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Foreword

Infrastructure investment is fundamental to delivering sustainable economic growth – both supporting jobs through the construction phase and then, once in use, enabling businesses to grow. Every additional £100 million of capital invested in 2012-13 is estimated to generate £160 million worth of economic activity and support 1400 jobs across the Scottish economy in that year.

We were delighted to publish in December 2011 an updated Infrastructure Investment Plan which outlines why we need to invest, how we will invest and what strategic, large-scale investments we intend to take forward within each sector over the next 10 to 20 years.

Significant progress has been made since the publication of the Plan. Despite Westminster with cuts to Scottish capital budgets of 26 per cent in real terms over the four years of the UK Spending Review, we are taking decisive action to maintain jobs and economic growth through continued investment. Over the three year period from this financial year to 2014-15, we will support infrastructure investment of more than £10 billion through the capital budget, the Non Profit Distributing (NPD) pipeline, rail investment through Network Rail’s Regulatory Asset Base (RAB), and switching more than £700 million from resource into capital.

The Scottish Government’s £3.1 billion capital investment programme for 2012-13 is estimated to support over 40,000 jobs across the Scottish economy in this period.

We set out four criteria for prioritising investment in the Infrastructure Investment Plan – delivering sustainable economic growth; managing the transition to a low carbon economy; supporting delivery of efficient and high quality public services; and supporting employment and opportunity across Scotland. We have used these criteria through the year as opportunities have arisen to add to and redirect investment. In particular, key announcements in 2012 included:

- In February we announced the allocation of Barnett consequentials amounting to £393 million for 2012-13 to 2014-15. These are supporting infrastructure development, economic growth and jobs the length and breadth of Scotland.

- In June we announced a £105 million package of economic stimulus for this year. The package is supporting new investment and accelerating projects from future years to boost the economy.

- In September we published the Government’s Draft Budget for 2013-14, which focuses on jobs and growth, and delivers an economic stimulus through infrastructure investment, including in affordable housing, schools and energy efficiency.

- In December we announced a £205 million package of construction and maintenance projects to begin this year as the UK Government, via the Chancellor’s Autumn Statement, finally heeded Scotland’s calls for additional capital funding. This is estimated to support approximately 2,000 jobs across Scotland in 2013-14.
I am delighted that progress has been made across all the sectors, as demonstrated by this report.

Over 2012, nine of the major infrastructure projects included in the IIP, with a value of £644.5 million, have been completed and are now in use. These included three transport projects: the Paisley Corridor rail improvements, the Fife Intelligent Transport System (part of the Forth Replacement Crossing project) and A96 Fochabers to Mosstodloch Bypass; four health projects: NHS Lanarkshire - Airdrie Community Health Centre, NHS Tayside - Mental Health Developments Project, NHS Lothian - Royal Victoria Hospital and NHS Grampian - Emergency Care Centre; and two prison projects: HMP Low Moss and HMP Shotts – Redevelopment Phase 2.

Particular highlights from the different sectors in this report include:

In **transport**, design development work has got underway for the A9 dualling Perth to Inverness with the award of two major contracts on 25 September 2012.

In **digital**, good progress is being made in relation to the *Step Change 2015* programme to deliver a next generation digital infrastructure for between 85 and 90 per cent of premises across Scotland and the best possible uplift in speeds for the remaining 10-15 per cent.

In **energy and renewables**, investment has ensured that Scotland has exceeded its interim target to generate the equivalent of 31 per cent of its electricity from renewables by 2011, generating the equivalent of 35 per cent.

In **water**, Scottish Water reported for the financial year 2011-12 that it had invested £491 million. For the financial year 2012-13, Scottish Water expects to invest a further £500 million.

In **waste**, around £15 million has been provided through Zero Waste Scotland for infrastructure projects across Scotland.

In **health**, New South Glasgow Hospitals continues to make good progress, with the first phase of the project – a new £90 million laboratory and facilities management building – opening in November 2012.

In **education**, a further 30 schools have been included in the third and final phase of the Schools for the Future Programme – 12 more schools than originally planned for the same level of investment.

In **housing**, we are on track to deliver at least 30,000 affordable homes during the lifetime of this parliament with 6,882 homes delivered in 2011-12 (15 per cent more than the target).

In **regeneration**, Scotland’s £50 million JESSICA fund made its first investments totalling in excess of £11 million at the end of 2012.

In **justice**, prison estate modernisation is making good progress, with the opening of HMP Low Moss in March 2012 and the second and final phase of HMP Shotts in October 2012.
This report outlines the progress that has been made since the publication of the updated Infrastructure Investment Plan just over a year ago, sector-by-sector. The Annex provides a progress update on individual plans and programmes over £20 million being taken forward this Spending Review period.

In addition, we are providing two separate, updated investment pipelines through to 2030: one giving details of major investment programmes and another outlining the pipeline of investment in major capital projects over £20 million, plus some additional information on schools and health projects being delivered through hub. Our aim is to give the market and other interested stakeholders a clear overview of our long-term investment plans. We will continue to update these on a regular basis on our website.

We look forward to continuing work with the private sector, local government, and all our stakeholders to ensure that collectively we maximise the benefits of infrastructure investment to Scotland.

Nicola Sturgeon MSP  
Deputy First Minister and Cabinet Secretary for Infrastructure, Investment and Cities
TRANSPORT

There has been significant progress on the programmes and projects in the Transport Sector including:

- **A96 Fochabers to Mosstodloch Bypass:** contract value £31.5 million, opened early, on budget in January 2012.
- **Paisley Corridor Improvements:** Substantially completed in February 2012 at £169 million. Two new platforms brought into operation at Glasgow Central.
- **Forth Replacement Crossing:** £1.45 billion-£1.60 billion, on schedule for 2016. Project now directly supporting its forecast peak complement of around 1200 construction jobs. To date, 156 from 258 (60.5 per cent) subcontract opportunities awarded to Scottish firms (total value approx £31 million). 3,150 of 3,640 (86.5 per cent) supply orders on Principal Contract (worth £41 million) awarded to Scottish companies.
- **Edinburgh to Glasgow Rail Improvements Programme:** £650 million investment in first phase announced July 2012. Phased delivery will enable more affordable and achievable implementation, delivering programme aims and ensuring best value.
- **Borders Railway:** Construction costs estimated £294 million in Net Present Value terms (at 2012 prices). Formal handover for the delivery of the project to Network Rail on 6 November 2012.
- **Edinburgh Trams:** The project continues to make good progress and is on target against the revised budget and Programme, with the Client Target Programme indicating that open for revenue services will start by summer 2014.
- **M8 M73 M74 Motorway Improvements:** New £415 million construction works include plans to upgrade A8 Baillieston to Newhouse, completing motorway between Glasgow and Edinburgh, plus improvements to M74 Raith Interchange and widening key sections of M8, M73 and M74. Expected contract award in October 2013.
- **AWPR:** NPD contract: £404 million, enabling costs: £249 million, following scope changes, the inclusion of standard risk costs and rebasing to 2012 prices / **A90 Balmedie to Tipperty:** NPD contract: £68 million, enabling costs: £24 million. To be taken forward as single NPD contract. Supreme Court appeal rejected 17 Oct 2012: scheme will now progress. Contract notice issued on 18 January 2013; construction to start autumn 2014. Completion expected by spring 2018.
- **Glasgow Subway Modernisation:** Up to £246 million Scottish Government funding to enable Strathclyde Partnership for Transport (SPT) to deliver new trains, refurbish stations, upgrade signals and improve accessibility. Hillhead refurbishment completed, Partick (lower), Ibrox and Kelvinhall are next.
- **Glasgow’s Fastlink:** up to £40 million committed to fund the core scheme within Strathclyde Partnership for Transport’s business case. This will involve providing infrastructure between the city centre, SECC and new South Glasgow Hospitals, with benefits for the Commonwealth Games.
- **A9 Dualling Perth to Inverness:** Design development work underway for this £3 billion programme. The award of two major contracts was announced on 25 September 2012.
- Construction to start in early 2013 on **A75 Hardgrove to Kinmount, A82 Pulpit Rock Scheme, A77 Symington to Bogend Toll and A75 Dunragit Bypass.**
The Scottish Government published its Digital Infrastructure Action Plan in January 2012 [http://www.scotland.gov.uk/Publications/2012/01/1487/1](http://www.scotland.gov.uk/Publications/2012/01/1487/1). This set out a programme of action consisting of four inter-related programmes:

- **Step Change 2015** – to deliver a next generation digital infrastructure for between 85-90 per cent of premises across Scotland and the best possible uplift in speeds for the remaining 10-15 per cent.

- **World-Class 2020** – to establish a world class digital infrastructure in Scotland that builds upon the platform provided by Step Change 2015, through a sustainable partnership with industry.

- **Demonstrating Digital** – to deliver a series of practical infrastructure projects in both urban and rural areas.

- **Choose Digital First** - to raise demand for next generation broadband services thereby helping to improve the commercial case for investment in next generation infrastructure.

The **Step Change 2015 - Procurement Plan**¹, published on 25 May 2012, described how the Scottish Government’s objectives would be achieved through two related procurement exercises, one in the Highlands and Islands, the other in the rest of Scotland. The first of these projects is being led by Highlands and Islands Enterprise and it is anticipated that a contract to deliver the proposed infrastructure will be signed in January 2013. The second of these projects is being led by a team based in Scottish Government, with support from Local Authorities across the area, and remains on track to award a contract in June 2013.

A Community Broadband Scotland programme, was launched in August 2012, by the then Cabinet Secretary for Infrastructure and Capital Investment, as an early deliverable from the Demonstrating Digital Programme. This is a national endeavour, developed and delivered in partnership between national and local agencies that will provide a one-stop-shop for all community broadband enquiries, empowering communities to develop tailored solutions to meet their broadband requirements. The Scottish Government has committed £5 million over the next three years in support of the programme.

So far, the public sector has secured over £240 million for delivery of next generation broadband in Scotland, including an increased allocation of the UK Government's £530 million central funding pot. The Scottish share was increased in June 2012 from £68.8 million (the original allocation) to £100.8 million following successful, lengthy negotiations with the UK Government for a funding allocation which more accurately reflects the significant challenges in delivering in Scotland.

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¹ Step Change 2015 - Procurement Plan (May 2012)
ENERGY

Progress as regards investment in Energy includes:

- Following successful lobbying for the release of £103 million of Scotland’s Fossil Fuel Levy monies, we consulted on, designed and launched Scotland’s Renewable Energy Investment Fund (REIF) using the £103 million.

- REIF is managed by the Scottish Investment Bank and will prioritise investment in community renewables, district heating and marine energy. We expect the first investment decisions to be made within this financial year.

- Analysis by Scottish Renewables shows that in the first six months of 2012, investment in Scotland’s renewable energy industry topped £900 million in the first six months of 2012, putting it on track to reach £1 billion for the first time in the industry’s history.

- Of the £900 million investment, around £800 million was in onshore wind with solar photovoltaics attracting the next most investment.

- This investment ensured that Scotland exceeded its interim target to generate the equivalent of 31 per cent of its electricity from renewables by 2011, generating the equivalent of 35 per cent.

- In March 2012, the number of FTE posts in Scotland in renewable energy development and operation, and in the direct supply chain was just over 11,000 (Scottish Renewables figures).

- Edinburgh successfully lobbied for the headquarters of the UK Green Investment Bank to be based here in Edinburgh. Capitalised with £3 billion over the next three years, the bank will invest on a commercial basis in offshore wind, energy from waste, waste management and non domestic energy efficiency projects.
General Overview

- Scottish Water continues to make good progress with the delivery of Ministerial Investment Objectives for the period 2010-15\(^2\). At the end of Quarter 2 2012-13, the Outputs Monitoring Group, which monitors the delivery of the investment programme, confirmed that the delivery of outputs is ahead of schedule and that it is satisfied with Scottish Water’s progress. Reports from the Outputs Monitoring Group are published on the Scottish Government’s website\(^3\).

- During the year, Scottish Water reported for the financial year 2011-12, that it had invested £491 million and in doing so had made a further contribution towards a number of the Government’s key strategic objectives. This investment enabled it to: deliver better services to customers; improve drinking water quality; reduce leakage; and protect Scotland’s environment. Some of the projects completed in the year include Glencorse Water Treatment Works which now supplies much of Edinburgh, Wastewater Treatment facilities for Dunoon and a new sewerage scheme for Airdrie.

- For the financial year 2012-13, Scottish Water expects to invest a further £500 million.

Investment Pipeline

- Scottish Water’s investment programme is defined and funded for the period 2010-15. The investment programme is set out in the form of Ministerial Directions and a supporting Technical Expression (list of outputs). Scottish Water’s Delivery Plan\(^4\) sets out how Scottish Water intends to deliver the investment over the five year period.

- Stakeholders are currently working on the setting of investment requirements for the next regulatory period 2015-2021. The Scottish Government recently consulted on its priorities for this period in Investing in and Paying for Your Water Services. Stakeholders confirmed their support for the policy framework that Ministers propose.

- Scottish Water launched its “Draft Strategic Projections – Shaping the future of your water and waste water services”\(^5\) on 14 November 2012. In this consultation, which closes on 12 February 2013, it is seeking the views of customers and stakeholders on the balance between charges and improvements to services in the medium term.

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\(^5\) [http://www.scottishwater.co.uk/your-views-count](http://www.scottishwater.co.uk/your-views-count)
RURAL AFFAIRS AND THE ENVIRONMENT

Investment in Scotland’s Rural Affairs and Environment portfolio is intended to create a more successful country with opportunities for all of Scotland to flourish through increasing sustainable economic growth.

- Since October 2011 in excess of £70.5 million has been invested through the Scotland Rural Development Programme (SRDP) as capital grants for Rural Priorities, Land Managers Options, Crofting Counties Agricultural Grants and Food Processing, Cooperation and Marketing.

- The Scottish Agricultural College (SAC) moved in September 2011 into a state of the art campus in Ayr costing £70 million, which will be shared with the University of the West of Scotland.

- Around £15 million has been provided through Zero Waste Scotland for infrastructure projects across Scotland. This has supported initiatives like the roll out of food waste infrastructure, recycling on the go infrastructure and investment in sorting facilities. A further £2.5 million has been made available to support investment in plastics reprocessing infrastructure through the creation of a Scottish plastics loan fund.

- £1.5 million has been invested to fund the planning and costing stages for the Royal Botanic Garden, Edinburgh. Plans to redevelop the display and research glass houses and education facilities in the Edinburgh garden over a future phased construction programme will be agreed as further funds become available.

- Ongoing essential infrastructure renewals are being taken forward at Royal Botanic Garden Edinburgh to help maintain the estate, at a cost of £1 million per year.

- £1 million per annum continued assistance for the maintenance of the estates of our Main Research Providers, in particular at the James Hutton Institute, which operates on two sites in Dundee and Aberdeen and SRUC, launched in 2012, following the merger between Barony, Elmwood and Oatridge Colleges with the Scottish Agricultural College.
HEALTH

The majority of projects designated as legally committed entering the 2011 Scottish Spending Review have now completed. These projects include:

- a new health centre at Lochfield Road and an acute mental health unit at Midpark Hospital in Dumfries;
- a new community health centre in Cupar and the completion of the latest phase of the general hospital and maternity services at the Victoria Hospital in Kirkcaldy;
- the equipping of the Forth Valley Royal Hospital at Larbert;
- completion of the Foresterhill Energy Centre at Aberdeen Royal Infirmary and improvements to Chalmers Hospital at Banff;
- completion of the Renfrew and Barrhead Health Centres in NHS Greater Glasgow and Clyde;
- completion of the Migdale Community Hospital at Bonnar Bridge in NHS Highland;
- completion of the Airdrie Community Health Centre in NHS Lanarkshire and the reprovision of facilities at the State Hospital in Carstairs;
- completion of the Musselburgh Health Centre and Royal Victoria Hospital in Edinburgh;
- the equipping of the award winning mental health unit at Stracathro Hospital and reprovision of the Department of Nuclear Medicine in Dundee; and
- the latest phase in the Scottish Ambulance vehicle replacement programme.

In addition to the above, two major projects supporting the modernisation of services and facilities at the Southern General Hospital and Foresterhill Campus sites in Glasgow and Aberdeen respectively have completed in 2012.

The first phase of the New South Glasgow Hospitals project was officially opened in November 2012. It comprises a new £90 million laboratory and Facilities Management building linked to the main hospital via a subterranean tunnel. Work continues on the new adult and children hospitals which is on time and on budget. The project has already been shortlisted for an international architectural prize.

The state of the art £110 million Aberdeen Emergency Care Centre completed in October and became operational in December 2012. The Centre co-locates a number of unscheduled care referral services and provides in-patient beds including those devoted to cancer care. The Centre is designed to deliver services consistent with the Aberdeen Royal Infirmary Blueprint against a background of inpatient bed projections that are consistent with the local Health Plan and, along with other new facilities opened in 2012, will make a major contribution towards the NHS Scotland Quality Strategy.
SCOTLAND’S SCHOOLS FOR THE FUTURE

Schools for Future Programme – Phase I & II

- The first six schools in the Schools for Future Programme opened on schedule.
- The total capital value of schools opened to date under Programme is £44.8 million, of which the Scottish Government’s contribution is £18.4 million.
- Nine schools are currently under construction as part of Programme.
- The total capital value of schools under construction is £163 million, of which the Scottish Government’s contribution will be £93 million.
- A further 23 schools are planned under Phases I & II with a total capital value of some £520 million.
- The total capacity of completed schools is some 1,600 places and schools under construction some 6,400 places. The total capacity of phases I & II is estimated at some 24,000 pupil places.

Phase III

- It was announced in September 2012 that a further 30 schools would be supported under the third and final phase of the Programme with an estimated total capital value of some £680 million and an estimated Scottish Government contribution of £440 million; this represents 12 more schools than originally planned for the same level of investment.
- The total capacity of schools being built under Phase III is estimated to be 26,000 pupil places. When complete, the Programme will have delivered 67 new or refurbished schools with a capacity of some 50,000 places, this represents 12 more schools than originally planned for the same level of investment.
FURTHER AND HIGHER EDUCATION

The Scottish Funding Council’s current priorities for capital investment are:

- to maintain the existing college and university estates through targeted allocation of grant based on need;
- to target capital to ensure institutions have the facilities and capacity required to deliver provision which supports jobs and growth, sustainability and improves life chances; and
- to provide capital support to research universities with “excellent” departments, i.e. those that secure significant levels of support from the Research Councils (RCUK).

And in that regard, the following activity is being supported:

- University of Dundee: first phase redevelopment of the Duncan of Jordanstone Art School to create a Knowledge Exchange Hub pooling the four Art Schools in Scotland with wider collaboration across SMEs e.g. in relation to the V&A.
- University of Edinburgh: new build project for the School of Humanities and Social Sciences co-locating the areas of Languages, Literature and Culture.
- University of Glasgow: creation of a new building to create a Cancer Hub in Scotland to support world class research in cancers that are prevalent in Scotland.
- Heriot Watt University: re-modelling laboratories in three key areas – Food and Drink, Aquaculture and Toxicology to deliver new research.
- University of St Andrews: Creation of Biomedical Research building creating commercial laboratory space (type CL3) and the purchase of two biomass spectrometers (which analyse samples of materials to identify their constituent parts).
- University of Stirling: Refurbishment of non-used areas of the estate to create five new research laboratories - Radioactive unit; Climate changes effect on lochs and vegetation; Sports Laboratory; Soils laboratory; and NACS lab.
CULTURE AND HERITAGE

The key projects are the V&A at Dundee, the Glasgow Royal Concert Hall, Theatre Royal improvements, estates and storage maintenance, and repair and improvements at the National Collections. These are all multi-year programmes which only began following the Spending Review 2011.

- The V&A at Dundee project is still working towards completion of construction in 2015/16. Plans have recently been announced to move the building site slightly closer onto the shore of the Waterfront redevelopment, which reduces the timing and cost risks attached to the project. Construction is expected to start in Q2 2013.

- The Glasgow Royal Concert Hall and Theatre Royal improvements are still working towards completion in 2014. Construction has started on the Theatre Royal Project and plans are for the Royal Concert Hall work to begin in February 2013.

- Repairs, maintenance and storage improvements on the cultural estate are ongoing. There are many distinct projects across the cultural bodies and consequently these are all at varying stages. Overall we estimate a 10 year programme will be required to address the maintenance and repair backlog.
HOUSING

Delivery of the Scottish Government’s strategy ‘Homes Fit for the 21st Century’ to improve the supply, quality and sustainability of Scotland’s housing is making a major contribution towards economic recovery, a low carbon economy and the tackling of fuel poverty. The three-year (2012/13-2014/15) Affordable Housing Supply Programme (AHSP) is expected to generate in excess of £3 billion of economic activity in the construction and related sectors, supporting around 8,000 jobs per annum. In 2012-13, Scottish Government housing energy efficiency investments in excess of £70 million are expected to lever in a similar amount from other sources, generating around £240 million of economic activity and supporting approximately 1,800 jobs. Progress includes:

- A housing budget increased from original £630 million to achieve an investment of at least £800 million in the three-year AHSP [includes £260 million within the Local Government settlement].
- On track to deliver at least 30,000 affordable homes during the lifetime of this parliament with 6,882 homes delivered in 2011-12 (15 per cent more than target).
- A continued increase in new council houses across Scotland, with local authorities completing over 1,000 new homes in 2011/12, the highest number since 1990.
- Launch in September 2012 of the MI New Home scheme to help credit worthy borrowers locked out of the market. Scottish Government guarantees will support up to 6,000 95 per cent loan to value mortgages for new build homes over three years; this could create or safeguard 23,000 construction jobs and over 650 apprenticeships.
- An increased budget for the Open Market Shared Equity Scheme from over £10 million to over £20 million – helping households and families wishing to purchase their first home and second-stoppers who wish to move home.
- Over £2.5 million for the New Supply Shared Equity with Developers scheme to support new build projects helping first time buyers get a step on the property ladder.
- Launch of £4.5 million Empty Homes Loan Fund to create more affordable homes.
- In July 2012, funding of £3 million awarded under the Housing Infrastructure Loan Fund to kick-start stalled housing projects and launch of a second round of funding.
- Contracts secured under the guarantee-backed National Housing Trust initiative (NHT) for the construction of over 700 new affordable homes across the country – with the initiative on track to deliver 1,000 new homes; launch in September 2012 of a new variant of the NHT offering guarantees for housing associations; and the development of local NHT variants with partner councils to commence delivery of further affordable homes in 2013.
- £10 million Greener Homes Innovation Scheme launched in September 2012 seeking bids for new approaches to delivery of energy efficient affordable housing.
- Launch of the £50 million five-year Warm Homes Fund in November 2012 providing grants and loans to local authorities and Registered Social Landlords to develop renewable energy and housing energy efficiency schemes in communities with high levels of fuel poverty.
- Delivery of the Energy Assistance Package to around 40,000 households in 2011-12, with over 10,000 households benefiting from over £30 million of expenditure on physical measures including insulation and new or repaired central heating systems.
- The funding of 12,000 boiler replacements under the Boiler Scrappage Scheme in 2011-12 with £7.5 million in 2012-13 to fund a further 18,000 in this year which is on track to meet the 30,000 target for this Parliament three years early.
- Over 250,000 offers of help to households and insulation measures to over 21,000 households in 2011-12 under the £14 million Universal Home Insulation Scheme, with forecast expenditure in 2012-13 of over £22 million.
The Regeneration Strategy, *Achieving a Sustainable Future*, was published in December 2011 and announced funding of £175 million over the Spending Review period.

The key elements are:

- tackling area-based deprivation by reforming how mainstream resources are used and working together more effectively;
- a stronger focus on community-led regeneration; and
- realising the economic potential of Scotland’s communities through focused funding and other support mechanisms.

Key funding measures include:

- SPRUCE, Scotland’s £50 million JESSICA investment fund, launched on 12 December 2011.
- £75 million of grant funding for capital regeneration projects over the Spending Review period, including £48 million for Urban Regeneration Companies in the first two years. Plans for the Regeneration Capital Grant Fund starting in 2014/15 are currently being developed in partnership with COSLA.
- Over £26 million to tackle vacant and derelict land over the Spending Review period.
- A £7.9 million per annum People and Communities Fund which will provide support to community anchor organisations to deliver local regeneration priorities.

Progress since 2008 includes:

- Over £216 million directly invested in regeneration activity up to 2012.
- £121.9 million invested in Urban Regeneration Companies (URCs). The following outputs have been delivered: over 85,000 sqm of business space; over 2000 jobs and 900+ training places; 211 hectares of vacant and derelict land remediated or developed; over 800 houses and 2 primary schools built. In addition, over £144 million of private sector investment has been generated on the back of public sector investment.
- SPRUCE, Scotland’s £50 million JESSICA fund, made its first investments in excess of £11 million at the end of 2012.
- Vacant and Derelict Land Fund: £54.76 million of funding provided to tackle vacant and derelict land in five local authority areas.
- Town Centre Regeneration Fund: £60 million of funding provided to town centres across Scotland in 2009/10 to deliver a range of regeneration outcomes.
- A national review of town centres was launched in September 2012, chaired by Malcolm Fraser.
- Tax Incremental Financing (TIF): the Scottish Government has approved three TIF pilot projects worth £237 million, with the expectation that these will lever in around £1.4 billion in private sector investment.
COMMONWEALTH GAMES

Progress in relation to Commonwealth Games infrastructure includes:

- The new Sir Chris Hoy Velodrome was 50 per cent funded from the Games budget with a contribution of £13.2 million and opened to the public in October 2012.

- The upgrade of the Tollcross Aquatics Centre received £13.6 million from the Games Budget and £650,000 from sportscotland towards the construction of a new 50 metre pool. External construction is complete and remaining construction and testing is progressing well. The facility is expected to re-open to the public in February 2013.

- £27.75 million is being contributed from the Games Budget to the improvement works and adaptation of Hampden Park for the athletics. Work began in November on the North stand.

- Construction of the Hydro at the SECC complex is supported by a £25 million investment from Scottish Enterprise and will help create a 12,000 seat arena, which will be used for gymnastics and other events at the Games, and will be a major tourism, culture and sporting asset thereafter. The 123m roof was lifted into place in June and work on the façade began in September. Completion is on schedule for July 2013.

- A further £10.5 million is being contributed from the Games budget to capital works at other Games sports venues including the National Hockey Centre and the Scotstoun Sports Campus. Construction began at the Hockey Centre in July 2012 and is expected to be completed in July 2013. Construction at the Kelvingrove Lawn Bowls centre is complete.

- £47.3 million in grant funding from the Government is contributing to subsidised housing with in the Athletes’ Village and the project is over 50 per cent completed.

- An improved £11 million railway station is being constructed at Dalmarnock. Construction is well under way and is scheduled to be complete in autumn 2013, far in advance of the Games.

- The £500 million overall spending on construction and refurbishment of Games venues over the six years leading up to the Games, is estimated to support on average around 1,000 jobs and contribute £60 million to Scotland’s Gross Value Added for each of the six years. At its peak in 2012, where £140 million is invested, around 2,000 full time equivalent jobs and £100 million Gross Value Added are supported.

- Through Glasgow City Council’s Community Benefit Clauses policy people are being supported back into work or into their first jobs through Games-related contracts. Under these clauses, 351 New Entrant Trainees have now been recruited from the long-term unemployed or education leavers, 113 of which are modern apprentices as at end September 2012.
Prison estate:

- **HMP Low Moss** opened in March 2012.
- Second and final phase of **HMP Shotts** opened in October 2012.
- Construction of **HMP Grampian** has commenced at the start of the year and is expected to open during winter 2013-14. This will provide the first custom-built community-facing prison, including a unit for women offenders.
- Work is underway to deliver immediate improvements for female offenders at **HMP Cornton Vale** in advance of a more permanent solution being available.
- **HMP Inverclyde** is being designed to provide a custom-built and dedicated facility for women.
- A new facility for women is being created at **HMP Edinburgh**.

Scottish Crime Campus:

- The Building is in the final stage of construction and will complete in the autumn of 2013 following which occupation by partner agencies will be complete by Easter 2014.

Parliament House project:

- The third phase of the Parliament House Redevelopment was completed on 3 December 2012. This will bring back into use four upgraded courtrooms and ancillary supporting accommodation.

Police and Fire service ICT:

- The reform of our police and fire services will protect and improve local services and outcomes in communities. Over the next few years we will invest in our police and fire services' ICT capacity to secure the operational benefits and future budget savings offered by reform.

Resilient telecoms infrastructure:

- Two key infrastructure projects have been undertaken and are now operational: Scottish Police Network (SPN) upgrade and Satellite Communications Service.
## Transport

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<tr>
<th>Programme / project</th>
<th>Progress update</th>
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<tbody>
<tr>
<td>Forth Replacement Crossing</td>
<td>All three contracts making up the Forth Replacement Crossing (FRC) scheme are progressing well:</td>
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<tr>
<td></td>
<td>Principal Contract - The contract for the bridge and connecting roads elements is being undertaken by the Forth Crossing Bridge Constructors (FCBC), a consortium comprising Dragados, Hochtief, American Bridge International and Morrison Construction. It started construction in summer 2011 and is currently progressing to programme and scheduled for completion in 2016.</td>
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<td>Fife ITS - The contract to install the Intelligent Transport System (ITS) gantries on the M90 between Admiralty and Halbeath Junctions in Fife and provision for southbound bus hard shoulder running has recently been completed by John Graham (Dromore) Ltd. The bus lane and ITS went live on 4 December 2012.</td>
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<td>M9 Junction 1A - The contract to improve Junction 1A of the M9 which will provide improved connections between the motorway and the new bridge is being carried out by Sisk Roadbridge Ltd (SRB). Construction began in September 2011 and is nearing completion with opening scheduled for early 2013.</td>
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<td>The FRC project is currently on track to be delivered on time and within the forecast outturn cost range of £1.45 billion to £1.6 billion.</td>
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<td>Edinburgh Glasgow Rail Improvements Programme (EGIP)</td>
<td>On 4 July 2012 the Minister for Housing and Transport announced details of the EGIP scheme and the first phase to be taken forward for delivery. Based on four trains per hour (tph) with longer trains and extended platforms at Queen Street Station, Phase 1 electrifies the core area of the existing track west of Edinburgh and south of Glasgow.</td>
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<td><strong>Edinburgh Glasgow via Falkirk and the Cumbernauld lines in time for the Commonwealth Games, and delivers the new Edinburgh Gateway Station with connection to Fife line services.</strong></td>
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<tr>
<td>Other elements of the current EGIP, i.e. electrification of Dunblane/Alloa services, Glasgow connectivity with Edinburgh Gateway station and the proposal for 6tph on the route via Falkirk, could be delivered in later phases. However, a decision to progress would be dependent on High Speed Rail and wider capacity and affordability issues.</td>
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<tr>
<td>Procurement has commenced on Cumbernauld electrification with a delivery date in advance of the Commonwealth Games.</td>
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<tr>
<td>Haymarket station capacity and electrification advance route clearance works valued at £55 million have been awarded and are underway. Haymarket Station on schedule for completion in December 2013.</td>
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<tr>
<td><strong>Edinburgh Trams Network</strong></td>
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<tr>
<td>The project continues to make good progress and is on target against the revised budget and Programme, with the Client Target Programme indicating that it will be open for services in summer 2014. The construction of the civil engineering and system elements of the project along the route from the airport to the tram depot at Gogar was energised in November 2012 and is currently undergoing testing. The Mound and Princes Street (Lothian Road to St Andrew Street) works were delivered ahead of the revised Programme.</td>
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<tr>
<td><strong>AWPR (Aberdeen Western Peripheral Route) and A90 Balmedie to Tipperty</strong></td>
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<tr>
<td>AWPR - The UK Supreme Court’s refusal of the appeal against the AWPR on 17 October 2012 allowed the scheme to move forward. A Prior Information Notice was published on 19 October 2012 advising that expressions of interest will be sought in early 2013 with construction expected to start in 2014.</td>
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<tr>
<td>A90 Balmedie to Tipperty - Orders were made on 1 March 2012 in accordance with recommendations following the earlier Public Local Inquiry and the General Vesting Declaration (GVD) is programmed to be served early in 2013.</td>
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<tr>
<td>The estimated capital value has now been reviewed and updated.</td>
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<tr>
<td>AWPR and A90 Balmedie to Tipperty will be taken forward as a single Non Profit Distributing</td>
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<tr>
<td>Project Name</td>
<td>Description</td>
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<tr>
<td>M8 M73 M74 motorway improvements</td>
<td>The M8 Baillieston-Newhouse, M8 associated network improvements and M74 Raith Interchange is being taken forward as one scheme - the M8, M73, M74 Motorway Improvements - as stated in the draft budget statement in November 2010. The project is currently being procured using the NPD model and four bidders have been invited to tender. Deselecting the four bidders to two is anticipated in February 2013 with contract award anticipated late 2013 subject to condition of the financial markets.</td>
</tr>
<tr>
<td>Borders Railway</td>
<td>Transport Scotland recently concluded the formal handover and commercial terms for the delivery of the Borders Railway, ensuring that for the first time in over 40 years, people living in the Scottish Borders and Midlothian can benefit from a direct rail link connecting to the capital city and the wider Scottish rail network.</td>
</tr>
<tr>
<td>Glasgow subway modernisation</td>
<td>In March 2012 the Scottish Government agreed to provide up to £246 million capital funding towards the total cost of £287.5 million for the modernisation of the Glasgow Subway. Funding to Strathclyde Partnership for Transport (SPT) from 2011/12 for Subway modernisation has allowed SPT to proceed with, for example, upgrading Hillhead station and the introduction of improved ticketing infrastructure across the network. The pilot project at Hillhead has been completed and will be used as the template for all the other stations. SPT modernisation plans include the refurbishment of Ibrox and Kelvinhall stations, as these stations will provide access to the 2014 venues for rugby sevens and bowling respectively. All stations will be given a “refresh” in time for the Commonwealth Games which is focused on ensuring all customers are given a good impression of the stations, as well as dealing with normal wear and tear.</td>
</tr>
<tr>
<td>Paisley Corridor rail improvements (PCI)</td>
<td>The PCI infrastructure works were commissioned on 26 February 2012. The project is operational and an interim service was introduced on 27 February between Glasgow Central and Ardrossan South Beach. Timetable development is concluded and the planned service enhancements were introduced in December 2012.</td>
</tr>
<tr>
<td>Glasgow Fastlink</td>
<td>In October 2011 the Scottish Government announced funding of up to £40 million towards SPT’s Fastlink project core scheme. Investment in Fastlink was a 2011 manifesto commitment. Fastlink is a bus rapid transit project which will provide fast access to jobs, services and communities along a key development corridor, including healthcare services at the new South Glasgow Hospital Campus, and improves transport links for the</td>
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</table>
Commonwealth Games. The Fastlink Core scheme incorporates the three main transport hubs in Glasgow city centre - Glasgow Central Station, Glasgow Queen Street Station, and Buchanan Bus Station. Progress since the announcement has involved the Design and Development stage for the route, and it is expected that construction will shortly commence on the Anderston Quay section to ensure that it is available for the Commonwealth Games transport. This section will extend the existing segregated Fastlink road under the Kingston Bridge to the flats at Lancefield Quay. From Lancefield Quay to the Clyde Arch the current plans are for nearside bus lanes. The Fastlink project completion date is during 2015, in time for the opening of the New South Glasgow Hospitals.

### Stornoway – Ullapool ferry

Eight year operating lease agreed by Caledonian Maritime Assets Ltd (CMAL) with Lloyds Banking Group. Shipbuilding contract awarded to Flensburger (Germany) – cost around £42 million. The ship will be leased to CMAL and then chartered to the operator, CalMac Ferries Ltd. The delivery date is June 2014 with phased entry into service over the summer. The new vessel will replace two existing ships and deliver efficiency savings particularly in terms of fuel consumption due to improved design.

### Ferry and harbour projects

Two small hybrid ferries are being constructed for CMAL (for use by CalMac) funded by Transport Scotland capital loans (£20 million+). Shipbuilding contract awarded to Fergusons of Port Glasgow, protecting existing jobs, and creating new ones including apprenticeships (10 to date of 20 planned). First vessel, MV Hallaig, to enter service in spring/summer 2013; second vessel to follow three-four months later.

Given severe pressure on capital budgets, only essential harbour projects are being taken forward and in each case on the basis ‘do minimum’ options with future phases kept in reserve. Works at Port Ellen (£5 million) completed June 2012. Phase 2 works at Kennacraig (£4 million) now underway. Design works at Ullapool underway and initial designs for major projects at Brodick and Oban being developed by CMAL with a view to bringing them to ‘shovel ready’ status. Discussions with Stornoway Harbour Authority ongoing with a view to agreeing funding of a ‘do minimum’ option for the port. Money earmarked for 2013-14 and 2014-15 for the Ullapool and Stornoway projects.

The Government’s Ferries Plan published on 19 December 2012 includes commitments to
vessel projects costed at £232 million and harbour projects costed at £73 million to 2025 (NB the latter figure includes the Stornoway and Ullapool schemes mentioned above).

Low Carbon Transport

The Future Transport Fund (FTF) will enable us to make further progress with reducing the carbon emissions from transport, supporting better public transport, promoting active travel, freight modal shift and low carbon vehicles. Full allocations from the FTF for the Spending Review have now been announced (February 2012), totalling £29.75 million.

Additional allocations to cycling were also announced in 2012, with £13 million in February, £6 million in September, and £3.9 million in December for investment in this Spending Review for infrastructure to encourage more active travel, including expansion of the National Cycle Network as well as on-going development of Community Links with local authorities.

### Energy

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<tr>
<th>Programme / project</th>
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<tr>
<td>Renewable Energy, including district heating</td>
<td>In October 2012 District Heat loan awards with a value of £2.1 million were announced for 12 projects. In November 2012, the Scottish Investment Bank (SIB) considered six community renewables applications, all of which have been offered an in principle loan. The total value of the loans is £2 million. During 2012, we offered pre-planning community loans worth £2 million.</td>
</tr>
<tr>
<td>Grid upgrades</td>
<td>In January 2012 Ofgem announced fast-tracking of £7 billion of investment in Scotland’s grid. Some reinforcements are already delivered; some are underway; and some are longer term projects.</td>
</tr>
<tr>
<td>Development of carbon capture and storage infrastructure</td>
<td>Scottish Enterprise has recently secured approval to investigate the detailed infrastructure requirements for the development of Carbon Capture and Storage (CCS) in Scotland and the creation of a CO2 Storage Hub centred on the Central North Sea and around the Peterhead/St Fergus area, making best use of available infrastructure where possible and maximising the use of the existing Scottish oil &amp; gas supply chain. The project will focus on the transportation and storage of CO2 captured by major emitters and is expected to deliver mid 2013. Detailed analysis of the technical feasibility, evaluation of costs, assessment of financing options and assessment of operational models will be included in the report and will inform a strong case for investment in a CCS Network in Scotland during the initial phase of CCS</td>
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This will provide an enabling mechanism for the roll out of CCS across the UK and wider EU.

This work links into the recent study published by Scottish Enterprise and Peterhead Port Authority which confirmed the potential of the Central North Sea as a long term transportation and storage asset for CCS.

| National Renewables Infrastructure Fund | On 10 October 2012, the First Minister unveiled funding of £4.3 million from the £70 million National Renewables Infrastructure Fund for the Hunterston test centre. Once it is fully operational the facility – which is also benefiting from £15 million investment from SSE – will be capable of hosting three full scale wind turbines designed for offshore deployment. |

**Digital**

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<tr>
<td>Next Generation Broadband Action Plan</td>
<td>The Next Generation Digital Action Plan was published in January 2012 <a href="http://www.scotland.gov.uk/Publications/2012/01/1487/1">http://www.scotland.gov.uk/Publications/2012/01/1487/1</a> This set out streams of work that would deliver a next generation infrastructure to 85 per cent of premises across Scotland by end 2015; maps out a strategy for achieving world class connectivity in Scotland by 2020; stimulates a series of smaller scale community and pilot projects; and coordinates action to improve the investment case by stimulating market demand for next generation services. The initial roll-out of next generation infrastructure involves two separate, but inter-related, procurement projects. A contract for the first, which covers the Highlands and Islands is due to be awarded in January 2013; whilst a contract for the second, covering the rest of Scotland, remains on track to be awarded by June 2013. So far, the public sector has secured over £240 million to support the delivery of these programmes.</td>
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**Water**

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<th>Programme / project</th>
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<tr>
<td>Scottish Water Investment Programme</td>
<td>Scottish Water continues to make good progress with the delivery of its £2.5 billion investment programme identified for the period 2010-15. By the end of Quarter 2 2012-13, the Output Monitoring Group, which monitors the delivery of the programme, confirmed that the delivery of</td>
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the investment programme was ahead of the forecasts agreed with Ministers in Scottish Water’s Delivery Plan. It also confirmed that two of the 23 programme areas are complete. Copies of the monitoring reports can be viewed on the Scottish Government’s website\(^6\).

### Health

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<tr>
<th>Programme / project</th>
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<tr>
<td>NHS Fife - General Hospitals and Maternity Services</td>
<td>Building handed over on 28 October 2011.</td>
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<tr>
<td>NHS Dumfries and Galloway – Acute Mental Health Development</td>
<td>The £27.2 million Acute Mental Health Development at Midpark Hospital in Dumfries &amp; Galloway opened in November 2011. This development creates modern, state of the art facilities for acute mental health assessment and treatment to replace outdated, unfit for purpose wards. This development created an exemplar facility which improves and enhances the healing process of patients and creates an excellent working environment for staff to deliver enhanced care.</td>
</tr>
<tr>
<td>New South Glasgow Hospitals and Laboratory Facilities</td>
<td>Approval to proceed with Stage 1 (Laboratory Construction) of the project was granted in December 2009. This completed in March 2012 and is now fully operational.</td>
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<td>Confirmation was received on 10 December 2010 that the Full Business Case for the New South Glasgow Hospitals has been approved by the Scottish Government and the contract was signed with the contractor for Stage 3 (new hospitals) on 19 December 2010. In summary, approval has now been granted for the full £842 million project budget.</td>
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<td>At December 2012, the project remains on programme to complete in 2015 and within approved budget.</td>
</tr>
<tr>
<td>NHS Dumfries &amp; Galloway - Acute Services Redevelopment Project</td>
<td>Options for delivery of project through the NPD model of procurement are currently being assessed. An Outline Business Case is anticipated in spring 2013.</td>
</tr>
<tr>
<td>NHS Lothian - Royal Hospital for Sick Children (RHSC) / Department of Clinical Neurosciences (DCN)</td>
<td>Planning in Principle has been agreed by the Council and the Outline Business Case has been approved by the Scottish Government. Supplemental Agreement 6 has been agreed with Consort, which is the Private Finance Initiative (PFI) provider at the Edinburgh Royal Infirmary.</td>
</tr>
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Supplemental Agreement for enabling works was signed on 12 December 2012. Procurement has commenced - OJEU notice published 5 December 2012.

| NHS Lothian – Royal Edinburgh Hospital | The initial agreement was approved by the SGHD Capital Investment Group in March 2012 and detailed analysis of the financial case, including affordability, will take place at Outline Business Case stage. The proposal will be taken forward as a ‘hub’ Design, Build, Finance and Maintain (DBFM) project and will be delivered on a phased basis with the first phase estimated at £18 million. NHS Lothian is currently assessing potential options to meet service objectives through the ‘hub’ initiative. |
| NHS Grampian – Emergency Care Centre | The state of the art £110 million Aberdeen Emergency Care Centre completed in October and became operational in December 2012. |
| NHS Tayside – Mental Health developments | This is the first NHS project to use the NPD model of procurement and also competitive dialogue. The project is now operational. |
| NHS Ayrshire and Arran - Acute Mental Health and North Ayrshire Community Hospital | The Outline Business Case for the provision of a new Acute Mental Health facility and North Ayrshire Community Hospital on the site of the Ayrshire Central Hospital campus in Irvine, North Ayrshire was approved by the Capital Investment Group on 31 May 2012. The Final Business Case for this project, which is being taken forward through NPD, is due to be submitted in late summer 2013. |
| NHS Orkney – reprovision of Balfour Hospital and Kirkwall Dental Centre | Transforming Clinical Services Strategy completed with the Board now starting to develop a business case for the delivery of the project via NPD. The Outline Business Case is due in spring 2013. |
| NHS Lothian – Royal Victoria Hospital | The £43 million project was completed on time and budget and has been open for business since the summer 2012. |
| NHS Ayrshire and Arran – Building for Better Care | An outline business case for the project will be considered by Scottish Government in 2013. |
| Scottish National Blood Transfusion Service | The project is being taken through the NPD model and it is intended that a full business case will be submitted in 2014. |
| NHS Lothian – NW Partnership Centre | The project is being taken through the hub territory and both the Health Board and City of Edinburgh Council are working together to formulate proposals that will allow the project scope to be determined. |
| NHS Lanarkshire – Airdrie | The £27 million project was completed on time and under budget and has been open for |
Community Health Centre business since the summer 2012.

Scottish Ambulance Service vehicle replacement programme
The Scottish Ambulance Service will receive £34.3 million over three years to replace more than 470 vehicles. This will be made up of 326 new accident and emergency vehicles - including traditional ambulances and paramedic response units - 98 patient transport vehicles and 151 support vehicles.

NHS Greater Glasgow and Clyde – New Alexandria Medical Centre
The project is running ahead of schedule and is on budget.

NHS Tayside – Unlicensed Medicine Production Centre
An outline business case is due to be submitted to Scottish Government in the spring 2013.

### Education

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<tr>
<th>Programme / project</th>
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<tr>
<td>Scotland’s Schools for the Future</td>
<td>When the £1.25 billion Scotland’s Schools for the Future programme was announced in June 2009, it was originally expected to fund the replacement or refurbishment of 28 secondary and 27 primary/special schools (i.e. 55 schools) by 2017-18. However, because of prevailing market conditions and also because the Scottish Futures Trust (SFT), which is co-ordinating, facilitating and managing the programme on the Government’s behalf, has rigorously applied value for money principles across the programme, it is going to be possible to deliver 67 new or refurbished schools for the same level of investment. The programme will deliver 31 primary/special schools, comprising 21 schools in Phases I &amp; II and 10 in Phase III; and 36 secondary schools – 16 in Phases I &amp; II and 20 in Phase III. So far, six primary/ASN schools have been completed and opened on schedule, four are under construction and 21 in development; with regard to the secondary school part of the Programme, five are under construction and 31 are under development.</td>
</tr>
<tr>
<td>Glasgow City Centre Colleges</td>
<td>Project is being procured through the NPD model and is currently nearing the end of the competitive dialogue stage of the procurement process. Preferred Bidder to be announced in January 2013.</td>
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<tr>
<td>Inverness College</td>
<td>Project is being procured through the NPD model and has selected its Preferered Bidder. Financial Close is forecast for March 2013.</td>
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<td>Programme / project</td>
<td>Progress update</td>
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<tr>
<td>Kilmarnock College</td>
<td>Project is being procured through the NPD model and is currently in the competitive dialogue stage.</td>
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<tr>
<td>Glasgow School of Art</td>
<td>In construction.</td>
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<tr>
<td>Technology Innovation Centre</td>
<td>The total project value is still £11.6 million. This breaks down as £7.4 million in 2012-13 and £4.2 million in 2013-14. (The overall award for the project is £15 million.) The project commenced in March 2012. The TIC Building is due for completion in April 2014 and will be occupied over the summer of 2014.</td>
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**Culture**

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<tr>
<td>V&amp;A museum Dundee</td>
<td>The Director of the V&amp;A at Dundee announced on 12 October 2012 that, following detailed due diligence tests, a proposal would be made to move the building site slightly closer onto the shore of the Waterfront redevelopment, in the western side of the site currently occupied by the Olympia leisure centre. The Project Board agreed on Monday 29 October that the revised proposal should be pursued as the best outcome for the project. In making the proposal the project managers have affirmed their commitment to keeping the building within the £45 million budget; the proposal is also to reduce the risk of timing overruns – the project is still working towards completion of construction in 2015/16. The proposal is also designed to strengthen the physical connection between the city centre and the new building. The building design itself is not affected by the proposal, which should therefore minimise the task of obtaining fresh planning permission.</td>
</tr>
<tr>
<td>Glasgow concert hall and theatre improvements</td>
<td>The Scottish Government is providing capital funding support for the RSNO of up to £7 million to move from their current base at the Henry Wood Hall in Glasgow to a new purpose built office and rehearsal facility as part of the extended and refurbished Glasgow Royal Concert Hall. The overall project cost was set at £15 million with a further £1 million allocated for fit-out costs. These costs include upgrading the current Main Hall to improve the acoustics and audience experience. Costs and budgets are currently being reviewed in response to initial tender responses before final contract decisions are taken by the end of 2012. The project is planned to be completed in mid-2014. Plans are for the Royal Concert Hall work to begin in February 2013.</td>
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The Scottish Government is also supporting Scottish Opera’s redevelopment of the Theatre Royal in Glasgow. Construction on site has begun. The main aims of the project are:

- a redevelopment of the Front of House areas including the building of a four storey entrance with improved access and facilities over those four floors for Scottish Opera at the Theatre Royal;
- an Education space for Scottish Opera and improved seating positions in the main auditorium; and
- completion in time for 2014 Commonwealth Games.

### Housing

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<tr>
<td>Affordable Housing and National Housing Trust</td>
<td>The Scottish Government’s aim is that at least 30,000 affordable homes will be delivered over the lifetime of this parliament. At least £800 million will be available for housing over the 2012-15 period towards achieving this aim. In 2011/12 6,882 affordable homes were completed (almost 900 more than the 6,000 target). From 2012-13 onwards, a three year resource planning approach to March 2015 has been adopted. This brings together the council and Registered Social Landlord (RSL) funding streams into one budget for the first time, enabling each council to exercise its strategic role more flexibly. The National Housing Trust initiative (NHT) is boosting affordable housing supply and stimulating the economy through the use of government guarantees. The original model (for councils and developers) is on track to deliver 1,000 new homes across the country and the first NHT homes were completed during 2012 in Aberdeen, Galashiels, Inverness and Stirling. 2012 also saw further innovation with the development of a version of the NHT for housing associations and work with specific councils to develop local NHT models.</td>
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<tr>
<td>Fuel Poverty and Energy Efficiency projects</td>
<td>The Scottish Government has allocated a £68 million budget to tackle fuel poverty and improve energy efficiency across Scotland's households in 2012-13 and has a raft of measures in place to support families struggling with heating bills – these include the Energy Assistance Package (EAP), the Universal Home Insulations Scheme (UHIS) and the Boiler Scrappage Scheme. From 1 April 2013, the National Retrofit Programme (NRP) will replace the existing schemes</td>
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and aims to upgrade Scotland’s ageing housing stock, tackle fuel poverty and reduce carbon emissions. NRP ‘go-early’ pilot schemes worth £27 million were announced in December 2012. Scottish Government investment of £3.5 million will lever in £13 million from major utility companies. The projects will also have a positive impact on jobs, protecting an estimated 150 jobs across Scotland over the winter months.

Warm Homes Fund
The £50 million Warm Homes Fund was launched in November 2012 and is administered by the Energy Saving Trust. It supports Registered Social Landlords and local authorities in developing schemes that provide renewable energy and improve the energy efficiency of housing in communities with high levels of fuel poverty. Examples of projects receiving funding are at West Whitlawburn, South Lanarkshire, and at Dunbeg, Argyll and Bute where biomass heating schemes will help more than 550 households to heat their homes more cost effectively.

**Regeneration**

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<th>Programme / project</th>
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<tr>
<td>Implement Regeneration Strategy</td>
<td>The Regeneration Strategy, launched in December 2011, announced support worth £175 million for regeneration activity over the Spending Review period. A high-level working group, chaired by the Minister for Housing and Welfare Reform, has been formed to promote cross-agency collaboration and ensure regeneration outcomes are embedded within mainstream programmes. The first meeting took place on 25 July. A stakeholder working group has also been established in order to support the implementation of the Strategy. Continued support for community led regeneration has been provided through the £7.9 million per annum People and Communities Fund. The Fund will provide at least £6 million per annum to directly support community anchor organisations - first tranche of awards was announced in September 2012. The fund also provides support for the Community Ownership Support Service through the Development Trust Association Scotland as well as the Coalfields Regeneration Trust. Officials are scoping out a community capacity building programme which will complement support already in place (e.g. through BIG Lottery). SPRUCE, Scotland’s £50 million JESSICA fund, made its first investments: £1.8 million in the Dundyvan project in Coatbridge, and £9.6 million in the Glasgow City Centre Queen Street</td>
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Development as announced towards the end of 2012. £75 million of grant funding for capital regeneration projects over the Spending Review, including £48 million for Urban Regeneration Companies in the first two years. Plans for a £25 million per annum Regeneration Capital Grant Fund are being developed in partnership with COSLA. The aim is for this to be available from 2014/15. Allocated £26 million to tackle vacant and derelict land over the Spending Review. A national review of town centres in partnership with key stakeholders was launched in September, chaired by Malcolm Fraser. The Review will look at key issues affecting Town Centres with the intention of providing action and solution focused outcomes.

**Sport**

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<th>Programme / project</th>
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<tr>
<td>Commonwealth Games investment</td>
<td>Planning for the Commonwealth Games is progressing well. The Scottish Government is providing £381.7 million towards the Games budget. Of this, around £60 million is earmarked for capital expenditure on venues and Government resources are also being invested in transport projects and housing within the Athletes’ Village. The Sir Chris Hoy Velodrome is complete and has opened to the public. Major construction work is complete at Tollcross Aquatics Centre. The Athletes’ Village is over 50 per cent constructed. The M74 and M80 upgrades were completed on time and on budget and other Games-related transport improvements are on track to be complete well in advance of the Games.</td>
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**Justice**

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<tr>
<td>HMP Grampian</td>
<td>The construction of HMP Grampian, which will replace the existing HMPs Aberdeen and Peterhead, commenced at the start of 2012 and is expected to be completed in autumn 2013. In parallel with these works, SPS is managing a project to plan the preparation and opening of this new 500 place operational prison - the first custom-built community facing prison - in winter 2013-14. The design includes separate units for both female and young offenders, in addition to facilities for male adult prisoners. Preparatory work is being carried out in conjunction with Aberdeen City Council, Aberdeenshire Council, Northern Community Justice Authority and the NHS to ensure that both prison and community services and support are in</td>
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<td>Project Description</td>
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<tr>
<td>Scottish Crime Campus - Gartcosh</td>
<td>The Building is in the final stage of construction and will complete in the autumn of 2013 following which occupation by partner agencies will be complete by Easter 2014.</td>
</tr>
<tr>
<td>Resilient mobile telecommunication infrastructure for the blue light services</td>
<td>A resilient mobile telecommunication infrastructure is essential to the effective operation of our blue light services and wider responder community. With all services now using the same wide area network to manage and resource incidents, Airwave Solutions Ltd. provides a very important part of Scotland’s critical national infrastructure and requires appropriate levels of stewardship and management. In total, Government and the services invest around £32 million per annum to secure this important service. Working under the Resilience Advisory Board for Scotland structure, Government and the blue light services have been working to deliver the full operational benefit of this investment. Further, recognising that current contractual arrangements are due to expire between 2016 and 2019, work is underway to plan and develop options for a new procurement to replace the current arrangements.</td>
</tr>
<tr>
<td>Parliament House redevelopment</td>
<td>The third phase of the Parliament House Redevelopment was completed in December 2012. This will bring back into use four upgraded and refurbished courtrooms and ancillary supporting accommodation. Phases 1 and 2 contained five courtrooms, office accommodation, witness facilities and judicial chambers. All of the courts have upgraded mechanical and electrical services to improve the environmental conditions in the spaces. They are being fully equipped with IT and audio-visual (AV) equipment to facilitate the efficient delivery of evidence and audibility within the courtrooms for both the hearing and the hearing impaired, thus enabling the efficient and effective administration of justice for the people of Scotland. Parliament House is home to the Court of Session, the highest civil court in Scotland. The refurbishment of Parliament House both protects SCS’s existing investment and ensures that an outdated and rapidly deteriorating facility is returned to a state that is fitting for use by the Court of Session. By having modern, well equipped courtrooms business can be dealt with efficiently and effectively thus access to justice, a basic tenet of Making Justice Work, can be achieved.</td>
</tr>
<tr>
<td>HMP Low Moss</td>
<td>The project was completed on time and within budget, and opened in March 2012.</td>
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</table>
| HMP Shotts – redevelopment phase                                                     | The second and final phase of HMP Shotts opened in October 2012 and the new HMP Shotts
| HMP Inverclyde | Substantial and substantive progress is being made by the Scottish Prison Service to improve the quality of the female prison estate in line with the recommendations in the report by the Commission on Women Offenders. In October 2012, the Scottish Government accepted the recommendation of the SPS about the future management of women in custody and the associated investments are now being taken forward:

Work is underway to deliver immediate improvements for female offenders at HMP Cornton Vale in advance of a more permanent solution being available.

HMP Grampian will provide the first custom-built community-facing prison, including a unit for women offenders.

HMP Inverclyde is being designed to provide a custom-built and dedicated facility for women. A new facility for women is being created at HMP Edinburgh.

Originally, HMP Inverclyde was being taken forward as the replacement for HMPP Greenock. However, the issue of women in custody is now the highest priority of both the SPS and Scottish Government. As a result, HMP Inverclyde is now being re-designed as a custom-built prison for female offenders and will replace HMP Cornton Vale when it opens, currently anticipated in 2016. Initial estimates suggest that it will cost some £70-80 million to deliver this infrastructure project - and a further £16-20 million for HMP Edinburgh. |
| HMP Stirling | As outlined in the IIP published in December 2011, HMP Stirling was planned to be the replacement for the existing facilities at HMP Cornton Vale. This objective is now being delivered by changing the intended purpose of HMP Inverclyde as described above. |