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Richard Leonard MSP
Convener
Public Audit Committee
The Scottish Parliament
Edinburgh
EH99 1SP

29 January 2024

Dear Mr Leonard

Infrastructure Investment – Major Capital Projects Progress Update

This material provides the Public Audit Committee with the latest report on the progress of Major Capital Projects for the period to December 2023. This report reflects the funding decisions set out in the Scottish Budget 2024-25 published on 19 December 2023. As I advised in my letter to you of the same date, we have published only the Major Capital Project update report. The deteriorating fiscal outlook over the medium term means that it will take more time to prepare our infrastructure investment pipeline. Work is underway to update the full pipeline set out in the Infrastructure Investment Plan (IIP), to ensure it is affordable and deliverable, and provides best value for money. We anticipate publishing this alongside the Scottish Government's next Medium-Term Financial Strategy, expected in May 2024.

The IIP Major Capital Projects Progress Update (Annex A) provides information on the latest progress of major projects.

Key points on the progress update

The Committee will see that almost half of the projects included within the IIP Major Capital Projects Progress Update (Annex A) have been adjusted since the March 2023 update. We are seeing a change in the reasons for project delays and cost increases. In previous reports, cost increases have been driven by higher-than-expected levels of inflation, and delays in projects have been down to supply-chain issues and labour shortages. All of these factors have been principally driven by a combination of the recovery from COVID-19, Brexit and the war in Ukraine.

In this latest report, although high inflation is still a factor for cost increases, and design reviews and scope changes are still leading to time delays, we are now seeing a range of other reasons for variances. These include the availability of funding, change in procurement route, technical commissioning, assurances around construction and issues with the condition of existing buildings, further details of which can be found in the progress update.

Capital spending prioritisation

The £6.25 billion capital budget for 2024-25 will continue to be invested across a range of high-priority areas to help maintain high-quality public services and achieve a just transition to a net zero economy. Delivery of the medium-term capital ambitions will not be easy as the Scottish Government's Capital Block Grant is forecast to contract by almost 10% in real terms over 5 years (2023-24 to 2027-28). This is a bigger cut than was modelled at the time of the Infrastructure Investment Plan in 2021 and means that it will take longer to deliver all the planned capital projects and programmes.

In the 2024-25 Budget, the Scottish Government will progress the next phase of the A9 dualling programme, including work on the Tomatin to Moy section; invest in the modernisation of the prison estate, providing £167 million in capital funding, progressing much-needed replacements for HMP Inverness and HMP Barlinnie; invest £434 million in supporting our Island communities via provision of Ferry, Port and Harbour services and investment; and invest over £1.1 billion on rail to operate, maintain, renew and enhance our rail infrastructure.

Audit Scotland 'Investing in Scotland's Infrastructure' briefing paper

The briefing paper produced by Audit Scotland in September 2023 provided some helpful steers in how the Scottish Government could improve transparency around decision making and project delivery. I particularly note the two recommendations as regards this reporting, that the Scottish Government should: provide clear and regular information, through its six-monthly major capital projects update and annual IIP progress reports, on how its infrastructure investment decisions support wider government goals such as addressing inequalities and tackling climate change; and ensure that its public reporting on infrastructure projects allows consistent monitoring of individual projects and programmes, including the benefits associated with them and where costs or timescales have increased.

This report provides clear information on where costs or timescales have changed. There is more narrative provided on the benefits of each project and their impact on the Government's wider priorities in the annual Infrastructure Investment Plan [progress report 2022 to 2023](#). Officials in Infrastructure Investment Division will continue to work with the Committee Clerks to improve the presentation of the full package of information so it is as informative and accessible as possible.

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 [hub Programme - Workstreams - Scottish Futures Trust](#)

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



Annex A: 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 December 2023. All projects are capital grant funded unless otherwise stated.

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. An updated OBC was approved in August 2023 which outlined that the project is estimated to cost £254 million and is planned to be operational in the second half of 2027.

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.

Progress at December 2023: The updated OBC was approved in August 2023 and the project was advertised to the market on 5 September 2023, the same day that Parliament was advised of this decision. The OBC outlines that the project is estimated to cost £254 million and that it is planned to be operational in the second half of 2027.

The increase in the revised OBC cost is linked to inflationary effects and the cost of the change in contract strategy following the decision not to make an award under the previous procurement.

It is estimated that the earliest possible contract award, subject to no unforeseen circumstances, will be early summer 2024.

Contact for public enquiries: email: 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 March 2023: No change to 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).

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.

Progress at December 2023: East Linton Station opened to passengers in December 2023. This is approximately three months ahead of the previously reported date of March 2024.

The Anticipated Final Cost (AFC) is now estimated to be £37.8 million to £38.2 million. This is due to improved certainty on the anticipated final cost of the works. Work continues to evaluate the contractor claim in relation to the works at Reston Station.

Contact for public enquiries: email: 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 March 2023: 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 December 2023: No change to cost or timing since the last report.

The project is now operational with electric services operating on the route from 11 December 2023.

Contact for public enquiries: email: 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 March 2023: 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 December 2023: No change to cost since the last report.

The construction of the project is progressing well, and it will be ready for driver training commencement in January 2024. The operational start date is now June 2024. This is in line with the national operational timetable change date. An interim timetable of one train per hour will be introduced on operational start date due to rolling stock availability and engagement is ongoing with ScotRail (via Scottish Rail Holdings) to deliver the full timetable and FBC requirements of two trains per hour.

Contact for public enquiries: email: 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 in December 2024. The FBC outlines that total project cost is estimated to be £139.8 million and that it is estimated to be operational in December 2025.

Progress at March 2023: No change to timing since the last report (as outlined at OBC, project is estimated to be operational December 2024).

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.

Progress at December 2023: The FBC was approved in June 2023, with funding announced by the Minister for Transport in September 2023. The contract was awarded in November 2023 and project is now in construction.

The total cost of the project is now estimated at £139.8 million which is an increase to that previously reported. This is due to further refinement of the cost and additional scope of the Hairmyres Loop extension and accessibility enhancements.

As per the approved FBC, the project is now estimated to be operational in December 2025 which is later than that outlined at OBC. This is due to re-phasing of the delivery of the electrification programme.

Contact for public enquiries: email: 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 March 2023: The project is in design and progressing to programme and estimated to commence construction in June 2023.

Progress at December 2023: The construction start date is now planned for February 2024 with the estimated operational date now being December 2024, which is later than previously reported. This is due to delays in achieving project consents and obtaining completion of planning conditions.

The anticipated final cost is now £11.6 million which is an increase to that previously reported. This is due to primarily inflation plus land costs and the unanticipated cost of compliance with planning conditions.

Contact for public enquiries: email: 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).

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.

Progress at December 2023: A refresh of the Rail Services Decarbonisation Action Plan is underway. The outcome of this will allow for the project to be replanned. Timescales for this project will be determined by the wider programme and the rolling stock procurement exercise.

A contract to provide a new Feeder Station at Tweedbank has been placed with National Grid PLC, with the Feeder Station planned to enter service in September 2026. This will be used to provide power to the planned railway electrification at the south end of the Borders Line. The anticipated final cost of these works is £14.4 million. A contract has also been

placed with National Grid PLC for a new Feeder Station at Portobello. This is due to enter service in December 2025. The primary purpose of this Feeder Station to provide additional power and network resilience in the Edinburgh area. In addition, it will support the planned decarbonised Borders Line rail services. The anticipated cost of these works is £32.4 million.

Contact for public enquiries: email: 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 (exclusive of Feeder Station costs) with the full project estimated be operational in December 2025.

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.

Progress at December 2023: A refresh of the Rail Services Decarbonisation Action Plan is underway. The outcome of this will allow for the project to be re-planned. Timescales for this project will be determined by the wider programme and the rolling stock procurement exercise.

A contract to provide a new Feeder Station at Thornton been has placed with National Grid PLC. With the Feeder Station planned to enter service in September 2026. This will be used to provide power to the planned railway electrification in Fife. The anticipated final cost of these works is £29.4 million.

Contact for public enquiries: email: 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 March 2023: No change to cost since the last report (as reported in September 2022 update, the total estimated cost to complete is £202.6 million, including £6.2 million contingency).

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.

Progress at December 2023: On 21 December 2023, the Chief Executive Officer (CEO) of FMPG updated the Scottish Parliament's Net Zero, Energy and Transport Committee (NZET) with advice that cost to completion and target handover date estimates for both vessels would be reviewed and notified by end January 2024.

The previous CEO update of 29 September 2023 stated that the total estimated cost to complete both vessels is now £240 million plus between £5.3 million to £30.6 million for contingency. This was an increase to that previously reported and is due mainly to rework, contractor cost and inflationary pressures. The CEO indicated that a revised cost forecast would be made available at the end of January 2024. The Scottish Government is currently planning further due diligence on these figures, 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's December 2023 update also stated that Vessel 801 (MV Glen Sannox) is now expected to be delivered 2 months later than the previously indicated date of March 2024 at the CEO's September 2023 update. This is mainly due to contractor availability, delay to dry docking because of weather, design and certification issues. Vessel 802 (MV Glen Rosa) is now expected to be delivered by end of May 2025. This is later than previously reported and is due in part to the cumulative effect from 801. Both delivery dates are conditional on a number of risks not materialising. These are being actively monitored and any change will inform future reporting.

Contact for public enquiries: email: vikki.halliday@gov.scot

Sector: Health

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 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.

Progress at December 2023: No change to cost or timing since the last report and the newly installed infrastructure was operational in June 2023.

Contact for public enquiries: email: tay.projectinfo@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 March 2023: No change to cost since the last report (as reported in March 2022 update, the total cost of the project is estimated at £82.5 million).

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.

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

The estimated operational date is now February 2024, which is later than previously reported. This is due to delays relating to the assurance of the technical commissioning of systems within the building.

Contact for public enquiries: email: john.scott@gjnh.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 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.

Progress at December 2023: The facility will now not be ready to receive young people until the middle of March 2024, which is later than previously reported. This due to contractor programme delays to the completion and the 8 week testing and commissioning period has been delayed as a consequence.

The estimated project cost is now £18.9 million which is an increase to that at FBC. This is due to prolongation and programme delay as well as some compensation events within the period.

Contact for public enquiries: email: fraser.bell@aapct.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 March 2023: No change to timing since last report (as reported in September 2022 update, the estimated overall completion for project in construction is November 2023).

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).

Progress at December 2023: The estimated overall completion of project is now May 2024, which is later than previously reported. This is due to further phases of the project encountering unanticipated issues with the condition of the existing buildings.

The total cost of project is now estimated at £24.7 million which is an increase to that previously reported. This is due to additional costs relating to rectifying fire safety defects and the implications of the construction handover being pushed back.

Contact for public enquiries: email: Lothian.Communications@nhslothian.scot.nhs.uk

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 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.

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

The project is in construction and making good progress. There are continuing challenging market conditions and as noted in the previous update, increased costs in relation to quality assurance and additional project and specialist resources to address and close off action plans, mean that the total project cost will be higher than set out in the FBC.

A potential opening date for either facility is uncertain until the outcome of the ongoing design review is known, including an assessment of the feasibility, cost and programme impact of any required changes.

Contact for public enquiries: email: gram.nhsgrampianfeedback@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 October 2024 (Hub West Scotland is procurement route for project).

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

The FBC operational date had previously been incorrectly reported as July 2024 which is the handover date of the facility. The FBC operational date is planned for October 2024.

Contact for public enquiries: email: andrew.baillie@ggc.scot.nhs.uk

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 March 2023: No change to cost since the last report (as reported in September 2022 update, the capital costs were confirmed as £11.1 million).

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.

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

The estimated project completion is now anticipated to be in 2024 but there is no confirmed date as yet. This is later than previously reported and is due to assurances around a number of construction issues. Project completion by the principal contractor is subject to NHS Assure status.

Contact for public enquiries: email: scott.urquhart@nhs.scot

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 (Hub West Scotland replaced Frameworks Scotland as procurement route for the project following OBC approval).

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.

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

The project is now estimated to commence construction in June 2024 which is later than previously reported. This due to the change in procurement route from Frameworks Scotland to Hub West Scotland.

Contact for public enquiries: email: andrew.baillie@ggc.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 March 2023: No change to status of project since last report (as reported in September 2021 update, work on the FBC was paused pending the outcome of a clinically led review of the scope of the project).

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

Progress at December 2023: In common with all health capital investment projects in development, this business case has been paused until the necessary capital funding to

complete the project becomes available. The ongoing review of the infrastructure projects pipeline will determine whether this continues to be part of this reporting.

Contact for public enquiries: email: 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 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.

Progress at December 2023: In common with all health capital investment projects in development, this business case has been paused until the necessary capital funding to complete the project becomes available. The ongoing review of the infrastructure projects pipeline will determine whether this continues to be part of this reporting.

Contact for public enquiries: email: Lothian.Communications@nhslothian.scot.nhs.uk

Project: NHS Lothian - Re-provision 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 March 2023: No change to cost since the last report (as reported in September 2021 update, project is estimated to commence construction in June 2024).

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.

Progress at December 2023: In common with all health capital investment projects in development, this business case has been paused until the necessary capital funding to complete the project becomes available. The ongoing review of the infrastructure projects pipeline will determine whether this continues to be part of this reporting.

Contact for public enquiries: email: Lothian.Communications@nhslothian.scot.nhs.uk

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). The project is designed to progress through an accelerated Scottish Capital Investment Manual process and, in lieu of an OBC, an economic appraisal has been submitted and approved. Projected costs and timings of project were provided in September 2022 update (see below).

Progress at March 2023: No change to cost or timing since last report (as reported in September 2022 update, the costs are £22 million and project is estimated to be operational in 2025).

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.

Progress at December 2023: In common with all health capital investment projects in development, this business case has been paused until the necessary capital funding to complete the project becomes available. The ongoing review of the infrastructure projects pipeline will determine whether this continues to be part of this reporting.

Contact for public enquiries: email: fraser.bell@aapct.scot.nhs.uk

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

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.

Progress at December 2023: In common with all health capital investment projects in development, this business case has been paused until the necessary capital funding to complete the project becomes available. The ongoing review of the infrastructure projects pipeline will determine whether this continues to be part of this reporting.

Contact for public enquiries: email: tay.projectinfo@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 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 (as reported in September 2021 update, project development has been on hold as 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).

Progress at December 2023: The Cabinet Secretary For NHS Recovery, Health And Social Care, confirmed in June 2023 that funding for the Health element of this project would not be available. Consequently, this project will therefore no longer be included within this report going forward.

Contact for public enquiries: email: debbie.bozkurt@nhs.scot

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 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.

Progress at December 2023: No change to cost or timing of the overall project since the last report.

Planned completion of the construction stage is now January 2025 which is later than previously reported. This is due to recent adverse weather which caused some slippage. Completion of the full project however continues to be on target for April 2025 with the campus being fully operational for the start of 2025-26 academic year.

Contact for public enquiries: email: ameldrum@sfc.ac.uk

Sector: Justice

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 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 (as reported in September 2022 update, the operational date is June 2023).

Progress at December 2023: No change in cost or timing since the last report. The project is now complete and began operations in June 2023.

Contact for public enquiries: email: gaolinfo@sps.pnn.gov.uk

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 March 2023: No change to cost since the last report (as reported in September 2022 update, the project cost is £139.5 million).

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.

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

The second stage contract award is now anticipated to be January 2024 and the fully developed programme will be agreed at this point. Completion of the construction phase is now forecast to be April 2026 with an operational date of July 2026, which is later than previously reported. This is due to a delay in receipt of the final pricing, which is pushing back the date for the second stage contract award and the construction programme.

Contact for public enquiries: email: 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 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.

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

Restoration of the A-listed Victorian Palm Hoses continues to progress positively with a projected completion date at the end of 2024. The infrastructure phase of the programme commenced in October 2023 and the key elements of this part of the programme, includes the design and construction of a new substation, an underground heating pipe network and associated services.

Decant of the internationally important plant collection is largely completed, with over 40,000 plants temporarily housed across RBGE’s visitor and research glasshouses, which are also to be refurbished at a later stage of Edinburgh Biomes programme.

The impact of construction material inflation and labour costs during the initial phases of the programme continue to be assessed across the remainder of the programme which may result in a potential impact on later phasing of the works.

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Summary of changes note

This note summarises key points and changes within the report since the March 2023 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:

- Inverness Airport Station
- NHS Highland – National Treatment Centre
- NHS Fife - Elective Orthopaedic Centre
- HMP Barlinnie Programme of Works

Notable events relating to projects within the report since last update

- Barrhead Rail Enhancement – the Glasgow to Barrhead line saw electric services operating on the route from December and the launch of electric train services represents the latest phase of the ongoing electrification programme in Scotland. The project will enhance a key transport corridor, providing a more reliable, more inclusive and greener railway for passengers.
- Reston and East Linton Rail Stations – the new East Linton station opened in December marking completion of the project. The new station reconnects East Linton to the national rail network for the first time in almost six decades. It will open-up education, leisure, and business opportunities for East Linton’s growing community, while also offering greener ways to travel as we work towards our ambitious Net Zero goals.
- East Kilbride Rail Enhancement – the project commenced construction in November and will enhance a key transport corridor, providing a more reliable, more inclusive and greener railway for our customers. It will deliver electrification of the route, a new intermodal transport hub at Hairmyres, a new accessible station at East Kilbride, accessibility works at other stations and a 1.4km extension of the Hairmyres double track section to enhance operational performance and flexibility of service on the route.
- A9 Dualling Tomatin to Moy – the project was advertised to the market in September and underlines our commitment to one of the largest, most complex infrastructure programmes in Scotland’s history. The dualling of the section between Tomatin to Moy will not only improve connectivity and safety for those using the route through the upgrading of the single carriageway but will also include over 10km of improvements to active travel routes including new footpaths and greater connections to public transport.

- National Facility for Women Offenders – the new national facility in Stirling opened in June and will be Scotland's national facility for women in custody. It is the third new facility built for women in the past year, with two new Community Custody Units opening in Dundee and Glasgow. Completion represents an unprecedented period of Scottish Government investment in how women are managed and supported while in custody.