Dear Convenor,

As a follow up to the appearance by Forth Replacement Crossing project officials at the Rural Economy and Connectivity Committee on 14 December 2016 some additional information was requested from the project team by committee members. This is provided below and I trust that the Committee will find this helpful.

1. **To outline how much of the £245 million reduction in the project budget is the result of a lower than average inflation level and how much is the result of other factors.**

The £245 million reduction in the project budget is the difference between the £1.595 billion upper end of the budget established in June 2011, after the receipt of tenders and awarding of all the contracts, and the current £1.35 billion upper end of the forecast budget based on the progress of the work to date and current forecast to completion. This budget includes all costs related to the project from the initial inception in 2007 through to the end of the five year maintenance period in 2022.

The June 2011 budget of £1.595 billion included a high end estimate for inflation of £237 million and the current budget of £1.35 billion includes a high end estimate of inflation of £45 million. The saving due to lower than expected inflation is therefore £192 million. The remaining saving of £53 million is a reduction in the allowance for risk and optimism bias which have steadily decreased as the project has progressed through robust risk and project management by the Employer’s Delivery Team.

It should be noted that these savings are in addition to those that were realised in the period between the publication of the Financial Memorandum in November 2009 as part of the Forth Crossing Bill which documented a median total project forecast cost of £2.044 billion and the completion of the competitive dialogue procurement process and award of the contracts in June 2011. This process resulted in a reduction in the median forecast of £512 million due to the effective transfer of many of the project risks to the Contractors. It also reflects a very competitive market place at the time of tendering as well as a reduced inflation effect and the elimination of the cost of capital charge.
2. To provide a list of milestones or key events still to take place to meet the target for the May opening.

January 2017
Commence bridge deck waterproofing
Commence installation of wind-shielding posts and louvers on bridge
Lifting of the final two deck sections at the south end of the cable stayed bridge
Install expansion joints at the south end of the Queensferry Crossing
Commence removal of tower crane at North Tower
North roads – divert A90 southbound onto emergency crossover to allow construction of southbound on-slips from Ferrytoll gyratory.

February 2017
Complete installation of the cross over cable stays
Final closure of the cable stayed bridge to the south approach viaduct between piers S2 and S3.
Install expansion joints at the north end of the Queensferry Crossing
Complete removal of tower crane at North Tower
Complete removal of support trestles below deck at North Tower

March 2017
Complete concreting of the south approach viaduct deck to the north of pier S3.
Remove tower crane to deck level at South Tower
Complete removal of support trestles below deck at Centre Tower

April 2017
Remove tower crane to deck level at Centre Tower
Complete removal of support trestles below deck at South Tower
Complete all new M90 road works on North side.
Complete installation of wind shielding
Complete waterproofing and base course road surfacing

May 2017
Install final wearing course road surfacing between north and south abutments.
Final “tuning” of stay cables

Although not discussed at the Committee appearance on 14 December you also requested an update on the progress of the investigation into the fatal accident on 28 April 2016. This remains under investigation by the Health and Safety Executive and so there is no new information available at this time. Similar investigations on other construction sites have often taken between one and two years to reach a final conclusion.

Finally, please find attached an electronic version of the draft User’s Guide for the Forth Road Bridge and Queensferry Crossing which was mentioned by Lawrence Shackman during the evidence session on 14 December. This will be widely distributed prior to the opening of the Queensferry Crossing and full implementation of the 22 km long corridor controlled by the Intelligent Transport System (ITS).

Yours sincerely

David Climie CEng FICE