Dear Mr Farrell

FORTH REPLACEMENT CROSSING PROJECT – FURTHER INFORMATION

Following the evidence session to the REC Committee on Wednesday 7 September 2016, to provide an update of the Forth Replacement Crossing (FRC) Project, I undertook to provide further information relating to (1) breakdown of FRC Project budget (2) the proportion of women employed on the FRC Project.

FRC Project Budget

The Forth Replacement Crossing Project budget covers all costs related to the FRC project from its inception in 2007 to the completion of the 5 year maintenance period in 2022. These include:

- Principal Contract - £790 million
- Fife Intelligent Transport System - £12.9 million
- M9 J1A Upgrade - £25.6 million
- Employer’s direct costs*, non-recoverable VAT, escalation costs, risk and optimism bias - £521.5 million

*Employer’s direct costs includes the following: staff costs, utility and statutory undertakers works, insurance, legal and professional advisors, surveys, land purchase, employer issued equipment, compensation claims, governance and publicity.

The FRC project budget has steadily reduced since the Financial Memorandum for the Forth Crossing Bill was laid before Parliament in November 2009 when the forecast cost range was £1.73 to £2.34 billion. This range was subsequently reduced following the receipt of tenders for the Works contracts to £1.45 to £1.60 billion in mid-2011. As the works have progressed a cumulative £245 million reduction in the budget has been delivered due to lower than expected inflation, robust risk
management and strong project governance resulting in the current forecast outturn cost range of £1.325 to £1.35 billion.

The full budget for the project was published as part of the Financial Memorandum of the Forth Crossing Act 2011 full details of which are here: http://www.transport.gov.scot/road/forth-replacement-crossing/forth-crossing-act

The budget was also scrutinised by Audit Scotland in their report of June 2013: http://www.auditscotland.gov.uk/docs/central/2013/nr_130621_transport_projects.pdf

Proportion of women employed on FRC Project

12% of those employed on the FRC Project are women.

We look forward to hosting your visit to the FRC Project on 31 October.

Yours sincerely

David Climie CEng FICE
FRC Project Director