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

7 May 2025

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 February 2024.

The Major Capital Projects Progress Update provides information on the latest progress and delivery of major projects. As first included within the previous update, a table is attached at Annex A which sets out where there have been changes to project costs or timelines since August 2024. Officials in the Infrastructure Division will continue to work with the clerks to make ongoing improvements to the clarity and accessibility of our reporting.

As with recent Major Capital Projects Progress Updates, we have not published the Major Capital Projects Pipeline or the Major Capital Programmes Pipeline. The content of both these documents are dependent on the outcome of the UK Spending Review in June, and the impact that will have on our reset of the Infrastructure Investment pipeline (see below).

Key points on the progress update

The Committee will see that just under half of the projects included within the Major Capital Projects Progress Update have been adjusted since the August 2024 update. These are all listed in Annex A along with the reason for the variance. In this latest report, inflation is still a factor for cost increases within the construction industry. However, in relation to time delays, we are seeing a range of reasons including seasonal constraints on weather-sensitive work, unforeseen construction site difficulties, design reviews, longer commissioning periods, installation issues, health and safety issues and the capacity of supply chains.

Wider infrastructure developments

The high levels of construction inflation in recent years, combined with lower than projected capital grant and additions to the pipeline, has meant that the infrastructure

pipeline we set out in the 2021 Infrastructure Investment Plan (IIP) cannot be delivered in full within the timeframe covered by the IIP. As announced by the Cabinet Secretary for Finance and Local Government, the Scottish Government's intention therefore is to publish a reset infrastructure pipeline. This will provide clarity for parliament, industry, and all other interested stakeholders on what will be delivered within the extended IIP period up to 2026-27.

The multi-year spending review announced by the UK Chancellor will be helpful to us in providing funding certainty for the final years of the IIP and beyond. We have struggled in previous years with only single year budgets, making it very difficult to say whether a multiyear capital investment can go ahead. The Cabinet Secretary has asked officials in the Scottish Exchequer to develop plans to publish the pipeline reset later this year. This work is currently underway and confirmation of the publication date will follow in due course.

We are currently drafting the annual IIP Progress Report which will outline the progress made during the last year on climate change, economic growth, public services, and child poverty as well as major project activity and key infrastructure achievements. This will be found by way of the following link when it is published in June:
www.gov.scot/infrastructure-investment-plan.

Information relating to the pipeline of projects within the Scotland-wide hub programme is currently being updated by the Scottish Futures Trust and a link to this workstream has not been included within this update.

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 report 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

Summary of project 'cost' and 'time' variances

The following table contains details of project 'cost' and 'time' variances between the August 2024 and February 2025 Major Capital Projects Progress Updates.

Project	Status	Cost Increase	Delay	Reason
A9 Dualling Tomatin to Moy	In Construction	N/A	c6 months	Seasonal constraints on weather-sensitive work and environmental restrictions for working in watercourses.
East Kilbride Rail Enhancement	In Construction	£3.9 million	N/A	Transport Scotland contributing towards delivery of Hairmyres Station Car Park.
Markle Level Crossing Bridge Replacement	In Construction	N/A	2 months	Unforeseen difficulties with construction site (presence of uncharted buried services).
NHS Ayrshire & Arran - Foxgrove (National Secure Adolescent Inpatient Service)	In Construction	N/A	No previously reported date but completion now expected August 2025.	Risks relating to the completion of defects raised with the Principal Supply Chain Partner.
NHS Grampian – Aberdeen Baird Family Hospital and ANCHOR Centre	In Construction	N/A	Occupation dates for either facility still to be confirmed.	Design reviews for both buildings were revisited but have now concluded.
NHS Greater Glasgow and Clyde - North East Hub	Operational	N/A	3 months	Longer than expected commissioning period.
NHS Forth Valley - National Treatment Centre	In Construction	N/A	Opening date for new ward not yet confirmed.	Construction issues primarily due to the incorrect installation of pipework and risks in relation to fire compliance measures.

The following table contains details of project 'cost' and 'time' variances from OBC to FBC relating to HMP Glasgow which is a 'new' inclusion within the February 2025 update.

Project	Status	Cost Increase	Delay	Reason
HMP Glasgow	In Construction	£252 million	c12 months	Inflationary pressures within construction industry, impacting on costs of raw materials, and labour and production globally / current volume of public sector prison new build works has impacted on capacity of supply chain required to engage on this type of project.

Infrastructure Investment Plan 2021-22 to 2025-26

**Major capital projects progress
update (February 2025)**

Major capital projects progress update

The information within this update 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 February 2025. All projects are capital grant funded unless otherwise stated.

In the recent 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 which have been principally driven by a combination of the recovery from COVID-19, Brexit and the war in Ukraine. In this latest report, inflation is still a factor for cost increases within the construction industry. In relation to time delays, we are seeing a range of reasons including seasonal constraints on weather-sensitive work, unforeseen construction site difficulties, design reviews, longer commissioning periods, installation issues, health and safety issues and the capacity of supply chains. **All planned dates and costs in this update are best estimates and may subsequently be subject to further adjustment.**

We are maximising the funding available to deliver on the priorities of this Government. The 2025-26 Scottish Budget set out over £7 billion of capital spending which was targeted to support delivery of the Government's priorities and specifically to boost economic growth, maintain high-quality public services and infrastructure, eliminate child poverty and grasp the opportunities of net zero. Progress is being made to deliver key infrastructure investments and major projects have been delivered against a continuing back drop of challenging economic and financial conditions.

We remain firmly committed to infrastructure investment as a key factor in securing economic growth and high-quality public infrastructure across Scotland. The 2025-26 Scottish Budget commits to progressing the work to replace NHS Lanarkshire's Monklands University Hospital and NHS Lothian's Princess Alexandra Eye Pavilion, both of which are included within this progress update. The 2025-26 Scottish Budget also commits to progressing the work to replace NHS Highland's Belford Hospital and this project will be included within future progress updates once it has reached Outline Business Case approval stage.

The high levels of construction inflation in recent years, combined with lower than expected Capital grant and the need to prioritise funding to new additions to the infrastructure pipeline, has meant that the infrastructure pipeline we set out in the 2021 Infrastructure Investment Plan (IIP) cannot be delivered in full within the timeframe covered by the IIP. In order to provide clarity for parliament, industry, and all other interested stakeholders on what will be delivered within the extended IIP period up to 2026-27, the Cabinet Secretary for Finance and Local Government has committed to publishing a reset of the infrastructure pipeline following the UK Spending Review in June 2025.

The Cabinet Secretary has asked officials to develop plans to publish the reset pipeline in September 2025 and this work is now underway.

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 was planned to be operational in December 2025.

Parliament was advised on 8 February 2023 that the project was to be revised following a decision not to make an award under the initial procurement (as reported in March 2023 update). An updated OBC was approved in August 2023 which outlined that the project was estimated to cost £254 million and was planned to be operational in the second half of 2027. The Full Business Case (FBC) approved in July 2024 outlines that the project is estimated to cost £308 million (at outturn) equating to £296 million (at Q2 2024 prices) and that it is planned to be operational by the end of 2027.

Progress at August 2024: Following the conclusion of the procurement competition, the FBC was approved on 5 July 2024. The Preferred Bidder, Balfour Beatty Civil Engineering Ltd was announced on 9 July 2024 and the contract formally awarded on 30 July 2024.

The final tender price was £184.7 million, resulting in a total forecast project cost of £308 million (at Q2 2024 prices). This is an increase to that in OBC and what was previously reported and takes into account the contract award price, which is now known. The cost of the project will continue to be monitored and updated as construction works progress and risks materialise and/or diminish. The project is planned to be operational by the end of 2027.

Progress at February 2025: No change to cost since the last report. However, the total forecast project cost of £308 million in the previous report (Progress at August 2024) was incorrectly stated as being 'at Q2 2024 prices'. This should have been 'at outturn' instead. The total forecast project cost remains £308 million (at outturn), which is equivalent to £296 million (at Q2 2024 prices).

The Convener of the Net Zero, Energy and Transport Committee was notified by letter on 7 October 2024 that the project is now expected to be operational by the end of spring 2028. This is later than previously reported and followed receipt and review of the Contractor's initial works programme which required additional time for construction of the works than had been originally estimated. This was due to factors such as seasonal constraints on weather-sensitive work and environmental restrictions for working in watercourses. Preparatory works commenced on site on 21 October 2024 with the main construction works starting in spring 2025.

Contact for public enquiries: email: info@transport.gov.scot

Project: A9 Dualling Tay Crossing to Ballinluig

Business case approved stages: The fourth phase of the A9 Dualling programme, the 8.2km trunk road from Tay Crossing to Ballinluig is being upgraded to an all- purpose dual carriageway as part of a wider programme to dual the A9 between Perth and Inverness. The OBC outlines that the total project cost will be £222 million (at April 2023 prices) with the construction contract cost estimated at £155 million (at Q2 2025 price base) and that the project is planned to be operational by the end of 2028.

Progress at August 2024: The OBC was approved in May 2024 and the project is now in procurement. The OBC outlines that the total project cost will be £222 million (at April 2023 prices) with the construction contract cost estimated at £155 million (at Q2 2025 price base) and that the project is planned to be operational by the end of 2028.

Progress at February 2025: No change to OBC cost or timing since the last report.

The procurement process has continued with three contractors shortlisted in August 2024 to participate in dialogue. Contract award is expected in Summer 2025.

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 outlined that total project cost was estimated to be £139.8 million and that it was estimated to be operational in December 2025.

Progress at August 2024: No change to FBC cost or timing since the last report.

Progress at February 2025: No change to FBC timing since the last report.

The Anticipated Final Cost is now £143.7 million which is an increase to that at FBC and as previously reported. This is mainly a consequence of Transport Scotland requiring to contribute towards the delivery of Hairmyres Station Car Park.

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 outlined that the total project cost was estimated to be £9.2 million and that the project was estimated to be operational by the end of March 2024.

Progress at August 2024: Construction was approved in February 2024 via an Agreement between East Lothian Council, Network Rail and Transport Scotland and commenced as planned thereafter in March 2024. The anticipated final cost is £12.5 million is an increase to that previously reported due to impact of inflation on the contract.

Whilst construction is proceeding well, uncharted buried services have been located directly within the bridge construction site. These are impacting the construction programme and the impact of this in terms of time, cost and redesign is currently being evaluated. The estimated operational date is now April 2025, which is later than previously reported due to the unforeseen conditions encountered on site.

Progress at February 2025: The level crossing closure is planned for early May 2025. The opening of the new diversionary road and road overbridge is forecast for late June 2025. This is later than previously reported due to the project being further delayed by the presence of uncharted buried services. The diversionary works associated with these however are now complete.

As a consequence of the unforeseen on-site issues, the Anticipated Final Cost is potentially subject to change, with the Contractor's submissions subject to final accounting.

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 outlined that the total project cost was estimated to be £32 million and that the project was 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 August 2024: A refresh of the Rail Services Decarbonisation Action Plan continues (as first reported in March 2023 update) and the outcome of this will allow for the project to be re-planned. Timescales for project will be determined by the associated rolling stock procurement exercise and the needs of the wider rail projects pipeline.

Once the new Feeder Station at Tweedbank (£14.4 million) has entered service (September 2026), this will be used to provide power to the planned railway electrification at the south end of the Borders Line. Once the new Feeder Station at Portobello (£32.4 million) has entered service (December 2025), this will provide additional power and network resilience in the

Edinburgh area and in addition it will support the planned decarbonised Borders Line rail services. Costs will be re-estimated as part of the replanning process.

Progress at February 2025: The development of this project is continuing and is subject to a Final Business Case being completed and funding availability. Timescales for delivery of the project will be determined by the wider pipeline programme and the rolling stock procurement exercise.

The new Feeder Station at Tweedbank is now planned to be available for use from March 2027 and the new Feeder Station at Portobello is now planned to enter service in March 2027, both of which will be in advance of electrification of the Borders Route.

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 outlined that the total project cost was estimated to be £210 million (exclusive of Feeder Station costs) with the full project estimated to be operational in December 2025.

Progress at August 2024: A refresh of the Rail Services Decarbonisation Action Plan continues (as first reported in March 2023 update) and the outcome of this will allow for the project to be re-planned. Timescales for project will be determined by the associated rolling stock procurement exercise and the needs of the wider rail projects pipeline.

Once the new Feeder Station at Thornton (£29.4 million) has entered service (September 2026), this will be used to provide power to the planned railway electrification in Fife. Costs will be re-estimated as part of the replanning process.

Progress at February 2025: The development of this project is continuing and is subject to a Final Business Case and funding availability. Timescales for delivery of the project will be determined by the wider pipeline programme and the rolling stock procurement exercise.

Previously approved preparatory work between Edinburgh and Dalmeny has commenced. This is the first step towards electrification of the Fife routes. The new Feeder Station at Thornton is now planned to be available for use from December 2026, in advance of electrification of the Fife circle.

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 to Ferguson Marine Engineering Limited (FMEL) on 16 October 2015. The first ferry was expected to be delivered in May 2018 with the second vessel following a few months later. Ferguson Marine (Port Glasgow) Limited (FMPG) purchased FMEL and its assets in December 2019 following liquidation. This included responsibility for the delivery of vessels 801 and 802.

Progress at August 2024: The Board of FMPG removed David Tydeman from the role of Chief Executive Officer on 26 March 2024 and appointed non-executive director John Petticrew as interim CEO.

On 31 May 2024, the interim CEO updated the Scottish Parliament's NZET Committee that the expected cost to completion from the point of public ownership for both vessels was £299.1 million including contingency. This is an increase to that previously reported and is due mainly to rework, contractor cost and inflationary pressures.

On 2 August 2024, the interim CEO signalled that the handover date for vessel 801 (MV Glen Sannox) had been extended from 30 September 2024. This is later than previously reported and is due to issues with the outfit and commissioning of the liquefied natural gas (LNG) system with consequential impact on other areas of outfitting and commissioning. FMPG launched vessel 802 (MV Glen Rosa) on 9 April 2024 and yard is now working to an expected delivery date of 30 September 2025.

Progress at February 2025: On 19 November 2024, MV Glen Sannox received its final regulatory approval. On 20 November, she was officially handed over to CMAL. Passenger services commenced on 13 January 2025 between Troon to Brodick.

Glen Rosa was launched on 9 April 2024. The current target delivery date is September 2025. However, the delivery plan for MV Glen Rosa is being updated.

At the Scottish Parliament Public Audit Committee (PAC) evidence session on 5 February 2025, FMPG's Interim Chief Executive acknowledged that Glen Rosa's delivery by September 2025 was at risk. However, FMPG is actively exploring alternative scenarios to assess potential delivery dates and cost implications.

Contact for public enquiries: email: Scott.Chalmers@gov.scot

Sector: Health

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 . The FBC outlined that the estimated cost of project was £18.7 million and that it would be operational by December 2023 (Frameworks Scotland is procurement route for project).

Progress at August 2024: The facility remains incomplete and handover has been further delayed due to a significant number of quality and health and safety items that have been raised with the Principal Supply Chain Partner (PSCP) (previous report estimated that facility would be ready to receive young people from mid-March 2024). The ongoing programme slippage and delay of handover of the facility to NHS Ayrshire & Arran continues to impact upon client commissioning activities planned for the post-handover period and the date whereby the health board will be able to admit patients. The latest programme issued by the PSCP is currently under review and dates remain unconfirmed. Key risks are about the completion of defects.

Following handover there will be an 8 week testing & commissioning period as well as an additional works programme to address issues not covered under the PSCP contract. Additional costs are being incurred due to prolongation and programme delay and these will be confirmed once all works are completed (previous report estimated cost at £18.9 million).

Progress at February 2025: As previously reported, the project has been delayed due to key risks relating to completion of defects.

Weekly project meetings are scheduled with the PSCP on site and separate weekly meetings are scheduled with key stakeholders to monitor progress. The Scottish Government are deploying additional monitoring resource to provide direct oversight of resolution of the issues.

The Scottish Government has also approved additional works to resolve the defects. It is now expected that completion of the build will be achieved in August 2025, with patients being admitted shortly thereafter. Final cost will be confirmed following completion.

Contact for public enquiries: email: fraser.bell@aapct.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 Community Maternity 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 outlined that the total project cost was £233.2 million as per FBC Addendum and that the operational date for the ANCHOR Centre was estimated for May 2023 with the Baird Family Hospital estimated for December 2023 (Frameworks Scotland is procurement route for project).

Progress at August 2024: No change to cost since the last report (as reported in March 2023 update, the cost was £261.1 million).

A number of cost pressures are however being managed and occupation dates for either facility are still uncertain (as reported in March 2023 update, the estimated operational date for the ANCHOR Centre was October 2023 with the Baird Family Hospital being September 2024). The designs for both buildings are currently being revisited to consider design assurance learning from recent projects which is impacting on the programme and forecast costs.

Progress at February 2025: No change to cost since last report.

Design reviews have recently concluded and a way forward has been agreed. Work is underway to implement several changes resulting from the design reviews and to understand the impact on cost and the timing of the programme.

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, re-provision of Parkhead community library and wellbeing services including health improvement. The OBC outlined that the project was estimated to cost £67.3 million and that it was planned to be operational in June 2024. The FBC outlined that the project was estimated to cost £71.7 million and that it was planned to be operational in October 2024 (Hub West Scotland is procurement route for project).

Progress at August 2024: No change to FBC cost or timing since last report.

Progress at February 2025: No change to FBC cost since last report.

The new North East Hub building was completed in November 2024 and became operational in January 2025. This was later than that at FBC and as last reported which was due to a longer than expected commissioning period.

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 was 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 August 2024: No change to cost since last report (as reported in September 2022 update, the capital costs were confirmed as £11.1 million).

The new ward continues to be delayed due to a number of construction issues primarily due to the incorrect installation of pipework and risks in relation to fire compliance measures (as reported in December 2023 update, the estimated completion was anticipated in 2024 but there was no confirmed date). All parties are working to develop a technical solution to resolve these issues. A further update is expected late September.

Progress at February 2025: No change to cost since last report.

The new ward continues to be delayed and an opening date is not yet confirmed for that ward. Work to agree a route to completion is ongoing. However, existing theatres (previously unused) have already been commissioned and in a phased opening, the National Treatment Centre began treating patients in October 2024.

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 outlined a cost of £20.9 million and that the project was to be operational July 2025. The FBC outlines a cost of £21.4 million and that the project will be operational by May 2026 (Hub West Scotland replaced Frameworks Scotland as procurement route for the project following OBC approval).

Progress at August 2024: The FBC is to be presented to the Scottish Government Health Portfolio Capital Investment Group (CIG) in September 2024. Providing a successful FBC approval, the project will start construction in October 2024. This is later than that previously reported (June 2024) and is due to additional governance around the assurance process. The project cost is now £21.4 million which is an increase in that at OBC and as previously reported and is due to outcome of a market testing period.

Progress at February 2025: No change to cost or timing since last report.

The FBC was approved in October 2024 and the project is now in construction. The forecast cost of the project is £21.4 million with a planned completion of May 2026.

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

Project: NHS Lanarkshire - Monklands Replacement Project

Business case approved stages: Project will provide a replacement for the existing University Hospital Monklands in North Lanarkshire. The OBC was approved in July 2023 outlining an estimated cost of £1.344 billion and a planned operational date of 2031.

Progress at August 2024: Although the project's OBC was approved in July 2023, as with all health capital projects it was under review to assess its affordability. FBC development work is continuing and discussions with NHS Lanarkshire on the impact of the budget settlement on the proposal to replace University Hospital Monklands are ongoing.

Progress at February 2025: The FBC development continues and is expected to be submitted to the Scottish Government in early 2026. Cost estimates are being developed and the expected operational date will be included in the FBC.

Contact for public enquiries: email: graeme.reid2@lanarkshire.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 August 2024: N/A (as reported in December 2023 update, the business case was paused in common with all health capital investment projects in development until the necessary capital funding to complete the project became available).

Progress at February 2025: The 2025-26 Scottish Budget commits to progressing the work to replace the Princess Alexandra Eye Pavilion in Edinburgh and NHS Lothian is currently remobilising project team resources in order to take the project forward.

Contact for public enquiries: email: Lothian.Communications@nhslothian.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 was estimated at £131 million with project completion estimated for December 2024 and an operational start date of spring 2025.

Progress at August 2024: The cost of the project is now estimated at £154.5 million, which is an increase from contract award and as previously reported. This is due to the continuation of high inflation in the construction marketplace which has resulted in higher than anticipated costs for the fit-out element of the project, which was a variable element of the construction contract. Fife College has agreed a lump sum fixed price with the contractor, Balfour Beatty Construction Ltd (BBCL) to complete the project. This passes the risk of completing the project within the increased budget to BBCL. The cost for the core and shell element of the build has not increased as this cost was fixed from the outset of the contract with BBCL. The scope of the project has not changed.

Planned completion of the project construction stage has slipped to September 2025 from April 2025, with the new campus now expected to be fully operational by January/February 2026. This is later than the previously reported start of 2025-26 academic year and is due to project delays occurred whilst Fife College considered its options to manage the increase in costs.

Progress at February 2025: The cost of the project remains unchanged since last reported at £154.5 million. The construction phase of the project is on track to be completed by September 2025, with the campus due to be fully operational by January/February 2026.

Contact for public enquiries: email: ameldrum@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 OBC outlined that the total cost of the project was in the range of £98 million to £110 million and that it would be operational by July 2024. The FBC outlines that the total cost of the project will be £209.3 million and that completion of the construction phase will be summer 2026 with an operational date to be agreed following construction completion.

Progress at August 2024: The FBC was approved in March 2024 and the second stage contract was awarded in April 2024 with construction commencing thereafter. The total cost of the project is now £209.3 million which is an increase to that previously reported (£139.5 million). This is due to increases in costs for various work packages and additional contractor prelim costs.

Completion of the construction phase is now forecast to be summer 2026 with an operational date to be agreed following construction completion. This is later than that previously reported (spring 2026 with an operational date later that year) and is due to delays in receiving the final contract price.

Progress at February 2025: No change to cost or timing since last report.

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

Project: HMP Glasgow

Business case approved stages: 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. The OBC outlined that the total cost of the project was £746 million and that it would be completed by end of 2027. The FBC outlines that the total cost of the project will be £998 million with a completion date by the end of 2028. An operational date for the facility is to be agreed following construction completion.

Progress at August 2024: N/A

Progress at February 2025: The FBC was approved in January 2025 and the second stage construction contract was awarded in February 2025 with construction commencing thereafter. The total cost of the project is £998 million and completion is due by the end of 2028. An operational date for the facility is to be agreed following construction completion.

The increase in costs and timings from OBC to FBC is due to the move from estimated costs to actual costs, with significant increases over expectations due to inflationary pressures within

the construction industry, impacting on the costs of raw materials, and labour and production globally. In addition, the current volume of public sector prison new build works has had an impact on the capacity of the supply chain required to engage on this type of project.

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 was to be £89.9 million and that 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 August 2024: No change to full FBC programme since last report.

Restoration of Victorian Palm Houses continues positively with a projected completion date now expected to be spring 2025. While good progress continues, there are technical challenges with the project which affect both the programme and the budget, and these are currently being assessed. The infrastructure phase of the programme which commenced in October 2023 is progressing well and is expected to be complete by the end of 2024.

Decant of the remaining elements of the internationally important plant collection has been paused awaiting the provision of additional decant space.

As noted at the last update, construction inflation continues to affect the Biomes programme, in tandem with challenges of managing spend within a strictly annualised budget. A refreshed business case is in progress to inform potential future capital allocations for the later phasing of works across the programme covering a five-year period from 2026-27.

Progress at February 2025: A refreshed draft FBC programme covering later phases of the Biomes Programme is subject to review going forward.

Restoration of the Victorian Palm Houses is nearing completion with a handover of the site from contractor back to RBGE in summer 2025. Technical challenges associated with extent of restorative work required to metalwork have now stabilised, but this work alongside the need to individually fabricate each Victorian window, resulted in further programme slippage from spring to summer 2025. Scaffolding surrounding palm houses in process of being dismantled. The infrastructure phase of the programme was completed in early January 2025, which feeds heating and associated services to the palm houses, via the new energy centre, which is scheduled to commence in mid-2025.

A refreshed business case has been prepared to inform potential future capital allocations for the later phasing of works across the programme covering a five-year period from 2026-27.

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Summary of changes note

This note summarises key points and changes within the report since the August 2024 progress update.

Projects reinstated within the report

The following Health project in development was reported within the last progress update as having its business case paused. Following a commitment to progress the project within the 2025-26 Budget, it has been reinstated:

- NHS Lothian - Re-provision of Eye Services

Projects included within the report for the first time

- HMP Glasgow

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:

- Levenmouth Rail project
- National Waiting Times Centre Board – Hospital Expansion Programme – Phase 2 (Golden Jubilee Surgical Centre, Clydebank)
- NHS Lothian - Oncology Enabling Projects, Edinburgh Cancer Centre

Projects where business case has been paused

The following Health projects in development were reported within the last progress update as having their business cases paused and will not be reported on further until the necessary capital funding to complete them becomes available:

- NHS Grampian – National Treatment Centre
- NHS Lothian - National Treatment Centre
- NHS Ayrshire & Arran - National Treatment Centre - Ayrshire & Arran
- NHS Tayside - Ninewells Electrical Infrastructure Zone 3

Notable events relating to projects within the report since last update

- HMP Glasgow – The new prison in Glasgow which will replace HMP Barlinnie commenced construction in February. The new facility has been designed to deliver fit-for-purpose, safe and secure accommodation that will improve opportunities for successful rehabilitation to help reduce reoffending, while creating a safer working environment for staff. During peak construction activity there will be over 1,000 people on site.
- NHS Greater Glasgow and Clyde North East Hub – The new health and social care Hub at Parkhead in North East Glasgow became operational in January. The facility brings together a number of community health and social care services across different sites and will provide services for children, adults and older people, addictions, justice, homelessness, sexual health and health improvement. In addition, the Hub includes General Practitioner services, community pharmacy and dental services and provides community spaces including bookable rooms, the relocated Parkhead library, and a café.

- NHS Greater Glasgow and Clyde Radionuclide Dispensary – The dispensary project located in North Glasgow commenced construction in October 2024. It will 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.