivity. Also supports delivery of Advancing Manufacturing Challenge Fund to spread reach and benefits of advanced manufacturing.

**Estimated total investment:** £75 million.

**How is programme being funded:** Capital funded.

**Programme delivery timetable:** End of 2022-23.

**Latest programme progress:** The construction of the new flagship NMIS HQ has been completed on time and handover of the building from Morrison Construction to the NMIS Engineering Services team has taken place. The world class facility is now being fitted out with cutting-edge digital advanced manufacturing technology. Planning for the official opening of the facility, anticipated to be mid-June 2023, is now taking place.

NMIS is delivering for the manufacturing sector now: through the Lightweight Manufacturing Centre, Manufacturing Skills Academy and SME (small and medium-sized enterprises) engagement team - and through their partnership with Boeing's new £12 million R&D facility which was officially opened on 5 October 2021.

The NMIS Board and Executive team are now in place and are responsible for day-to-day governance.

**Contribution to economic development:** NMIS is the future of Scottish manufacturing and is helping to transform manufacturing skills, productivity and innovation right across Scotland. It will also help manufacturers transition to new and emerging markets.

**Contact for public enquiries:** email: [stuart.strachan@gov.scot](mailto:stuart.strachan@gov.scot)

### **Programme name: Cairngorm Mountain**

**Programme description:** Investment in resort to support recovery of tourism sector in Scotland, stabilise operations and enhance visitor experiences. Re-instatement of funicular including strengthening the structure, building improvements, electrification of snow cannons, existing tow infrastructure, paths and car parking

**Estimated total investment:** £27 million.

**How is programme being funded:** Capital funded. £17 million provided by the Scottish Government with the remainder funded from Highlands and Islands Enterprise (HIE), including £8.5 million from the proceeds of sale of the Centre for Health Sciences.

**Programme delivery timetable:** 2020-21 to 2022-23.

**Latest programme progress:** Work to reinstate the funicular commenced in late 2020 and restarted in April 2021 following a scheduled break for the winter. Completion was initially forecast for late 2021 but due to technical challenges, COVID-19 impacts and severe weather, works on the viaduct were completed in November 2022. A new control system was also installed. Department for Transport approval was granted in January 2023 and the funicular immediately returned to operations. Some minor, pre-planned, minor works, including site reinstatement, will take place in summer 2023.

**Contribution to economic development:** The investment is expected to realise significant economic and wider benefits, including supporting the wider tourism sector and generating or supporting 1,000 job-years over the next 30 years (average of 33 FTE posts per year). The full rationale for investment in Cairngorm Mountain is set out in the full business case prepared by HIE and approved by the Scottish Government in October 2020. An executive summary and the business case document (with some redactions made for commercial sensitivity and the effective conduct of public affairs) are publicly available on the HIE website at [Executive Summary](#) and [Business Case Document](#). The resort currently directly employs 69 full-time equivalent (FTEs) with a further 55 FTEs employed on a seasonal basis during the winter months.

**Contact for public enquiries:** email: [enterprisesponsorship@gov.scot](mailto:enterprisesponsorship@gov.scot)

## **Sector: Planning / Land reform**

### **Programme name: Digital Planning**

**Programme description:** Development of a new, open-access, digital planning system to attract future investment, increase community participation and support place-making in Scotland.

**Estimated total investment:** £35 million.

**How is programme being funded:** Capital funded.

**Programme delivery timetable:** 2021-2027.

**Latest programme progress:** The 5-year programme to digitally transform planning has been extended to 2027. The programme was launched in March 2021 and is now entering year three of delivery. This will drive efficiencies, streamline services to improve the capacity of planning authorities, and deliver significant economic benefits.

In progressing the programme, we have now developed a first version of new single payment system for our current live service and progressed initial development work on the Planning Gateway and Smart Applications systems.

In 2023-24, we will complete development of a single payment system and work towards delivery of a next generation Smart Application service to simplify the planning application processes and improve experiences, reducing invalid applications and allowing applications to progress more quickly with real-time tracking and notifications. We will establish a first version accessible, next generation Planning Scotland Gateway online portal as a single point of entry to all planning information and services across Scotland with a consistent user experience and we will also complete the roll-out of the 'Place Builder' digital engagement tool, which promotes and enables positive community participation in shaping and re-imagining their communities.

**Contribution to economic development:** An economic impact analysis of the programme undertaken by the RTPI estimated up to of £200 million in economic benefits for users of the planning system. This included £20.4 million savings to local authorities on costs of introducing the Planning Act. Large housebuilders are estimated to save between £25k-£30k per site and local housebuilders £1.5k per site. The programme has the potential to create 1,600 jobs in construction and capacity to generate income of £1.6 million per annum over 10 years.

**Contact for public enquiries:** email: [Graeme.Walker@gov.scot](mailto:Graeme.Walker@gov.scot)

## **Programme name: Land reform**

**Programme description:** Capital funding for the Scottish Land Fund (at £8 million per year rising to £11.5 million by 2025-26) and costs for building new Register of Persons Holding a Controlled Interest in Land (£3 million).

**Estimated total investment:** £48 million.

**How is programme being funded:** Capital funded.

**Programme delivery timetable:** 2021-2026.

**Latest programme progress:** The Register of Persons Holding a Controlled Interest in Land (RCI) has been built by Registers of Scotland and became operational on 1 April 2022. There is a two-year transitional period before criminal offences come into force for non-compliance on 1 April 2024. In addition, we are committed to doubling the Scottish Land Fund by 2026.

**Contribution to economic development:** The Scottish Land Fund enables community groups to purchase assets within their own community and to deliver services to that local community. Whether it is bringing an unused asset back into productive use or ensuring that an existing one continues to be used and developed further, communities taking control of local assets helps to build local community wealth and contributes to the wider economic benefit as a result.

The RCI will improve transparency of who makes decisions about land and land use in Scotland and gives communities information that can help them engage with landowners and managers, and influence how land in their local area is used.

**Contact for public enquiries:** Scottish Land Fund email: [crtb@gov.scot](mailto:crtb@gov.scot) / Register of Persons Holding a Controlled Interest in Land email: [LandReform@gov.scot](mailto:LandReform@gov.scot)

## Sector: Water

### Programme name: Scottish Water Investment Programme

**Programme description:** For each regulatory period, Scottish Water is directed by Ministers to deliver improvements to customer service, drinking water and environment. During period 2021-27, focus will be on maintaining high quality customer service, replacing aging infrastructure and making progress towards achieving net-zero emissions by 2040.

**Estimated total investment:** £4.5 billion.

**How is programme being funded:** Scottish Water's investment programme is financed from charges from customers and borrowing from the Scottish Government.

**Programme delivery timetable:** Scottish Water will invest up to £4.5 billion during the period 2021-27.

**Latest programme progress:** Progress is reported on by the Delivery Assurance Group which produces quarterly reports which are published on the Scottish Government website at [Water industry: Delivery Assurance Group](#).

Progress as shown in report for Quarter 3 2022-23, shows that delivery continued to be impacted by the changing construction market conditions, increasing timescales and costs to deliver investment. Despite these challenges, Scottish Water had delivered £673 million of investment by the end of December 2022. Scottish Water estimates it will deliver up to £880 million of investment by year-end.

Scottish Water continues to review the impact of the COVID -19 pandemic and changes to construction market on its investment programme.

**Contribution to economic development:** Scottish Water is planning up to £4.5 billion of critical investment to 2027 supporting over 5,000 jobs directly in the civil engineering, construction and design sectors. This is approximately 20% of the market in these sectors in Scotland.

**Contact for public enquiries:** email: [waterindustry@gov.scot](mailto:waterindustry@gov.scot)

## **Sector: Justice**

### **Programme name: Emergency Services Mobile Communications Programme (ESMCP)**

**Programme description:** ESMCP is a UK Home Office led programme to replace the existing Airwave Network (generic term for the current emergency services radio programme). ESMCP will provide mission critical communications across the three Emergency Services (3ES). ESMCP will be a mobile based system that will include data functionality.

**Estimated total investment:** £9 billion approximately UK-wide (Scottish Government share currently sits at 11.2% of programme costs).

**How is programme being funded:** The Programme is co-funded between the Home Office, Scottish Government, Welsh Government and Department of Health and Social Care.

**Programme delivery timetable:** Started in 2016 and to be delivered by the end 2026 (the ESMCP is a complex and technically challenging programme and the date reflects when transition from the current system, Airwave, to ESMCP will commence).

**Latest programme progress:** The National Audit Office (NAO) has recently undertaken its third review of the programme and has provided a number of recommendations for the UK Home Office to improve overall delivery of the programme. The Scottish Government continue to work collaboratively with the UK Home Office and our three emergency services (Police, Fire & Ambulance) in Scotland to assess and assure ESMCP's technical capability, affordability and the wider community benefits it will offer.

**Contribution to economic development:** Investment in Emergency Services Network (ESN) will also mean improvements to 4G network coverage across Scotland. ESN will enable 999 calls to be made securely from mobile phones in some of the most remote and rural parts of Scotland. The emergency services will take priority over all other network traffic, even at peak times in busy urban locations. It will mean the emergency services and other first responders can share vital data, information and expertise quickly and securely from the frontline when it is needed most.

**Contact for public enquiries:** email: [Peter.Brown@gov.scot](mailto:Peter.Brown@gov.scot)

### **Programme name: Transforming Scotland's care of women in custody**

**Programme description:** Programme of work to create a new model of custody to transform the care of women in custody. It involves building facilities in form of a new National Facility and initially two Community Custody Units (CCU) with the development a gender specific trauma informed approach to managing women in custody.

**Estimated total investment:** National Facility for Women Offenders £85.76 million. Dundee CCU £12.3 million. Glasgow CCU £13.6 million.

**How is programme being funded:** Capital funded.

**Programme delivery timetable:** The construction of the Women's National Facility will be complete in spring 2023 with an estimated operational date in summer 2023. The Dundee CCU (the Bella Centre) opened in August 2022 and the Glasgow CCU (the Liliac Centre) opened in October 2022.

**Latest programme progress:** Work to build a new 80 place national facility for women in custody and 24-place assessment centre at existing site of HMP Cornton Vale is progressing. Contract was signed in December 2019 with construction commencing on site in February 2020. Work was suspended in March 2020 in line with COVID-19 restrictions and recommenced in June 2020. Further delays have been experienced due to supply issues within the construction sector. Phase 1 of the new facility, comprising the majority of the buildings, is now due to complete in May 2023. The existing HMP Cornton Vale has now closed and the new HMP Stirling will become operational in summer 2023.

Contracts for construction of both Community Custody Units in Dundee and Glasgow were signed in January 2020. Due to COVID-19 lockdown, construction was delayed to October and November 2020 and further delays have been experienced during construction due to supply issues within the construction sector. Both Community Custody Units are now complete and operational.

**Contribution to economic development:** At the Women's National Facility (HMP & YOI Stirling) following the easing of COVID-19 restrictions, the Scottish Prison Service (SPS) in conjunction with Morrison Construction, sought to re-engage the community benefits where possible. Morrison Construction Community Benefits Team liaised with SPS on a monthly basis to implement their 'pathways to employment' programme in partnership with Wise Group to facilitate the women of Cornton Vale into employment. In addition, the contractor has liaised directly with the women accommodated in the existing HMP Cornton Vale, to develop proposals for therapeutic gardens and landscaping which the women will themselves implement in the new establishment on completion. The contractor continues to make direct contributions to local community groups.

The construction contractor for the Community Custody Units was engaged with local community groups to deliver benefits and Community Benefits plans were in place.

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## **Summary of changes note**

This note summarises any key changes to programmes within the report since the September 2022 update.

### **Programmes no longer included within the pipeline**

- Affordable Housing - The 50,000 affordable homes target was previously reported as being met and therefore inclusion has been removed from the programme pipeline update