Director of Public Spending
Richard McCallum, Director

E: richard.mccallum@gov.scot

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

17 October 2025

Dear Mr Leonard

Infrastructure Investment – Major Capital Projects Progress Update

I am writing to the committee regarding the progress of Major Capital Projects.

This latest update provides information on the progress and delivery of major projects to August 2025. As included within the previous two updates, a table is attached at **Annex A** which sets out where there have been changes to project costs or timelines since February 2025. As with recent Major Capital Projects Progress Updates, we have not published a Major Capital Projects Pipeline (planned projects £5 million plus) or a Major Capital Programmes Pipeline (infrastructure programmes £20 million plus). However, we plan to resume reporting on our programmes of investment in 2026, following publication of a new Infrastructure Delivery Pipeline.

<u>Key points on the progress update</u>

The Committee will see that over a third of the projects included within the Major Capital Projects Progress Update have been adjusted since the February 2025 update. These are all listed in **Annex A** along with the reasons for the variance. In this latest report, causes for cost increases include allowances for future inflation and accounting for changes in costs of advance works, additional work due to risk assessments, extended build programmes, and delays in final delivery. In relation to time delays, we are seeing reasons which include the number and complexity of defects needing to be resolved, the implementation of changes resulting from design reviews, and ongoing construction issues.

<u>Planned publications</u>

To give clarity and certainty on the infrastructure investment that will be delivered over the next four financial years (2026-27 to 2029-30) following the UK Spending Review, we are developing a new Infrastructure Delivery Pipeline of affordable projects and programmes to be published alongside the 2026-27 Budget and Scottish Spending Review.

In line with the hierarchy of investment set out in the 2021 Infrastructure Investment Plan, we expect maintenance to form a vital part of the pipeline, driving the sustainability, safety and efficiency of our infrastructure and public services. The new pipeline will cover infrastructure projects over £5 million and programmes over £20 million – social, economic and natural infrastructure. It will build on our proven track record of working with industry to successfully deliver infrastructure which enhances health, wealth and sustainability for the people of Scotland.

We will also publish a draft Infrastructure Investment Plan for consultation alongside the Budget, Spending Review and Infrastructure Delivery Pipeline. This will provide strategic context for future Capital Spending Reviews and budget decisions, guiding how funding is allocated across portfolios in line with national priorities.

Wider infrastructure developments

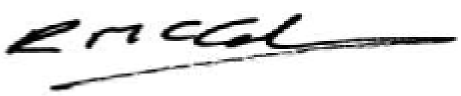
City Region Deals are pressing ahead and the Glasgow City Region Deal saw the opening of the Renfrew Bridge in May, which is the first opening swing bridge over the River Clyde and is forecast to support 1,400 new jobs. The Inverness and Highland City Region Deal saw Highland Council approve 374 units as at June within its affordable housing project and the Stirling & Clackmannanshire City Region Deal saw completion of the Walk, Cycle, Live Stirling project which is the first in a programme of active travel routes to be delivered as part of the Deal.

The £2 billion Learning Estate Investment Programme (LEIP) which is being delivered in partnership with local authorities, has seen 14 school projects opened to date. In total, the programme will deliver 47 school infrastructure projects by the end of 2027-28, benefiting tens of thousands of pupils across Scotland.

Information relating to the pipeline of projects within the Scotland-wide hub programme is currently being updated by the Scottish Futures Trust (SFT) and a link to this workstream has not been included within this update. However, the following link to SFT's published hub dashboard that reflects key performance indicators has been included.
www.scottishfuturestrust.org.uk/hub-dashboard-june-2025

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



RICHARD MCCALLUM

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 February 2025 and August 2025 Major Capital Projects Progress Updates.

Project	Status	Cost Increase	Delay	Reason
A9 Dualling Tay Crossing to Ballinluig	In Construction	£35 million	N/A	FBC costs include allowance for future inflation and account for changes in costs of advance works.
East Kilbride Rail Enhancement	In Construction	£300k	N/A	Increasing parapet heights at two bridges on route following discussions between Network Rail and South Lanarkshire Council regarding risk assessment due to presence of electrification infrastructure.
CMAL – Two new 100 metre ferries (MV Glen Rosa)	Pre vessel completion and delivery	Forecast £22.5 million alongside additional risk contingency of £12.5 million.	c6-9 months	Extended build programme and associated delays / revised build plan informed by a full review of work completed to date, alongside lessons learned from construction and delivery of MV Glen Sannox.
(MV Glen Sannox)	In service	£2.4 million[1] plus forecasted £1.6 million.	N/A	Delay in final delivery and forecasted additional Post Delivery work and Warranty.
NHS Ayrshire & Arran - Foxgrove (National Secure Adolescent Inpatient Service	In Construction	N/A	Completion date to be confirmed. (previously reported as	The number and complexity of defects to be resolved.

			August 2025)	
NHS Grampian – Aberdeen Baird Family Hospital and ANCHOR Centre	In Construction	N/A	Occupation dates for either facility not yet confirmed.	Work is continuing to implement several changes resulting from the design reviews and to understand the impact on cost and the timing of the programme.
NHS Forth Valley - National Treatment Centre	In Construction	N/A	Opening date for new ward not yet confirmed	A number of construction issues and work to agree a route to completion is ongoing.
HMP Highland	In Construction	N/A	c3 months	Cause of delay currently being assessed.

1. This figure is subject to accountancy review and may reduce on completion of that review.

Infrastructure Investment Plan 2021-22 to 2025-26

Major capital projects progress update (August 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 August 2025. If however there has been a significant change in the status of any project between then and publication, the accompanying information relating to that project has been updated. 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 causes for cost increases include allowances for future inflation and accounting for changes in costs of advance works, additional work due to risk assessments, extended build programmes, and delays in final delivery. In relation to time delays, we are seeing reasons which include the number and complexity of defects needing to be resolved, the implementation of changes resulting from design reviews, and ongoing construction issues. All planned dates and costs in this update are best estimates and may subsequently be subject to further adjustment.

We fully recognise the important role infrastructure investment plays in driving economic growth, delivering net zero, efficient public services and alleviating child poverty. 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 which continue to impact on affordability.

We want to provide clarity and certainty on the infrastructure investment that will be delivered over the next four financial years (2026-27 to 2029-30) and following the UK Spending Review, we are able to develop a new Infrastructure Delivery Pipeline of affordable, deliverable projects and programmes – this will be published alongside the 2026-27 Budget and the Scottish Spending Review.

In line with the hierarchy of investment set out in the 2021 Infrastructure Investment Plan, we expect maintenance to form a vital part of the pipeline, driving the sustainability, safety and efficiency of our infrastructure and public services.

The new pipeline will cover infrastructure projects over £5 million and programmes over £20 million – social, economic and natural infrastructure and it will build on our proven track record of working with industry to successfully deliver infrastructure which enhances health, wealth and sustainability for the people of Scotland.

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 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 more 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 major construction works starting in spring 2025.

Progress at August 2025: No change to cost or timing since the last report. Major construction works commenced on site in spring 2025 as planned.

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 Outline Business Case (OBC) outlined that the total project cost was estimated to 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 was planned to be operational by the end of 2028.

The Full Business Case (FBC) approved in July 2025 outlines that the project is estimated to cost £257 million (at outturn) and that it 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.

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

The FBC was approved in July 2025 and outlines that the project is estimated to cost £257 million (at outturn) and that it is planned to be operational by the end of 2028. The FBC cost includes allowance for future inflation and accounts for changes in costs of advance works.

The construction contract for the project was awarded to Wills Bros Civil Engineering Ltd in July 2025 at a value of £152.7 million (at Q2 2025 prices).

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

Project: A9 Dualling: Pitlochry to Killiecrankie

Business case approved stages: The fifth phase of the A9 Dualling programme, the 6.4 km road from Pitlochry to Killiecrankie is being upgraded to dual carriageway as part of a wider programme to improve the A9 between Perth and Inverness. The Outline Business Case (OBC) was approved in July 2025 and outlines that the total project cost is expected to be £335 million (at Q2 2025 prices) with the construction contract cost estimated at £205 million (at Q2 2025 prices) and that the project is planned to be operational by the end of 2030.

Progress at February 2025: N/A.

Progress at August 2025: The OBC was approved in July 2025 and outlines that the total project cost is expected to be £335 million (at Q2 2025 prices) with the construction contract cost estimated at £205 million (at Q2 2025 prices) and that the project is planned to be operational by the end of 2030.

Procurement of the project commenced in July 2025 with publication of the contract notice. The contract award is expected to take place in Autumn 2026.

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 Outline Business Case (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 Full Business Case (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 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.

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

The new relocated station at Hairmyres opened to the public in May 2025. At the same time, the South Car Park of the Park and Ride facility delivered by South Lanarkshire Council was opened. The North Car Park subsequently opened for use in August 2025. The new building at East Kilbride station also opened to the public in August 2025. The project remains on schedule for the introduction of electric trains from December 2025.

The Anticipated Final Cost is now £144 million which is an increase in that previously reported. This £300k increase is as a consequence of having to increase parapet heights at two bridges on the route following discussions between Network Rail and South Lanarkshire Council regarding risk assessment due to the presence of electrification infrastructure.

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 Outline Business Case (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 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 (April 2025) 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 (£12.5 million) is potentially subject to change, with the Contractor's submissions subject to final accounting.

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

Markle level crossing closed permanently in mid-May 2025 and the new diversionary road and road overbridge successfully opened to vehicular and pedestrian traffic in June 2025. During the period between the level crossing closure and the new bridge opening, East Lothian Council initiated a temporary traffic order which provided road users with a temporary traffic diversion.

The Anticipated Final Cost (£12.5 million) however remains subject to potential change with final accounting and project closeout.

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

Project: Borders Railway Decarbonisation

Business case approved stages: Project to facilitate the installation of railway electrification infrastructure on sections of the Borders Line, to facilitate ScotRail fleet replacement. This infrastructure will allow the replacement of the diesel rolling stock which currently operate on Borders route with new battery electric rolling stock. The Outline Business Case (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). The Full Business Case (FBC) was approved in June 2025 with a cost of £26.3 million that delivers electrification by 2029 (this does not include the Feeder Station costs for Tweedbank and Portobello).

Progress at February 2025: The development of this project is continuing and is subject to a Final Business Case (FBC) 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 (£14.4 million) is now planned to be available for use from March 2027 and the new Feeder Station at Portobello (£32.4 million) is now planned to enter service in March 2027, both of which will be in advance of electrification of the Borders Route.

Progress at August 2025: The FBC to progress the electrification of the Borders was approved in June 2025. The capital cost required to fund Borders electrification is £26.3 million and is based on a programme that delivers electrification by 2029. However, the timescales for delivery will be aligned with the outcome of the ScotRail Suburban Fleet procurement exercise, and the train delivery schedule resulting therefrom. The ScotRail Suburban Fleet procurement exercise began in July 2025, with the publication of a Periodic Indicative Notice.

The anticipated final cost estimate does not include the Feeder Station costs for Tweedbank and Portobello which are accounted for separately.

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

Project: Fife Decarbonisation

Business case approved stages: Project to facilitate the installation of railway electrification infrastructure on sections of the Fife Circle Lines, to facilitate ScotRail fleet replacement. This infrastructure will allow the replacement of the diesel rolling stock which currently operate on the Fife Circle routes with new Battery Electric rolling stock. The Outline Business Case (OBC) outlined that the total project cost was estimated to be £210 million (exclusive of Feeder Station costs) with the full project estimated be operational in December 2025. The Full Business Case (FBC) was approved in June 2025 with a cost of £311.5 million that delivers electrification by 2029 (exclusive of Thornton Feeder Station costs).

Progress at February 2025: The development of this project is continuing and is subject to a Final Business Case (FBC) 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 (£29.4 million) is now planned to be available for use from December 2026, in advance of electrification of the Fife circle.

Progress at August 2025: The FBC to progress the electrification of Fife routes was approved in June 2025. The capital cost required to fund Fife electrification is £311.5 million and is based on a programme that delivers electrification by 2029. However, the timescales for delivery will be aligned with the outcome of the ScotRail Suburban Fleet procurement exercise, and the train delivery schedule resulting therefrom. The ScotRail Suburban Fleet procurement exercise began July 2025, with the publication of a Periodic Indicative Notice.

The anticipated final cost estimate does not include the Feeder Station costs for Thornton which are accounted for separately.

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 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.

As reported in the August 2024 update, the expected cost to completion from the point of public ownership for both vessels was £299.1 million including contingency.

Progress at August 2025: MV Glen Rosa was launched on 9 April 2024. On 13 May 2025, FMPG formally notified the Net Zero, Energy and Transport Committee that the vessel's target delivery date had been revised from September 2025 to the second quarter of 2026. This follows a full review of the work completed to date on the vessel, alongside lessons learned from the construction and delivery of MV Glen Sannox. The revised build plan, informed by these findings, provides a more robust and achievable timetable, reflecting the additional time required to complete and finalise the vessel for handover. At the same time, FMPG confirmed that the forecast cost to complete had risen from £150 million to £172.5 million, alongside an additional risk contingency of £12.5 million. This increase to what was previously reported, is attributed to the extended build programme and the associated costs of delay.

MV Glen Sannox received its final regulatory approval on 19 November 2024 and was officially handed over to CMAL on 20 November 2024. Passenger services commenced on 13 January 2025 between Troon and Brodick. The total cost of the vessel at handover was £151.5 million, which was £2.4 million higher than the previously reported forecast due to delays in final delivery. At the point of delivery, around £1.6 million of post-completion work remained outstanding, to be carried out during the vessel's dry dock in December 2025 under CMAL ownership. The total cost to build Glen Sannox from the point of public ownership is therefore expected to be between £152 million and £153 million once all work is completed.

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 Full Business Case (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 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 Principal Supply Chain Partner (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 (as reported in the August 2024 update, previous reports estimated the cost at £18.9 million, however additional costs are being incurred due to prolongation and programme delay).

Progress at August 2025: As previously reported, the project has been delayed due to key risks relating to completion of defects and the Scottish Government has approved additional works to resolve the defects.

The completion date will now be later than had been anticipated at the last update (August 2025) due to the number and complexity of defects to be resolved. A completion date is not confirmed at this time and final costs 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 Outline Business Case (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 Full Business Case (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 February 2025: No change to cost since the last report (as reported in the March 2023 update, the cost was £261.1 million and the estimated operational date for the ANCHOR Centre was October 2023 with the Baird Family Hospital being September 2024).

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.

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

Work is continuing 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 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 February 2025: No change to cost since last report (as reported in the September 2022 update, the capital costs were confirmed as £11.1 million).

The new ward continues to be delayed and an opening date is not yet confirmed for that ward (as reported in the December 2023 update, the estimated completion was anticipated in 2024 but there was no confirmed date). 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.

Progress at August 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. As previously reported, 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 Outline Business Case (OBC) outlined a cost of £20.9 million and that the project was to be operational July 2025. The Full Business Case (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 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.

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

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 Outline Business Case (OBC) was approved in July 2023 outlining an estimated cost of £1.344 billion and a planned operational date of 2031.

Progress at February 2025: The Full Business Case (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.

Progress at August 2025: The FBC development continues and is expected to be submitted to the Scottish Government in 2026. Timing is dependent on receiving a supported status following the NHSScotland Design Assessment Process (NDAP) and the Key Stage Assurance Review (KSAR). 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 - Reprovision of Eye Services

Business case approved stages: Project to re-provide eye services including those currently being delivered from the Princess Alexandra Eye Pavilion, Edinburgh (forms part of the National Treatment Centres Programme). The Outline Business Case (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 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 (this follows the previous pausing of the business case as reported in the December 2023 update as was common with all health capital investment projects in development until the necessary capital funding to complete them became available).

Progress at August 2025: NHS Lothian has been asked to progress the business case, including development of the design and timeline.

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 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.

Progress at August 2025: No change in cost or construction completion date since the last report. The campus will be fully operational by January/February 2026 and open to students in autumn 2025.

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 Outline Business Case (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 Full Business Case (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 February 2025: No change to FBC cost or timing since last report.

Progress at August 2025: No change to FBC cost since last report. The construction contractor has submitted an updated project plan reporting a delay in the completion date to late autumn 2026. This is currently being assessed by the Scottish Prison Service to ascertain the cause of the delay and has not yet been agreed.

Contact for public enquiries: email: HQEnquiries@prisons.gov.scot

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 Outline Business Case (OBC) outlined that the total cost of the project was £746 million and that it would be completed by end of 2027. The Full Business Case (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 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.

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

Contact for public enquiries: email: HQEnquiries@prisons.gov.scot

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 Full Business Case (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 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.

Progress at August 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. The first draft has been considered by Scottish Government officials and a further draft will be submitted in October 2025.

The restoration of the A listed Victorian Palm Houses completed in September and the package of infrastructure works connecting heating and associated services were completed earlier this year, within the agreed programme and budget.

Additional decant space for the internationally important plant collection whilst works are underway, has been made available through the reuse of the Fern house and the Cambridge house. This has provided much needed space for the internationally important living collection. Decant space will continue to present challenges going forward.

As noted in earlier updates, construction inflation continues to affect the Biomes programme.

A project to construct the Energy Centre to heat the glasshouses across the Edinburgh Gardens is now expected to start in autumn 2025, subject to Scottish Government spend approvals processes.

Contact for public enquiries: email: andrew.mackie@gov.scot

Summary of changes note

This note summarises key points and changes within the report since the February 2025 progress update.

Projects included within the report for the first time

- A9 Dualling: Pitlochry to Killiecrankie

Projects no longer included within the report

The following project was reported as being completed or operational within the last progress update and is therefore now no longer included:

- NHS Greater Glasgow and Clyde - North East Hub

Projects where business case has been paused

The following Health projects in development were reported within the December 2023 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

- A9 Dualling Tay Crossing to Ballinluig - The construction contract for the fourth section of the A9 Dualling Programme was awarded in July and marked the achievement of another delivery milestone programme. When completed, 45% of the A9 between Perth and Inverness will be dualled, contributing to a safer, more resilient route for road users.

- A9 Dualling: Pitlochry to Killiecrankie - The procurement process formally commenced in July for the fifth section of the A9 Dualling programme with the publication of the contract notice. When completed, this will develop and upgrade active travel routes in the area, making them safer and more enjoyable for the local community and tourists.

- Markle Level Crossing Bridge Replacement - The crossing near East Linton was officially replaced by a new bridge and diversionary road, which opened to traffic in July. Project addressed safety concerns, particularly with advent of new East Linton station and new infrastructure, which also includes an improved access road for Markle Fisheries, which significantly enhances road safety by removing the level crossing and eliminating delays caused by passing trains.

- Borders Railway Decarbonisation and Fife Decarbonisation - As first reported within March 2023 update, both projects were to be replanned. The FBC’s to progress both projects have now been approved and these will be used as the baseline for these projects going forward.

- RBGE - Edinburgh Biomes - The ambitious restoration of the Victorian Palm Houses which completed in September, will protect global plant science and conservation, ensuring the future of these A-listed historic structures and the precious plants that they house.