

Infrastructure Investment Plan 2015

Progress Report for 2017



Scottish Government
Riaghaltas na h-Alba
gov.scot

CONTENTS

Foreword	1
Overview Report	2
Sector Reports	
Transport	8
Health	11
Schools	16
Early Learning and Childcare	17
Further and Higher Education	18
Culture, Heritage and Tourism	19
Justice	20
Digital	23
Energy	25
Water	29
Rural Economy and the Environment	31
Housing	33
Regeneration	36
Cities / Regions	38

April 2018



Foreword

Infrastructure investment is at the heart of our economic strategy and this annual progress report on our Infrastructure Investment Plan outlines key achievements over the course of the last year and looks forward to developments during this year and beyond.

Since 2007 we have delivered major infrastructure improvements for the people of Scotland and significant progress continues to be made as demonstrated by this report and by our accompanying published pipeline of project activity. In 2017 we delivered major infrastructure priorities such as the opening of the Queensferry Crossing, the largest bridge of its type and a complex engineering feat. We saw the completion of the so-called 'missing link' between Glasgow and Edinburgh with the opening of the M8 M73 M74 Motorway Improvements Project and the first section of A9 Dualling Programme was completed with the opening of the Kincairdie to Dalraddy section.

We saw one of the most advanced hospitals in the country completed with the opening of the new Dumfries & Galloway Royal Infirmary as well as the completion of the Scottish National Blood Transfusion Service's new national centre at the Heriot-Watt Research Park in Edinburgh. Over the course of the last year we also saw no fewer than forty one school projects completed within the Scottish Government supported Schools for the Future building programme.

In total over the course of last year and up to March 2018, infrastructure projects worth £3 billion opened to the public or completed construction within our project pipeline. Our project pipeline publication also shows that infrastructure projects totalling £4.1 billion are estimated to be in construction across Scotland during the remainder of 2018 alone. It shows that major projects such as the A90 Aberdeen Western Peripheral Route/Balmedie-Tipperty road scheme, the electrification of the Stirling Dunblane Alloa rail line and the V&A Museum of Design in Dundee are all expected to complete construction and become operational in 2018.

In addition to this progress report and our project pipeline, an accompanying update has also been published on the progress of major capital projects. Our aim is to give the market and other interested stakeholders a clear overview of our long-term investment plans and the progress we are making and we will continue to update these regularly on our website. All of these reports can be found way of the following link: www.gov.scot/Topics/Government/Finance/18232/IIP

Our £4 billion commitment in 2018-19 to new infrastructure investment will support 50,000 new homes, investment in early learning and childcare facilities, new roads and railways, electric vehicles and the delivery of 100% superfast broadband to every corner of Scotland. We look forward to continuing to work with the private sector, local government, and all our stakeholders to ensure that collectively we maximise the benefits of infrastructure investment to the people of Scotland.

Keith Brown MSP
Cabinet Secretary for Economy, Jobs and Fair Work

Overview Report

The Infrastructure Investment Plan

The Scottish Government's Infrastructure Investment Plan 2015 was published on 16 December 2015 and set out priorities for investment and a long term strategy for the development of public infrastructure in Scotland. It set out why the Scottish Government invests, how it invests and what it intends to invest in up to 2035 sector by sector.

The Scottish Government is firmly committed to infrastructure investment as a key factor in securing economic growth and our focus is on stimulating growth, protecting and creating jobs and promoting Scotland as a great place to do business.

Infrastructure investment is at the heart of Scottish Government economic strategy and it is clear that this must continue in order to provide stability in our economy and support our long-term vision of a prosperous, fair and well-connected country. We recognise that infrastructure investment is key to:

- delivering sustainable economic growth through increasing competitiveness and tackling inequality;
- managing the transition to a more resource efficient, lower carbon economy;
- supporting delivery of efficient and high quality public services; and
- supporting employment and opportunity across Scotland.

The Government Expenditure and Revenues Scotland (GERS) publication provides details of capital expenditure for Scotland beyond that invested by the Scottish Government and can be found using the following link:

<http://www.gov.scot/Publications/2017/08/7201/downloads>.

It include estimates of spend on capital by the Scottish Government, Scottish Government funded public corporations and local authorities as well as including spending by the UK Government, UK public corporations and UK Government bodies such as Network Rail.

The Infrastructure Investment Plan includes both programmes and projects. Programmes co-ordinate, direct and oversee the implementation of a set of related projects. Projects have defined start and end points (usually time-constrained and often constrained by funding or deliverables) and are undertaken to meet unique goals and objectives. Projects can be part of a programme but are not always.

The **Infrastructure Investment Plan - Project Pipeline** is based on the 2015 Infrastructure Investment Plan and is updated on a six-monthly basis. It details projects with a capital value of £20 million or more where the Scottish Government has a lead role in procurement or funding. It also includes school and health projects being taken forward through the Scotland-wide 'hub' initiative which form part of the Scottish Government's current revenue funded £3.5 billion NPD/hub investment programme. A summary of the IIP Project Pipeline at March 2018 by funding type and sector is provided at Annex A.

In addition to publishing the IIP Project Pipeline, the Infrastructure **Investment Plan - Major Capital Projects Progress Update** is published on a six-monthly basis which provides information on projects with a capital value of £20 million or more which are at the Outline Business Case (or equivalent) approved stage or beyond.

The latest versions of both the IIP Project Pipeline and the IIP Major Capital Projects Progress Update publications can be found by way of the following link:

<http://www.gov.scot/Topics/Government/Finance/18232/IIP>

Progress to March 2018

Major infrastructure improvements have been delivered and significant progress continues to be made. In total over the course of 2017 and up to March 2018, the following infrastructure projects worth £3 billion opened to the public or completed construction within our project pipeline:

Transport

- Queensferry Crossing (£1.325-£1.35 billion).
- M8 M73 M74 Motorway Improvements Project (£452 million).
- A9 Kincaig to Dalraddy (£45 million).

Health

- NHS Ayrshire & Arran - Building For Better Care (£27.6 million).
- NHS Dumfries and Galloway - Acute Services Redevelopment Project (£275.5 million).
- NHS National Services Scotland - Scottish National Blood Transfusion Service National Centre (£33.3 million).
- NHS Greater Glasgow & Clyde - Inverclyde Continuing Care Beds for Mental Health (£8.8 million).
- NHS Lothian Partnership Centre Bundle (£34.2 million).

Schools

- Anderson High School, Shetland Islands (£64.4 million).
- Applegrove Primary, Moray Council (£4.8 million).
- Ayr Academy, South Ayrshire Council (£25.1 million).
- Baldragon Academy, Dundee City Council (£29.1 million).
- Balloch Campus, West Dunbartonshire Council (£16.5 million).
- Barrhead High, East Renfrewshire Council (£27.3 million).
- Bellsbrae Primary, Shetland Islands Council (£0.7 million).
- Boroughmuir High School, City of Edinburgh Council (£32.0 million).
- Broomlands Primary School, Scottish Borders Council (£9.7 million).
- Burnside Primary, South Lanarkshire Council (£7.7 million).
- Campbeltown Grammar, Argyll and Bute Council (£25.7 million).
- Carrongrange ASN, Falkirk Council (£18.1 million).
- Clyde Campus, Glasgow City Council (£21.6 million).
- Crookfur Primary, East Renfrewshire Council (£7.8 million).
- Dalbeattie Learning Campus, Dumfries and Galloway (£25.8 million).

- Duns Primary, Scottish Borders Council (£9.3 million).
- Elgin High, Moray Council (£29.5 million).
- Forfar Community Campus, Angus Council (£38.3 million).
- Garnock Academy, North Ayrshire Council (£42.2 million).
- Halfmerke Primary and West Mains, South Lanarkshire Council (£11.5 million).
- Holy Trinity Campus, East Dunbartonshire Council (£8.6 million).
- Hurlford Primary, East Ayrshire Council (£3.6 million).
- Kelso High School, Scottish Borders Council (£24.6 million).
- Kinross Primary, Perth & Kinross Council (£11.6 million).
- Kirn Primary School, Argyle and Bute Council (£10.6 million).
- Langlee Primary, Scottish Borders Council (£10.6 million).
- Largs Academy, North Ayrshire Council (£51.9 million).
- Marr College, South Ayrshire Council (£37 million).
- Millbank Primary, Moray Council (£4.9 million).
- Muirkirk Primary, East Ayrshire Council (£6.2 million).
- Our Lady and St Patrick's High, West Dunbartonshire Council (£26.7 million).
- Paradykes Primary, Midlothian Council (£15.6 million).
- Riverbrae, Renfrewshire Council (£17.7 million).
- Roslin Primary, Midlothian Council (£7.2 million).
- Seafield Primary, Moray Council (£6.7 million).
- St Fergus Primary, Renfrewshire Council (£5.3 million).
- St Gerardine Primary, Moray Council (£5 million).
- The Waid Academy, Fife Council (£24 million).
- Tulloch Primary School, Perth & Kinross Council (£10.5 million).
- Whatriggs, East Ayrshire Council (£12.4 million).
- Wick High, Highland Council (£53.6 million).

Particular highlights in this progress report include:

- The Forth Replacement Crossing Project (Queensferry Crossing), the largest transport infrastructure project in a generation, opened to traffic on 30 August 2017 and has been completed in six years from the date construction started and within ten years of being first committed to by the Scottish Government in December 2007.
- The M8 'missing link' between Glasgow and Edinburgh was completed on 1 June 2017 with the opening of the M8 M73 M74 Motorway Improvements Project.
- The first section of A9 dualling programme opened in September 2017 as work finished on the construction of the A9 Kincaig to Dalraddy. This is a significant milestone towards achieving a dual-carriageway on the A9 all the way from Perth to Inverness by 2025.
- In April 2017 the NHS Ayrshire and Arran Building For Better Care project became operational enhancing the level of Accident & Emergency Services delivered at the Ayr and Crosshouse Hospitals.

- In 2017 the new Dumfries and Galloway Royal Infirmary which is one of the most advanced hospitals in the country, opened to patients and the Jack Copland Centre which is the new home for the Scottish National Blood Transfusion Service, completed construction.
- NHS Orkney's £77.4 million New Hospital and Healthcare Facilities project which includes the replacement of Balfour Hospital and which is the biggest in the health board's history, commenced construction in 2017.
- 41 school projects worth £796 million were completed within the Schools for the Future programme in total over the course of last year and up to March 2018 and 17 schools commenced construction worth £276 million.
- The new £78 million state of the art Forth Valley College (Falkirk Campus) commenced construction in 2017.
- The new £32.3 million Inverness Justice Centre building in Inverness commenced construction in March 2018.

Funding

Projects within the IIP are funded from several funding sources: capital DEL, NPD/hub revenue financed and Regulated Asset Base (RAB) (for rail projects). The Scottish Government also has the power to borrow up to £3 billion, with an annual cap of £450 million for capital purposes. Borrowing is added to the total capital grant funding available to determine the overall availability of capital, therefore we do not distinguish between capital grant funded projects and those funded by borrowing.

In order to ensure choices are sustainable the Scottish Government has in place a 5% affordability cap, whereby annual revenue commitments will not exceed 5% of the total block grant from HM Treasury. Committed projects plus planned projects and planned borrowing currently peak at 4.3% in 2020-21 and therefore there is headroom within the 5% ceiling.

It should be noted that following the reclassification of Network Rail from a private to public sector organisation, the funding regime will change from 2019-20 and rail projects will become entirely grant-funded. HM Treasury will take on responsibility for debts accrued by Network Rail in Scotland. In the interests of maintaining comparability current modelling of commitments contain estimates of the Network Rail investment as if it had been RAB funded.

Financial Transactions

In addition, the UK Government has made a subset of capital funding available called Financial Transactions (FTs). FTs are a subset of capital funding from HMT that were introduced in financial year 2012-13 and which can only be used to make loans to, or equity investments in, private sector entities, including universities, or individuals.

They need to be repaid to Scottish Government for onward repayment to HM Treasury. No interest is payable to HMT by Scottish Government. The interest rate to be applied on loans provided by Scottish Government can be at commercial or below market rates, depending on the purpose of the loan and compliance with State Aid rules. The repayment period should be appropriate to the nature of the loan or investment and can be short or patient in nature.

The Scottish Government has disbursed a total of £1.8 billion in FTs to 31 March 2018 with a further £1.5 billion available over the period 2018-19 to 2020-21, excluding recycling of any repayments. Our repayment profile, as agreed with HM Treasury and updated annually, incorporates our first repayment of £51 million by March 2020. For the financial year 2020-21 onwards we anticipate a fairly even repayment pattern based on at least an 80% repayment rate which reflects known and anticipated repayments. The majority of FTs to date have been allocated mainly to support housing and regeneration schemes, support for businesses through Scottish Enterprise and investment in energy efficiency measures over the medium to long-term. There have also been short-term allocations to support farmers which, in general, are repaid the following financial year and made available for re-cycling.

Contribution to Economic Development

Infrastructure Investment contributes to economic development and supports jobs. The contribution made by the individual projects is detailed in the IIP Major Capital Projects Progress Report on a six-monthly basis. This includes, where possible, the number of jobs supported, the number of sub-contracts awarded to Scottish firms and the number of graduate, apprenticeships and work experience placements positions created.

Leverage

In order to maximise the government's investment in infrastructure, leverage of other funding is pursued where possible. Examples of this include the City Region Deals where it is estimated that the Glasgow City Region Deal will lever in an additional £3.3 billion of private sector investment into the proposed infrastructure investment programme, the Inverness Deal which is expected to unlock an additional £800m of private sector investment and the Aberdeen City Region Deal anticipating around a further £500m of leverage from the private sector and other economic partners.

Publicly funded social housing and mid-market rented (MMR) attracts matching private investment across the housing programme. There will be variations for individual projects but social housing grant pays approximately half the unit build cost with the remainder being funded by lenders. For many of our innovative MMR schemes supported by loan funding, the private finance leverage can be much higher, generating significant investment at scale into affordable housing in Scotland.

NPD/hub Revenue Funded Projects

The IIP Project Pipeline includes the capital value of revenue funded projects through NPD and hub. These projects may also have a capital funded element. The revenue funded element is paid through unitary charges for a period of 25-30 years

once the project is completed and is funded from resource budgets. The annual estimated unitary charges are published on the Scottish Government website by way of the following link:

<http://www.gov.scot/Topics/Government/Finance/18232/12308/NPDhubPipelinepayments>

The graph provided at Annex B shows the total unitary charges payable each year in nominal and real terms. The nominal values represent the cash payments that will be made and the real figures remove the effect of inflation. The largest elements of the unitary charge relates to construction and financing which, under the terms of the NPD and hub contract, are not linked to inflation therefore in real terms these costs reduce over the period of the contract.

The Net Present Value (NPV) is calculated here as the value of all future cash flows over the entire life of the project, discounted to the date each contract was signed. In accordance with the established HM Treasury Green Book principles, the discount rate applied to calculate the NPV removes the effect of inflation and adjusts for social time preference. The future cash flows and therefore the net present values for each project reflect the capital, financing costs, project company running costs and contracted maintenance costs for each project. With the exception of the two major roads projects which have an operational period of 30 years, the future cashflows for each project cover an operational period of 25 years.

The table provided at Annex C provides the total unitary charges payable for each project and the associated NPV value.

Conclusion

This overview summarises the approach to infrastructure investment that Scottish Government is following to support the economy and deliver high quality public services. Investment is maximised through not only utilising capital grant but delivering infrastructure through revenue financed methods, capital borrowing and leveraging in additionality from the private sector and other sources. The IIP Progress Report and associated IIP monitoring reports set out in more detail the scale and diversity of the infrastructure programme, use of a variety of funding routes and the associated economic benefits.

Sector Reports

TRANSPORT

Aberdeen Western Peripheral Route/ Balmedie to Tipperty Project

Aberdeen West Peripheral Route (including Balmedie to Tipperty): The NPD contract was awarded to Aberdeen Roads Limited in December 2014, with lower costs than originally estimated. The £745 million project will provide substantial benefits across the whole of the north east and will provide a boost to the economy; increase business and tourism opportunities; improve safety; cut congestion as well as increasing opportunities for improvements in public transport facilities. It is expected that the project will be fully operational during autumn 2018.

The first section of the project, at Aberdeen International Airport (between Craibstone and Dyce) opened to traffic in August 2016 and many new junctions and side roads have opened throughout 2017 and into 2018, bringing benefits to the North East.

M8 M73 M74 Motorway Improvements Project

The contract for the M8 M73 M74 Motorway Improvements Project was awarded to Scottish Roads Partnership (SRP) on 20 February 2014. The main contract works commenced thereafter. The £452 million M8 M73 M74 Motorway Improvements Project opened to traffic throughout Spring 2017 with all traffic restrictions removed from the motorways on 1 June 2017.

A9 Dualling Perth to Inverness

The work is continuing across the route and road users are already benefiting from the new £45 million dualled stretch between Kincaig and Dalraddy (7.5km) which was made fully operational to traffic on 30 September 2017. Landscaping and other finishing works on Kincaig to Dalraddy are progressing and due for completion in Spring 2018.

Procurement of the second section to be dualled between Luncarty to Pass of Birnam is underway and we expect the main construction contract to be awarded in the first half of 2018. The procurement of an A9 Advance Works framework agreement is also currently underway. This will enable advance works to commence on both Luncarty to Pass of Birnam and other A9 schemes over the next four years.

Divided into 3 separate lots, both Lot 1 and Lot 3 Framework Agreements are expected to be concluded shortly, and the tender for Lot 2 is expected to be issued shortly. Advanced archaeological works started on Luncarty to Pass of Birnam in March 2018.

Design work on the remaining 9 schemes of the dualling programme is well advanced with over 90 per cent of the dualling programme having now reached preferred route status. In November and December 2017 draft Orders were published for four dualling schemes representing around 30 miles of the 80 miles to be dualled.

A96 Dualling Inverness to Aberdeen (Design):

In July 2017 a design contract worth up to £50 million was awarded to carry out route options development and assessment work for dualling the 42km eastern section of the A96 between East of Huntly and Aberdeen. It is expected that the route option assessment process work will take approximately 2 years to complete.

Work has also continued on the development and assessment of the route options for the 46km dualling of the A96 between Hardmuir and Fochabers. The route options under consideration for the scheme were presented at public exhibitions on 19-22 June 2017 for vital feedback. The preferred option for the scheme is expected to be identified later in 2018.

To inform the on-going design development on the A96 Dualling Inverness to Nairn (including Nairn Bypass) scheme a detailed ground investigation was carried out along the length of the route between June and November 2017.

A82 Improvements (Design)

A £3.4 million detailed Ground Investigation contract was awarded in February 2018 to inform on-going development and assessment of the preferred option to upgrade the 16km stretch of the A82 between Tarbet and Inverarnan and support preparation of draft orders for the scheme in 2018.

Queensferry Crossing

The Queensferry Crossing is now part of the M90 motorway and the Forth Road Bridge has been fully reopened as a public transport corridor. The Queensferry Crossing motorway regulations came in to effect on 1 February 2018 and at that time the Forth Road Bridge also reopened fully as a public transport corridor.

The Crossing has been completed in six years from the date construction started and within ten years of being first committed to by the Scottish Government in December 2007.

Ferries

Works for the redevelopment of Brodick started on 11 January 2016 and are complete with exception of the Passenger Access System (PAS). This is a major investment of around £30 million to secure a safe, efficient and reliable ferry terminal and service. The new terminal facility is expected to become operational in March 2018. The Scottish Government is supporting the project by providing a £17.8 million contribution.

On 16 October 2015, a contract for two 100 metre dual fuel vessels was awarded to Ferguson Marine Engineering Ltd. The contract value is £97 million. The first vessel, the MV Glen Sannox, was launched 21 November 2017 and is scheduled to be delivered in winter 2018-19.

Aberdeen – Inverness Rail Improvements

Phased programme of improvements to the railway infrastructure in the North east of Scotland over the period 2014 – 2030. Faster journey times, the introduction of high speed trains from summer 2018, and increased service provision will deliver a 75 per cent increase in capacity and enhanced connectivity over the whole of the route.

Phase One is scheduled to reach completion by 2019 with agreed investment of £330 million. Future phases of the project will help support an hourly service between Aberdeen and Inverness, with an average journey time of around 2 hours.

Shotts Electrification

The electrification of 74 single track kilometres (approximately 46 miles) on the Glasgow Central to Edinburgh Waverley via Shotts route to provide the fourth electrified line between Scotland's two largest cities.

Completion of the project in March 2019 will improve connectivity, increase capacity and efficiency, enhance the passenger experience by the introduction of new electric rolling stock and significantly reduce journey times. The current Anticipated Final Cost of the project is £160 million and it is on schedule for completion as planned in March 2019.

Edinburgh Glasgow Improvement Programme

The first electric services on the Edinburgh to Glasgow via Falkirk High Line commenced 10 December 2017 using existing Class 380 trains. New Hitachi Class 385 trains will be introduced to the route following the necessary process of approvals in 2018.

The main works for the redevelopment of Queen Street station commenced August 2017 following the clean acquisition of required properties through the Transport and Works (Scotland) process. Works continue to progress well with platform extensions due to complete December 2019 and the enhanced station concourse and frontage scheduled to complete March 2020.

Highland Main Line

Phase 2 of the Highland Main Line enhancement programme aims to achieve by Spring 2019 (infrastructure ready for use March 2019, commencement of enhanced service May 2019 timetable change date):

1. An hourly train service in both directions between Inverness and Perth extended to either Glasgow or Edinburgh;
2. An average end-to-end journey time reduction of around 10 minutes in both directions; and
3. More efficient freight operations that better respond to the demand from freight customers.

Due to a whole industry approach (the planned introduction of High Speed Trains on the route and timetable opportunities) more minimal infrastructure works than envisaged are required. Scottish Ministers have allocated £117 million for the current phase but it is expected that this will significantly reduce to £65 million.

HEALTH

The strategic agenda for healthcare services in Scotland is set by *The Healthcare Quality Strategy for NHSScotland*. This is the overarching strategic context for the direction, development and delivery of all healthcare services for years to come both in terms of securing improvement in the quality of healthcare services, and in achieving the necessary efficiencies. Getting the right assets and facilities services in place will be central to achieving the “2020 Vision” and supporting delivery of the new ‘National Clinical Strategy for Scotland’ and the ‘Health and Social Care Delivery Plan’. These are anticipated to require change to be made to the type and distribution of assets and facilities services, as well as the way in which we prioritise investment in the future.

The new National Clinical Strategy and the Health and Social Care Delivery Plan are expected to generate plans to transform how health and care services are delivered in the future. In response, Regional Boards have been formed across the North, East, and West regions of Scotland to look at local, regional and national service reform and infrastructure investment needs to create a new, long term vision for NHSScotland.

We have also established the NHS National Infrastructure Board which is to provide strategic leadership and expertise in driving forward a National Strategy for infrastructure change, as well as providing national oversight on the continued safe and effective operation of the retained estate.

The Board will develop a National Infrastructure Strategy in support of emerging national clinical service plans and emerging regional plans to form a nationally prioritised programme of infrastructure change. It will also provide oversight, influence and challenge on how this is implemented across Regional Boards, NHS Boards and Integrated Joint Boards through their strategic service plans, Local Delivery Plans, Property and Asset Management Strategies, and individual business case submissions.

In this time of transformational change in healthcare provision, successful delivery of the National Clinical Strategy and Health and Social Care Delivery Plan will depend in part, on the provision of a health and care estate, and supporting services which are capable of adapting to, and encouraging new models of care delivery. The initiatives described above are thus expected to form the necessary framework from which these changes can take place.

The effective acquisition, maintenance and disposal of these assets is a fundamental responsibility of management in supporting the efficient delivery of clinical and support services. The ultimate aim is to deliver the highest quality healthcare services to people in Scotland and through this to ensure that NHSScotland is recognised by the people of Scotland as amongst the best in the world. The strategy clearly sets out the way in which NHSScotland will work with its partners across the public and third sectors, and with patients, carers and the public to deliver health improvement, tackle health inequality and improve the quality of health care.

In order to deliver the highest quality, best value healthcare services for every person in Scotland, we need to maximise the existing NHS estate and 'future proof' new developments to allow for service redesign and technological advances. The settings in which healthcare is being provided are changing, becoming more local, with large acute settings focusing on specialised care. The focus of our healthcare strategy is on outcomes, community-based services and the facilitation and support of joint planning and delivery of services, through programmes such as hub.

Crucially, the infrastructure programme supports the implementation of the three quality ambitions in the strategy, which are that healthcare will be:

- **patient-centred**, respecting individual needs and values;
- **safe**, ensuring no avoidable injury or harm and an appropriate, clean and safe environment at all times; and
- **effective**, with the most appropriate treatments, interventions, support and services will be provided at the right time to everyone who will benefit.

Key infrastructure priorities:

- **New diagnostic and treatment centres** - The centres will allow people to be treated more quickly for planned surgery and the facilities will help the NHS meet increasing demand from a growing elderly population, taking pressure off unplanned and emergency treatment, reducing the use of the private sector and allowing the delivery in full, and on a sustainable basis, Scottish Government guarantees on inpatient/day case waiting times.
- **New-build community health centres and improvements and reconfiguration in existing community facilities** - In order to achieve the Scottish Government's policy of shifting care out of hospitals and into local communities, we need to build the capacity to enable general practice to provide this care. Integration of health and social care is the Scottish Government's ambitious programme of reform to improve services for people who use health and social care services, and requires fit-for-purpose accommodation.
- **Effective management of the existing estate to address backlog maintenance, ensure statutory compliance and ensure that these are safe, fit-for-purpose and efficient** – NHS Scotland's currently identified estate backlog maintenance expenditure requirement is the base cost required to bring those parts of the existing estate which are currently not in satisfactory condition, back to Condition B (satisfactory). It is an ongoing challenge for the NHS to balance investment between that which is focussed on service improvement and development, and that which is necessary to maintain buildings in a good condition and ensure that they are safe, reliable and fit for purpose.
- **Completion of the delivery of the £1.15 billion pipeline of revenue-financed infrastructure investment** - Over £500 million of the initial £750 million pipeline is now either complete or under construction. The focus will now be on achieving financial close on the remaining projects and developing the projects in the £400 million extension of the pipeline, including the Baird Family Hospital and

ANCHOR Centre in Aberdeen which will now be capital funded and the completion of the programme of investment at the Royal Edinburgh Hospital.

Progress

Recent investments have ranged from large acute hospitals to smaller primary care premises. In all cases projects have been rigorously assessed for value for money and to ensure that they contributed to improvements in the quality of the estate and service delivery. Projects included the following:

Dumfries and Galloway Royal Infirmary

The £275 million replacement hospital in Dumfries which opened in December 2017 will become a catalyst for the delivery of fundamental improvements in the way that healthcare is delivered in the region and bring major benefits to a population with significant demographic and geographic challenges. The new 344 bed hospital will enable new models of care to be delivered through the introduction of single rooms, a combined theatre and 23 hour surgery area, and an integrated emergency care centre and assessment unit. The whole hospital is designed to provide patients with an enhanced level of care and treatment and, where necessary, be seen, diagnosed, and a treatment plan established, without using mainstream hospital beds.

The Jack Copland Centre

The new Jack Copland Centre which completed construction in 2017, brings together on a single site a range of Scottish National Blood Transfusion Services which create a facility capable of delivering a first rate service in the processing, testing, supply, research and development of blood and human donor tissues and cells. The new Centre will be adaptable to increasing and changing demands for the service, and is designed to improve regulatory standards, costs and operational efficiencies. It will also provide a modern, vibrant environment for staff to work within. Blood donations from across Scotland will now be sent to this new facility for processing, testing and manufacturing before being transported to where they are needed for patients.

Balfour Hospital, Orkney

We are developing a New Hospital and Healthcare Facilities for NHS Orkney to replace the existing Balfour Hospital in Kirkwall. Currently in construction and due for completion in Spring 2019, the new facilities will deliver a Rural General Hospital providing a range of accessible healthcare services from one location increasing Island resilience and creating additional capacity to support repatriation and service developments. It will provide a total of 49 en-suite bedrooms for inpatient, assessment, maternity and mental health needs. Two local GP practices will also co-locate in the new building together with support accommodation.

Stirling Care Village

An innovative new £38 million Care Village will transform the way services are delivered by bringing a wide range of health, social care, training and GP services together in one location. The plans will see a new Care Hub created for older people who require additional short-term care, an assessment or rehabilitation following an illness, an operation or an acute hospital admission. Services will be delivered in a modern, purpose-built facility with more than 100 short-stay care beds. A new

Primary and Urgent Care Centre is also being developed to house a number of existing health services on the community hospital site. In addition, the Scottish Ambulance Service plan to relocate their existing ambulance station in the Riverside area of Stirling. Currently in construction, the majority of the new facilities are expected to be operational by Autumn 2018. Final building works, roads and car parking are expected to be completed by Autumn 2019.

East Lothian Community Hospital

The new £70 million hospital which is currently in construction, will deliver a range of primary care and outpatient services, step-down care, mental health services, and accommodation for care of the elderly. The hospital will include the reprovision of services currently provided from the Roodlands and Herdmanflat Hospital sites in Haddington. It will also include a transfer of beds from the Midlothian Community Hospital as well as supporting wider reconfiguration plans across NHS Lothian. Through repatriation of services this proposal will release space on other Edinburgh sites which in turn supports NHS national drivers.

Sector plans

The need for investment continues to exceed the available budget, therefore, there will be a continuing need to prioritise spend; to work collaboratively with partners through hub in both the procurement of new and management of existing assets; and to test the suitability of new developments for delivery through innovative financing mechanisms.

Over the next five years it will be necessary to ensure sufficient capital funding is made available:

- for all legally committed projects;
- to maintain the quality of the existing estate;
- to ensure statutory compliance of buildings, plant and equipment (including re-equipping hospitals built over the last ten years); and
- to make contributions towards the costs of development (e.g. feasibility, planning, design), advice (e.g. legal, financial, technical) and enablement (e.g. land purchase or preparatory works) for NPD schemes and towards similar costs for hub-led schemes.

Beyond the next five year period, it is anticipated that there will be increasing emphasis placed on the following areas of investment:

- procuring medical equipment technology that supports the Healthcare Quality Strategy and in particular reinforces the need to diagnose and treat early stage disease; offer a range of treatments that befits a world class health service and reflects the needs of an ageing population;

- ensuring blueprints for the future at major health campus sites are translated into infrastructure that support healthcare services to achieve more efficient patient pathways;
- promoting major service redesign in community and primary care facilities to reflect changes in treatments, and technology; trends in demographics, epidemiology and access to services as well as making sure the care and services that are being provided are affordable, sustainable and tackle inequalities; and
- providing fit-for-purpose facilities to support integrated health and social care services, and through this support the Scottish Government's policy of shifting care closer to people's homes.

Despite the challenges associated with falling capital budgets over the coming years, the Scottish Government is committed to taking forward projects to increase service efficiency, effectiveness and sustainability in the health sector, including:

Health and Social Care Centres in Greenock and Clydebank

Two new state-of-the-art centres in Greenock and Clydebank will be developed which will include GP practices, a community hub, dentistry, podiatry, physiotherapy, sexual health, treatment rooms, district nursing, health visiting, school nursing, home care teams, child and adolescent mental health, speech and language therapy, out-patient clinics and a cafe. Construction is expected to start in 2018 and both sites are due to open in 2020.

The Baird Family Hospital and The ANCHOR Centre

This £164 million project includes two distinct elements, the development of a new hospital which will provide maternity, gynaecology, breast screening and breast surgery services. It will also include a neonatal unit, centre for reproductive medicine, an operating theatre suite, Community Maternity Unit (CMU) and research and teaching facilities. And also the development of a new centre which will provide out-patient and day-patient investigation and treatment services for patients with cancer and for patients with blood and bone marrow disorders, including non-cancerous conditions as well as cancers. The centre will also include an aseptic pharmacy suite and research and teaching facilities.

Elective Centres

The £200 million Elective Centre Programme delivers on the commitment for the creation of a network of Diagnostic and Treatment Centres across Scotland. These centres will deliver additional, sustainable elective capacity which meets the need of a growing and increasingly elderly population, thus reducing waiting times and reliance on private sector provision.

SCHOOLS (SCOTLAND'S SCHOOLS FOR THE FUTURE)

The Government's school building programme, Scotland's Schools for the Future, is worth almost £1.8 billion with £1.13 billion provided by Scottish Government and £665 million by local authorities.

The programme will see the construction of at least 117 new or refurbished schools which will be built in every part of Scotland in partnership with local authorities by March 2020.

In 2017 and up to March 2018, 41 school projects within the programme were completed. The total capital value of the schools completed was £801 million, of which Scottish Government's contribution was £397 million.

15 further school projects are expected to be completed by the end of 2018. The total capital value of the schools expected to complete is £334 million, of which the Scottish Government's contribution is £162.5 million.

EARLY LEARNING AND CHILDCARE

Expand provision of funded Early Learning and Childcare (ELC)

Expand provision of funded Early Learning and Childcare (ELC) entitlement for 3-4 year olds and eligible 2 year olds from 600 to 1,140 hours per year from 2020. Capital funded programme by the Scottish Government from 2017-18 to 2020-21 with £30 million provided in 2017-18 and a further £150 million of funding announced for the next phase of capacity building for the expansion. The Scottish Futures Trust is supporting the Scottish Government with the infrastructure elements of the ELC expansion, building on their support for the Scotland's Schools for the Future Programme.

Award letters were sent to local authorities in March 2017 with initial individual allocations plus criteria governing spend. Local authorities were asked to accept their allocations. Any capital not accepted was then redistributed across the local authorities who indicated that they could accept more than their initial allocation. Final capital allocation award letters were issued in May 2017. Local authorities developed expansion plans for delivering 1,140 hours (these were submitted on 29 September 2017). Authorities were asked to prepare plans on the basis that £400 million of capital is available nationally over the next 3 years.

Local authority action plans and supporting finance templates were assessed. Revised financial template issued in January 2018 with completed templates received on 2 March 2018. The Scottish Government is working with COSLA (Convention of Scottish Local Authorities) and local authorities to agree the quantum of the multi-year revenue and capital funding package for the expansion. Details of the multi-year funding package are to be set out by the end of April 2018. Further work is planned with COSLA and local authorities on the distribution of the additional capital funding for the expansion.

FURTHER AND HIGHER EDUCATION

In 2017 the following projects were taken forward:

Forth Valley College (Falkirk Campus)

In 2017 the Scottish Government approved the final design stage of the project and building work is now underway. The total cost of the project is £78 million with Scottish Government investment in the project being £65 million capital funding. The operational date for this project is expected in September 2019.

College Energy Efficiency Programme

In 2017 the College Energy Efficiency Programme provided £4 million towards low carbon projects in Borders College, Edinburgh College, Newbattle Abbey College and West Lothian College.

College Estate Condition Survey

The Scottish Funding Council (SFC) published their College Estate Condition Survey in December 2017 which will ensure that future funding decisions for college estate requirements will be considered using the evidence provided in the survey along with the business cases made by the sector. The survey provides a 5-year plan of the required capital maintenance across the sector.

Looking to the future, in 2018 we will combine the best practices of development policies for schools with the future development of Colleges through the Learning Estates Infrastructure Plan to be published later in 2018.

Higher Education

The total capital funding for universities in 2018-19 including Financial Transactions, will be £81.3 million. Financial Transactions for the university sector have grown substantially to £40 million for 2018-19. Taken together with capital maintenance funding, this represents a significant and welcome source of capital investment for institutions

The SFC now have a robust evidence base of the higher education sector's year-on-year life-cycle maintenance needs. This reflects the diversity across the Scottish Higher education estate of the costs associated with maintaining the sector's teaching and research facilities. The SFC will further enhance that evidence base during the course of 2018-19.

HE Carbon Reduction Programme – the SFC announced a £20 million HE Carbon reduction fund in 2017-18 to be funded through Financial Transactions.

CULTURE, HERITAGE AND TOURISM

Maintaining capital investment in the culture, heritage and tourism sectors supports the continued delivery of a wide range of key Scottish Government outcomes, providing significant economic stimulus and successfully leveraging additional investment from other sources across the public, private and third sectors.

Ongoing multi-year key programmes are:

- Storage facilities for Scotland's National Collections;
- Estates conservation for Historic Environment Scotland's Properties in Care;
- Repairs and improvements for the National Collections estate and Historic Environment Scotland's visitor facilities; and
- Refurbishment programme for Visit Scotland's iCentre estate.

Project progress includes:

- £25 million capital grant and £12.6 million growth accelerator funding towards the new £80 million V&A Museum of Design Dundee, the first ever dedicated design museum in Scotland which will open in 2018;
- £11 million invested in the external refurbishment of the National Library of Scotland's Causewayside building in Edinburgh (scheduled for completion in March 2018), providing an improved space for managing the Library's collections and co-locating the majority of digitisation activities on one site;
- £2.2 million to support the redevelopment of Lews Castle and creation of the new Museum nan Eilean in Stornoway, officially opened by the First Minister in March 2017; and
- Historic Environment Scotland's Engine Shed project in Stirling, which opened in 2017 and aims to develop and sustain the skill base we need to secure the future of Scotland's historic environment.

JUSTICE

Plans for Women in Custody

Work to build a new 80 place national facility for women in custody and 25 place assessment centre at the Cornton Vale site near Stirling is progressing. The number of women in custody at Cornton Vale was reduced during 2016 in order allow HMP Cornton Vale to remain operational during the construction work. Preparatory work for the construction is now underway with certain demolition work having already taken place. Design work is at an advanced stage with the Proposal of Application Notice for planning being submitted in November 2017. The planning application for the new Women's National Facility was received by Stirling Council in March 2018. The project is on track to be completed and operational by the end of 2020.

In July 2017, the Cabinet Secretary announced that initially two of the five planned Community Custody Units (CCU) would be built during 2020. He confirmed the location of these as being in Glasgow and Dundee. A site has been purchased at Maryhill in Glasgow and a demolition contractor appointed to clear the site and prepare it for the construction work. Two potential sites have been identified in Dundee and work to select the preferred site is nearing completion. Design work on the CCUs is at an advanced stage and at the moment they remain on track to be built and operational by the end of 2020.

HM Prison Highland

Planning Permission in Principle was granted by The Highland Council in December 2017, for HMP Highland on a new site at Inverness Retail Park. The formal transfer of site ownership took place in March 2018. The proposed new prison would replace the current HMP Inverness, with development on site programmed to commence as early as April 2019.

HM Prison Glasgow

Work to identify appropriate potential sites is on-going. Preliminary Heads of Terms have been entered into with the owners of a prospective site, to allow the site to be reviewed in further detail. Any formal site purchase agreement would be subject to a successful Planning Permission in Principle application.

HM Prison Greenock 'R'

The site remains ready for development, following earlier site clearance and enabling works. Concept design work was commenced in August 2017 on the design of a replacement prison for the current HMP Greenock. The proposals are to provide a prison that is fit for purpose and with a design capacity for 300 prisoners. By December 2017 the proposals had been sufficiently developed to allow them to be presented to internal stakeholders for comment. The intention is to complete the concept design work, including interior design and landscaping proposals, and to prepare invitation to tender documentation by April 2018. However to address Scottish Government funding requirements the release of the invitation to tender (ITT) is not expected to occur until during 2019.

Inverness Justice Centre Project

A suitable site which is close to the town centre and the bus and train links has been purchased and planning permission has been obtained. The enabling works have been completed and the main construction works commenced in March 2018. Completion is due in November 2019.

Police Scotland ICT

Investment in the use of technology is a key objective of Policing 2026, the long-term strategy for policing in Scotland which was published in June 2017. Police Scotland's associated three year implementation plan (due to be approved by the Scottish Police Authority Board in May 2018) describes how the service will utilise technology to enable workforce efficiency and operational effectiveness going forward. All of this work will be underpinned by a new Digital, Data and ICT Strategy which is currently being developed.

Early work to modernise key platform technology is already underway, with funding having been released by the Scottish Government to support the delivery of a new national network and national Domain for the service.

Moving forward the service intends to take an incremental approach to ICT development, building on learning from the previous i6 project which aimed to deliver an integrated and comprehensive suite of frontline police ICT capabilities covering crime reporting, missing persons, custody, vulnerable persons, lost property and criminal justice.

The project was terminated on 1 July 2016 following an assessment that it could not deliver the required functionality within the contracted timescales. The conclusions of the Audit Scotland review of i6 published on 9 March 2017 highlight a number of areas where good practice was followed, including the procurement process and the effectiveness of contract arrangements as well as examining reasons why the project failed. The failure of the i6 project is attributed to an underestimate of the effort involved; to the method of development which meant fundamental flaws only became clear in the testing phase; and to a dispute between Police Scotland and Accenture which occurred early in the life of the programme, but which affected relationships throughout.

Emergency Services Future Communications

Ahead of the decommissioning of the Airwave telecommunications system, which is currently used by the emergency services across Scotland and the rest of Great Britain, a Home Office-led programme is progressing the introduction of successor provision - the Emergency Service Network. Initial contracts for the central lots were awarded to Motorola (user services) and EE (mobile services) in December 2015, since then work on mobilisation has been taken forward by the contractors, with planning applications being put forward and the first of the new infrastructure beginning to appear. Work on supplementary related projects (e.g. extended area services in remoter locations) is also being progressed.

The programme's delivery and transition timescales are being reset following the Westminster Public Accounts Committee in January 2018 and a delay of 12-24 months is now possible on the original delivery date to Scottish emergency services

in 2020. What is already clear however is that an extension to Airwave into at least 2021 is required and that the programme will need to seek re-approval from Her Majesty's Treasury and its sponsors (including the Scottish Government and the Scottish Police Authority). The Emergency Services Mobile Communications Programme (ESMCP) estimate of the investment vs. spend profile will require to be reassessed as part of this process: it had been that with £186.8 million of value/benefit in Scotland that the Scotland cost is £55.6 million; a ratio of 3.4:1.

At the last ESMCP Board meeting on 30 January 2018 the Home Office said they will not confirm updated programme costs until the spring of 2018. Contingency planning is also underway, to allow for extension of the Airwave system (ownership of which transferred to Motorola early in 2016) in the event of further delay to transition.

DIGITAL

Broadband

Access to high speed broadband has been transformed in Scotland in recent years. The Scottish Government alongside our partners, has invested over £400 million in the Digital Scotland Superfast Broadband (DSSB) programme, which has extended fibre broadband access to over 870,000 premises across Scotland so far.

The DSSB investment is being delivered across two regional projects – one covering the Highlands and Islands; the other covering the rest of Scotland. The latest coverage figures for both projects are currently being assured but we expect to be able to confirm shortly that the headline DSSB programme target, of 95% fibre access by the end of 2017, was achieved.

The programme was originally due to complete at the end of 2017 but additional investment has been generated by early take-up on the new infrastructure, extending deployment throughout 2018 and pushing coverage beyond the original 95% target.

The success of the DSSB programme, alongside commercial roll-out, has seen superfast broadband coverage increase faster in Scotland than in any other part of the UK – up by 26 percentage points since 2014, compared to 16 percentage points for the UK as a whole¹.

The Scottish Government wants to maintain this momentum and ensure that no part of Scotland is left behind. Scotland is the only part of the UK to have committed to extending superfast broadband access to 100% of premises, by the end of 2021.

To support this, the Scottish Government has committed £600 million to the initial phase of the Reaching 100% (R100) programme, which will deliver the commitment. This is the biggest public investment ever made in a single UK broadband project; and is a programme, and a policy, that is entirely unique to Scotland.

The initial R100 procurement was launched in December 2017. It is expected to last approximately one year, with suppliers for each of the three regional procurement lots in place by early 2019.

The R100 programme will not focus solely on ensuring that every home and business can access minimum broadband speeds of 30mbps. It will also enhance backhaul capacity, enabling a wide range of high speed, high bandwidth connectivity, including mobile coverage.

Our investment in the R100 programme will help deliver a future-proofed, national fibre network that will make rural Scotland one of the best connected places anywhere in Europe, and underpin future economic growth.

¹ Source: Ofcom Connected Nations:
https://www.ofcom.org.uk/_data/assets/pdf_file/0022/108814/scotland-connected-nations-2017.pdf

Mobile

Achieving improved mobile coverage in Scotland – extending access to 4G services while laying the groundwork for future 5G deployment – is an objective referenced in the Scottish Government’s Digital Strategy refresh: Realising Scotland’s Full Potential in a Digital World (2017) and in the Scottish Government’s 2017-18 Programme for Government.

We are delivering against the actions set out in our 2016 Mobile Action Plan. In August 2017 we launched the Scottish 4G Infill programme in which we will invest £25 million to deliver 4G coverage to selected mobile notspots. In 2017, we also legislated to relax permitted development rights which make it easier and faster for operators to build new or extend existing infrastructure. We are trialling non-domestic rates relief in a number of pilot locations for new mobile masts in non-commercial areas as a way of incentivising mast build, and are exploring how this trial can be extended. We are also exploring how we could introduce rental guidance to help facilitate the deployment of mobile infrastructure utilising publicly owned assets.

Looking forward to 5G, through the Scotland Innovation Partnership (SIP) – a partnership with industry and academia – we aim to promote the development of 5G in Scotland, positioning Scotland as a testing ground where the key elements that underpin the future success of 5G can be developed and trialled. Working with SIP and other Scottish partners, we aim to secure an appropriate Scottish share of UK Government funding for 5G, with a particular focus on rural connectivity and the associated challenges in delivery and development of viable business models and use cases. We have supported recent partner and Scottish stakeholder bids to the UK Government for 5G funding and will continue to do so as the UKG’s 5G funding programme evolves.

ENERGY

Over the course of 2017 there have been several announcements that relate to accelerating investment in and delivery of community energy and low carbon infrastructure projects.

The key initiatives that support low carbon and renewable energy are the Low Carbon Infrastructure Transition Programme (LCITP), the Community and Renewable Energy Scheme (CARES) and the Renewable Energy Investment Fund (REIF).

Low Carbon Infrastructure Transition Programme (LCITP)

Launched in 2015, the Low Carbon Infrastructure Transition Programme (LCITP) is a collaborative partnership led by the Scottish Government, working with Scottish Enterprise, Highlands and Islands Enterprise, Scottish Futures Trust and Resource Efficient Scotland. This intervention, which is co-funded by the European Regional Development Fund, focuses on supporting the acceleration of low carbon infrastructure projects across the public, private and community sectors to develop investment grade business cases to help projects secure public and private capital finance.

The programme aims to stimulate commercial interest and investment and maximise Scotland's vast potential in the low carbon sector whilst contributing to the positive progress of the Scottish Government in reducing Scotland's greenhouse gas emissions. Since 2015 LCITP has supported the co-development of over 30 proof of concept and development proposals for low carbon projects. LCITP has also run a number of open funding invitations, including the Transformational Low Carbon Demonstrator Invitation and the Innovative Local Energy Solutions Invitation and has offered over £40 million of funding to 15 low carbon capital projects. This funding has been matched by equivalent investment from both the public and private sector.

Community and Renewable Energy Scheme (CARES)

Since 2013 £44 million has been made available through CARES (Community and Renewable Energy Scheme) to support community and local energy. CARES has supported 66 operational community and locally owned projects, mainly onshore wind and hydro, of which 46 were community schemes.

Renewable Energy Investment Fund (REIF)

The Renewable Energy Investment Fund (REIF) is managed by the Scottish Investment Bank within Scottish Enterprise and prioritises investment in community renewables and marine energy. To date (December 2012- February 2017), £70.3 million has been invested in:

- 15 community-owned wind and hydro schemes, mainly in the Highlands and Islands;
- 7 community investments in commercial wind farms;
- 11 marine energy projects; and
- 5 'other' projects (innovative offshore wind, innovative onshore wind and heat, and a small-scale wind turbine manufacturer).

Support for community energy has been particularly important with REIF filling a market gap for significant community projects. The original concept for REIF was to maximise funds for the private sector, and to date REIF has levered in £168.5 million from an investment of £70.3 million.

Atlantis Resources, developer of the MeyGen tidal array project, has successfully installed four turbines in the Pentland Firth and Edinburgh firm Nova Innovation has installed three tidal turbines off the coast of Shetland. Scottish Government support was instrumental in helping both projects reach these important milestones.

Wave Energy Scotland (WES)

We established Wave Energy Scotland (WES) at the end of 2014. WES is fully funded by the Scottish Government and delivered by Highlands and Islands Enterprise (HIE). It funds the development of disruptive technologies that will improve the performance and cost effectiveness of wave energy devices.

To date, WES has supported over 60 projects, engaged 170 organisations from industry and academia, and awarded around £25 million to support innovation.

Scotland's Energy Efficiency Programme (SEEP)

Scottish Ministers designated energy efficiency as a national infrastructure priority in 2015 recognising the many benefits that are delivered by improving the energy performance of our buildings. SEEP sees us delivering on this priority.

SEEP is a 15-20 year programme; its aim is to make Scotland's existing buildings near zero carbon wherever feasible by 2050, and in a way that is socially and economically sustainable. By 2050, SEEP will have transformed the energy efficiency and heating of Scotland's buildings, making our existing homes, shops, offices, schools and hospitals warmer and easier to heat.

SEEP has two key objectives:

- Removing energy efficiency as a driver for fuel poverty. As set out in our recent consultation on a new fuel poverty strategy for Scotland² we are committed to removing poor energy performance as a cause of fuel poverty. SEEP will be the primary mechanism by which this is achieved.
- Reducing greenhouse gas emissions through more energy efficient buildings and decarbonising our heat supply. Our Climate Change Plan³ sets out our targets to reduce greenhouse gases. These ambitious targets will see emission reductions in the residential and services sectors of 23% and 53% respectively by 2032 on 2014 levels. By 2050 emissions in Scotland will have to fall by at least 80%. To achieve this, all buildings in Scotland will need to be near zero carbon by 2050. In achieving these objectives we are delivering multiple benefits.

Investment in improving the energy efficiency of Scotland's buildings will:

² <https://consult.gov.scot/better-homes-division/fuel-poverty>

³ <http://www.gov.scot/Publications/2018/02/8867>

- put more money in people's pockets by cutting the cost of heating their homes – supporting our ambitions to eradicate fuel poverty
- improve business competitiveness by making sure every of pound spent on energy is maximised in productivity
- substantially reduce greenhouse gas emissions contributing to meeting our ambitious climate change targets;
- boost GDP, research shows that a 10% improvement in the energy efficiency of all UK households will sustain GDP expansion of around 0.15%.
- help create a substantial Scottish market and supply chain for energy efficiency services and technologies. Every £100 million spent on energy efficiency improvements in 2018 is estimated to support approximately 1,200 full-time equivalent jobs across the Scottish economy⁴
- deliver health and early years improvements through warmer homes;
- help regenerate our communities through upgraded building stock.

The Scottish Government has committed to £500 million for SEEP over 4 years to 2021. Overall, the programme is estimated to be £10 billion worth of investment over its lifetime. We have made significant progress in improving the energy efficiency of our buildings to date but more needs to be done if we are to achieve our vision and maximise the benefits. In May 2018 we will publish a detailed routemap outlining how we will take SEEP forward.

Carbon Capture Storage (CCS)

Scottish Government policies view the development of CCS systems as an important part of our decarbonisation infrastructure with the flexibility to adapt over time to play a central role across the decarbonisation strategies of key sectors such as heat, industry and power.

We are not alone in pursuing CCS, there are sixteen large CCS demonstration plants operating throughout the world including Norway's Sleipner project which has been operating for twenty years and has stored 17 million tonnes of CO₂ deep beneath the Norwegian North Sea.

The UK Government have committed to the development of a new policy framework for CCS and we will work with UK Government to encourage that and look for Scotland to host any future investment including demonstration projects.

In October 2015 the Scottish Government signed a grant offer of funding of £4.2 million for the Summit Power project. The funding, £2.5 million from Scottish Government and £1.7 million from the UK Government, is allowing the Summit Power Group to undertake substantial industrial research and feasibility studies for their proposed Carbon Capture Storage Clean Energy Project in Grangemouth.

The feasibility study is now concluded and a final draft is with the Scottish and UK Governments for consideration.

⁴ Applying the latest construction sector multiplier (for 2014) from the Scottish Government input-output tables, and deflating 2018 spend to 2014 prices using the GDP deflator.

Oil and Gas

A successful oil and gas sector is a key component in the transition to a more resource efficient, lower carbon economy. Whilst this sector is currently facing a range of challenges, it continues to support employment opportunity across Scotland. At this challenging time, it is essential the correct policy framework is in place to support continued capital investment in the sector.

The Scottish Government launched the Decommissioning Challenge Fund (DCF) in February 2017 and have successfully implemented the fund through 2018-18. The DCF supports infrastructure upgrades and improvements at Scottish ports, improving capacity, and innovation projects across the supply chain seeking to improve on approaches to decommissioning to give Scotland a competitive advantage in this developing sector.

Scottish companies have already been successful in winning offshore decommissioning work, such as high value plugging and abandonment work, but investment has been required at Scotland's ports and harbours to increase our capture of dismantling and disposal contracts.

The DCF to date has made grant offers to 13 projects and is expected to have paid out over £2.5 million in grants by the end of the financial year. This funding is expected to leverage a further £3.4 million from private funders and other sources, helping to support an estimated 200 jobs across the Scottish Economy and has accelerated studies for projects that expect to deliver £112 million of further port development. The DCF also aligns with cost reduction efforts related to retrieval and disposal activities led by the Oil and Gas Authority (OGA) and the Oil & Gas Technology Centre (OGTC).

Hydrogen

In March 2017 the SG provided £3 million funding to Aberdeen council to contribute to a doubling of the fleet of zero-emissions hydrogen fuel cell buses to 20 vehicles. The additional 10 buses are being procured under the EU funded JIVE programme and are expected to be deployed in 2018. This initiative will position Aberdeen as operators of the largest fleet of hydrogen buses in Europe.

WATER

On the 1 April 2015, Scottish Water began to deliver the investment requirements for the 2015-21 period as directed by Minister on the 1 October 2014⁵. The Outputs Monitoring Group is carefully monitoring the delivery of the improvements in line with Scottish Waters delivery plan⁶ and quarterly reports are published on the Scottish Governments website.

In the current regulatory period 2015-21, Scottish Water will invest £3.6 billion in Scotland's water and wastewater services. Scottish Water reported for the financial year 2016-17 that £627 million capital investment has been made and in doing so had delivered a significant 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; provide additional capacity to meet the demands of new housing; reduce leakage; and protect Scotland's environment.

Examples of improvements are:

- levels of customer service is now amongst the best in the UK; in 2009-10 Scottish Water ranked amongst the worst;
- environmental compliance has improved significantly over the last five years with significant reductions in numbers of pollution incidents. In 2016-17 there were 238 pollution incidents an improvement on last year and compared to 939 in 2009-10;
- drinking water quality has been sustained at a high level. In 2016-17 99.91% of samples taken met strict quality standards;
- Scottish water supports Scotland's economy by investing over £50 million a month with around 215 businesses employing over 2,220 people including 70 graduates and 96 modern apprentices; and
- Scottish Water is facilitating enough renewable generation to meet 100% of its electricity requirements. This will double by 2018.

Investment Pipeline

Scottish Water's investment programme is defined and funded for the period 2015-21. The investment programme is set out in the form of Ministerial Directions and a supporting Technical Expression in the form of a list of outputs.

Scottish Water's Delivery Plan sets out how Scottish Water intends to deliver the investment over the five year period. The current period ends on 31 March 2021.

The Strategic Review of Charges undertaken by the Water Industry Commission for Scotland was completed on 20 November 2014 when it published its Final

⁵ <http://www.gov.scot/Resource/0045/00459867.pdf>

⁶ http://www.scottishwater.co.uk/assets/about_us/files/delivery_plan/swdp2015to21.pdf

Determination of Charges⁷. This determined the amount that customers need to pay in order deliver the necessary improvements to services. It confirmed the agreement that the Customer Forum⁸ had negotiated with Scottish Water on behalf of customers on prices and levels of service represents the lowest overall reasonable cost for customers. The agreement concluded that household charges should not rise by more than the Consumer Prices Index less 1.8% over the six-year period.

The 2015-21 investment plan contains many thousands of projects. Key projects to be delivered in the 2015-21 include:

- major upgrades to Glasgow's sewerage networks including the £100 million, 3.1 mile long Shieldhall tunnel and upgrades to Wastewater Treatment Works at Daldowie and Dalarnock as part of £250 million 5 year programme; and
- improvements to the water supply in Dundee and Oban and the waste water network in Stromness, and in Ayrshire we have built new 30 mile water main providing resilience and enabling growth.

⁷ [http://www.watercommission.co.uk/UserFiles/Documents/Final Determination - Final.pdf](http://www.watercommission.co.uk/UserFiles/Documents/Final_Determination_-_Final.pdf)

⁸ <http://www.customerforum.org.uk/>

RURAL ECONOMY AND THE ENVIRONMENT

Rural Economy

- Since October 2011 in excess of £257 million has been invested through the Scotland Rural Development Programme (SRDP) as capital grants for Rural Priorities, Land Managers Options, Agri-environment Climate Scheme, Forestry Grant Scheme, New Entrants Capital and Start Up Grants, Young Farmers Start Up Grant Crofting Counties Agricultural Grants and Food Processing, Cooperation and Marketing.
- The Agriculture and Rural Economy (ARE) Directorate of the Scottish Government is Scotland's Paying Agency for the Common Agricultural Policy (CAP). The ARE Futures Programme was initiated in 2012 as an ICT enabled business transformation programme to re-engineer the business and IT processes which underpin the delivery of rural payments and inspections. At the Programme's heart was a new Rural & Payments Services (RP&S) IT Platform for the implementation and management of the Common Agricultural Policy (CAP) from January 2015. Programme delivery was significantly challenged to the extent that the singular focus over the last three years has been delivery of the core requirements, in an incremental manner, to enable compliance with the CAP rather than the original wider business transformation. The new CAP introduced the most substantive change witnessed in the last 25 years with increased complexity in the regulations.
- The Futures Programme ended on 31 March 2017. Although there were some significant features of the IT Platform still to deliver (e.g. Scheme and Customer Account Management System (SACAMS), Land Parcel Information System (LPIS), Claims to Payment (C2P) and miscellaneous Pillar 1 and Pillar features), the IT Platform has been running operationally since early in 2015 and has handled claims for three years (2015, 2016 and 2017). By March 2017, the balance of IT related processes and resources within the Paying Agency had shifted from a predominantly development organisation to an operational one with on-going maintenance, enhancements and new features, albeit with some major ones.
- 2017-18 has been a year of transition. This was reflected in the Scottish Government's [Common Agricultural Policy Plan for Stabilisation](#), published in September 2017 which set out the actions under way to provide stability for rural businesses interacting with the Paying Agency. The Plan set out how the major problems with customer service and payment delay would be addressed, including the remedial action necessary to ensure that reliability and sustainability of the IT Platform along with the planned delivery of new functionality. During the course of the year, the planned new functionality has been developed and added to the IT Platform in a controlled manner.
- Total expenditure on completing the core scope of the Futures Programme is within to the £178 million budgetary ceiling. The new system will process around £3.9 billion worth of payments (Direct CAP Payments and Scottish Rural Development Programme) over the 6 years of the new CAP.

- As part of our efforts to support rural communities we are also putting in place new IT processes to ensure delivery of funding opportunities under the EU's LEADER programme, thereby enhancing local areas by providing easier access to potential resource for grass roots organisations. The IT programme is being delivered in phases with the external facing elements prioritised.

Economic Development

- We are directly supporting a variety of capital investment projects within food and drink businesses across Scotland via the Food Processing Marketing and Cooperation grant scheme, where around £70 million of investment is envisaged between 2014 and 2020.
- To drive the transition towards a low carbon, resilient circular economy, we set our priorities for action in our circular economy strategy Making Things Last published in February 2016, which focuses on key areas including energy infrastructure, construction and buildings, remanufacturing, food and drink and the bioeconomy. Support for a more circular economy, including the actions in Scotland's Manufacturing Action Plan, is provided through £70 million of funding, including £30 million of EU Structural Funds. The Circular Economy Investment Fund is now up and running and has a pipeline of projects in place to support innovation and the development of new business models in SMEs.

Environment

- The local authority capital settlement includes an average £42 million a year identified as being available for flood protection schemes. Funding is allocated to individual schemes, which meet the eligibility criteria by the agreement of Scottish Ministers and the Convention of Scottish Local Authorities leaders group. This supports the delivery of the priorities set out in the Flood Risk Management Strategies published in December 2015.

HOUSING

We want everyone in Scotland to live in affordable, quality homes that meet their needs. This is central to building and sustaining a fairer and more prosperous Scotland.

Scotland has a strong record in housing delivery. Over the last Parliamentary term, 2011-16, we exceeded our 30,000 affordable homes target. A total of 33,490 affordable homes were delivered, 22,523 of these homes were for social rent, including 5,992 council homes. Building on this success, we and our partners want more homes delivered across all tenures.

During the current Parliamentary term, 2016-21, our target is to deliver more than 50,000 affordable homes, 35,000 of which will be for social rent, backed by investment of over £3 billion. We have listened to our partners and will continue to work with them closely to deliver More Homes Scotland - our overarching approach to support the increase in the supply of homes across all tenures:

- Over £756 million will be available in 2018-19 to fund this ambition – this compares to £590 million in 2017-18.
- £522 million of the More Homes grant funding in 2018-19 continues to be capital funding for the affordable housing supply programme, chiefly for new social housing. This is a £147 million increase on the equivalent figure for 2017-18.
- For the first time, all councils across Scotland have received long term resource planning assumptions totalling £1.754 billion to March 2021, providing the certainty needed to deliver our ambitious target.
- The target to deliver at least 50,000 affordable homes will support between 12,000 and 14,000 full-time equivalent jobs in the construction and related sectors over this Parliament.
- We have put in place a programme, Achieving Excellence in Housing Development, which is driving value for money and quality in the Affordable Housing Supply Programme. This involves developing a performance improvement system for housing development, working with housing associations to improve their procurement capability, and developing a sector wide approach to modern methods of construction. Further projects are under consideration.
- In 2017-18 we have made available £135 million to help up to 3,500 people access homeownership. £70 million has been allocated to the Open Market Shared Equity scheme to help up to 1700 first time buyers on low to moderate incomes and £65 million was allocated to the Help to Buy (Scotland) Affordable New Build and Smaller Developers Schemes to help up to 2,000 first time buyers and existing homeowners buy a new build home.
- In 2016 we launched the five year Housing Infrastructure Fund, linked to the delivery of the 50,000 affordable homes target. The fund provides grant and loan support for housing related infrastructure projects which have stalled or can't

proceed due to the level or cost of infrastructure. Local authorities are invited to submit strategic sites for consideration as part of their Strategic Housing Investment Plans (SHIPs). While HIF can support all tenures priority is given to those projects which will deliver affordable housing by 2021.

- We remain committed to the expansion of affordable housing through mid-market rent (MMR) schemes. This includes current delivery through Innovative schemes like the National Housing Trust– the first guarantee based scheme for housing in the UK, as well LAR Housing Trust that will deliver £120 million of total investment towards delivery of 1,000 MMR homes.
- We have also selected one proposal from the recent MMR Invitation which has the potential to deliver around 1,000 mid-market rent homes while leveraging significant pension fund investment into the affordable housing sector and is nearing completion of due-diligence on Scottish Government funding terms.
- We have supported local authorities to develop plans to boost the supply of affordable housing through prudential borrowing, and delivering City Deal commitments on housing. This includes approval this year of consent to on-lend up to £248 million along with a £16 million capital grant to City of Edinburgh Council to support a new city region housing company deliver a minimum of 1,500 homes at mid-market rent and competitive market rent levels.
- We launched the Rental Income Guarantee Scheme (RIGS) on 12 October 2017 to support Build to Rent in Scotland, with Scottish Futures Trust working with us as our delivery partner. It is designed as a high-leverage stimulus to attract further institutional investment in the emerging Build to Rent market, delivering new high quality professionally managed PRS homes. RIGS was developed in consultation with the industry, addressing the uncertainty around rental income streams in this emerging market.
- We consulted local authorities, Registered Social Landlords and others in 2016 on the resources, skills and expertise they need to help build delivery capacity and to identify where the critical gaps are and how best to fill them. We continue to support the Highland Hub to enable strategic engagement between the Scottish Government, local authorities and delivery partners.
- We have maintained £30 million funding for the Rural and Island Housing Funds and in December 2017 extended the timescales of the Funds from the three years originally announced to five years (to March 2021). These Funds are open to a wide range of applicants including community bodies, private landlords and landowners and are specifically targeted to increase the supply of affordable housing of all tenures in rural Scotland.

We are maintaining Scotland's leadership in financial innovation and competence, continuing to work creatively with our partners and use innovative ways to deliver more new homes across all tenures for less public investment.

The innovative use of government guarantees, loans, grant recycling and leveraging in new sources of private funding is generating over £750 million of housing

investment in the delivery of around 6,000 affordable homes – the majority of which will contribute to the 50,000 affordable homes commitment.

We are also supporting and enabling investment in the emerging Build-to-Rent housing market with the potential for delivery of an additional 2,500 new homes for market rent stimulating up to £500 million private investment.

We are the first, and remain the only, national government in the UK and public sector body in Scotland to invest in Charitable Bonds, a form of ethical investment which creates loan finance to fund affordable housing, and generates charitable donations. Investment spend for the financial year 2017-18 is expected to total £24.7 million, generating grant of £6.73 million. Total spend on the Charitable Bond programme is expected to be just under £94.7 million by the end of 2017-18, supporting the delivery of approaching 1,000 homes.

We have also committed to the reform of the current planning system, with a focus on improving the effectiveness of planning processes that support the delivery of good quality housing developments. In December 2017 the Planning (Scotland) Bill which is a vital element of a wide package of reforms, was introduced, responding to the Independent Review of the planning system which reported in May 2016.

REGENERATION

Regeneration policy delivers inclusive growth by supporting interventions that respond to local circumstances, addressing market failure and increasing opportunities to attract investment and jobs to disadvantaged and fragile areas, contributing to community and regional cohesion.

We invested £56 million towards regeneration activities in 2016-17, with a further £56 million to be invested in 2017-18.

The key elements of the Regeneration Strategy are:

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

Key funding measures across 2016-17 and 2017-18 include:

- The SPRUCE fund (Scottish Partnership for Regeneration in Urban Centres), initially capitalised with £50 million has provided investment in the form of loans to deliver regeneration and energy efficiency schemes across Scotland. Those loans are now being repaid with the receipts being recycled and used to deliver further regeneration projects.
- The Regeneration Capital Grant Fund (RCGF) delivered in partnership with Convention of Scottish Local Authorities (COSLA) and local government, supports locally developed regeneration projects that involve local communities and helps tackle inequality and support inclusive growth in disadvantaged and fragile rural areas.
- £17.7 million to tackle vacant and derelict land through the Vacant and Derelict Land Fund, which is intended to stimulate economic growth and job creation, with a focus on temporary and permanent greening, whilst supporting communities to flourish and tackle inequalities.
- The £20 million per annum Empowering Communities Fund comprising a programme of funds and projects that support disadvantaged communities to tackle poverty and inequality on their own terms, and to support community empowerment more broadly. The fund reflects our commitment to investing in communities so that they can develop the resources and resilience to decide their own priorities, needs and aspirations; and, to develop their own social, economic and environmental solutions in response. The bulk of this revenue funding is used to support hundreds of community organisations through programmes such as the People and Communities Fund, Strengthening Communities Programme, Community Choices Fund, the Community Ownership Support Service, Aspiring Communities Fund and work with the Coalfields Regeneration Trust.

Progress since 2008 includes:

- Over £488 million directly invested in regeneration including activity in 2017-18.
- SPRUCE, Scotland's Joint European Support for Sustainable Investment in City Areas (JESSICA) investment loan fund is now recycling loans which have been repaid into further regeneration projects. An additional £15 million in Financial Transactions was added to the fund in 2016-17 with a further £5 million available during 2017-18 with ten infrastructure projects supported to date. It is estimated that SPRUCE will lever in an additional £158 million in private funding, creating 4,750 jobs.
- £260 million invested in Urban Regeneration Companies (URCs). The following outputs have been delivered up to March 2017: over 144,000 square metres of new or refurbished business space; over 8,450 jobs created or retained and over 1,800 training places; over 238 hectares of vacant and derelict land remediated or developed; over 2400 houses and 2 primary schools built. In addition, over £500 million of direct and indirect private sector investment has been generated on the back of public sector investment. The Scottish Government continues to support Clyde Gateway with £5.5 million being provided in 2018-19. Remaining URCs continue to have access to funding through the RCGF.
- Since 2014, 95 projects from the disadvantaged areas across Scotland have been recommended for support from the RCGF. These projects are anticipated to support or create more than 5,300 jobs, refurbish/bring back in to use 100 buildings, including a number of historic buildings, create more than 73,600 sq metres of business space and support numerous community facilities and services. A further 24 projects have been recommended for funding in 2018-19.
- Over £100 million provided from the Vacant and Derelict Land Fund to tackle long term 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.
- In 2015-16, 21 community organisations were supported to deliver innovative town centre initiatives across Scotland through the £1.7 million Town Centre Communities Capital Fund.
- The Town Centre First Principle developed in partnership with COSLA and local government, calls on central government, local authorities, communities and the wider public sector to put town centres at the heart of decision-making process.
- £2.75 million in 2013-14 through the Town Centre Housing Fund to support a range of demonstration projects to test how empty town centre properties can be brought back into use for affordable housing.

CITIES / REGIONS

Cities and their regions are the engines of our economy. The Scottish Government is committed to working with all our cities to unlock investment whether that is individually or collectively, and whether that is through a City Region Deal, one of the Scottish Government devolved initiatives to stimulate growth and deliver infrastructure investment, or a combination of measures. The Scottish Government has consistently supported deals for all of Scotland's cities and is a full partner in all four City Region Deals agreed in Scotland.

Glasgow City Region Deal

The Scottish Government is a full partner in the £1.13 billion Glasgow City Region City Deal supporting all three strands investing £500 million over 20 years (2015-16 until 2034-35) to the Infrastructure Investment Fund. The UK Government are also investing £500 million over the same period and the regional partners £130 million.

The Deal empowers Glasgow and its City Region partners to identify, manage and deliver a programme of investment to stimulate economic growth and create jobs in their area, spreading the benefits of economic growth across Glasgow and Clyde Valley, and ensuring deprived areas benefit from this growth. Additional to the infrastructure investment, the deal includes a £72 million life science and business support strand and a £24 million employability strand.

The Deal which was signed August 2014 is now well underway and the Glasgow City Region Cabinet has approved a number of projects. The World-leading Imaging Centre of Excellence supported by the City Region Deal opened in 2017.

Aberdeen City Region Deal

The Scottish Government is a full partner in the £250 million Aberdeen City Region Deal and along with the UK Government have committed to investing up to £125 million each through the region deal with Aberdeen City and Aberdeenshire Councils and Opportunity North East. The Scottish Government has also committed to invest a further £254 million over the same 10 year period (2016 until 2026) as the City Region Deal to deliver further economic benefits.

The deal paves the way for investment in innovation, internationalisation, digital connectivity and infrastructure across the region. At the heart of this deal is the development of a new £180 million industry-led Oil and Gas Technology Centre.

The deal was signed in November 2016 and is now underway. The Scottish Government is working together with the UK Government and regional partners during the implementation phase to make the proposals within this deal a reality. The Oil and Gas Technology Centre has just celebrated its first year anniversary of operation. During this time, the centre has established 72 projects in support of its aim to drive innovation in the oil and gas industry, and accelerate new technologies to help unlock the full potential of the North Sea.

Inverness City Deal

The Scottish Government is a full partner in the £315 million Inverness City Deal and has committed to investing up to £135 million in the deal with the UK Government

providing up to £53 million and the Council and regional partners a further £127 million over 10 years (2016 until 2026).

The deal will support a step change in digital connectivity, digital healthcare, skills, innovation and infrastructure in the region.

The deal was signed in January 2017 and is now underway. The Scottish Government is working together with the UK Government and regional partners moving into the implementation phase to make the proposals within this deal a reality.

Edinburgh and South East Scotland City Region Deal

The Scottish Government is a full partner in the £1.1 billion Edinburgh and South East Scotland City Region Deal and along with the UK Government has committed to investing up to £300 million each in the 15 year deal (2018 until 2032). Regional partners, including the six local authorities and the region's universities and private sector, will contribute £501 million.

The deal will address inclusion issues and create new economic opportunities. The region's new skills programme alongside improved transport and housing provision will ensure that businesses and communities across the region will benefit and will be given the chance to take advantage of these exciting new opportunities.

The Heads of Terms was signed on 20 July 2017. The Scottish Government is working together with the UK Government and the regional partners towards a full Deal Document and the implementation of the Deal.

Annex A: IIP Project Pipeline Summary – by funding type and sector

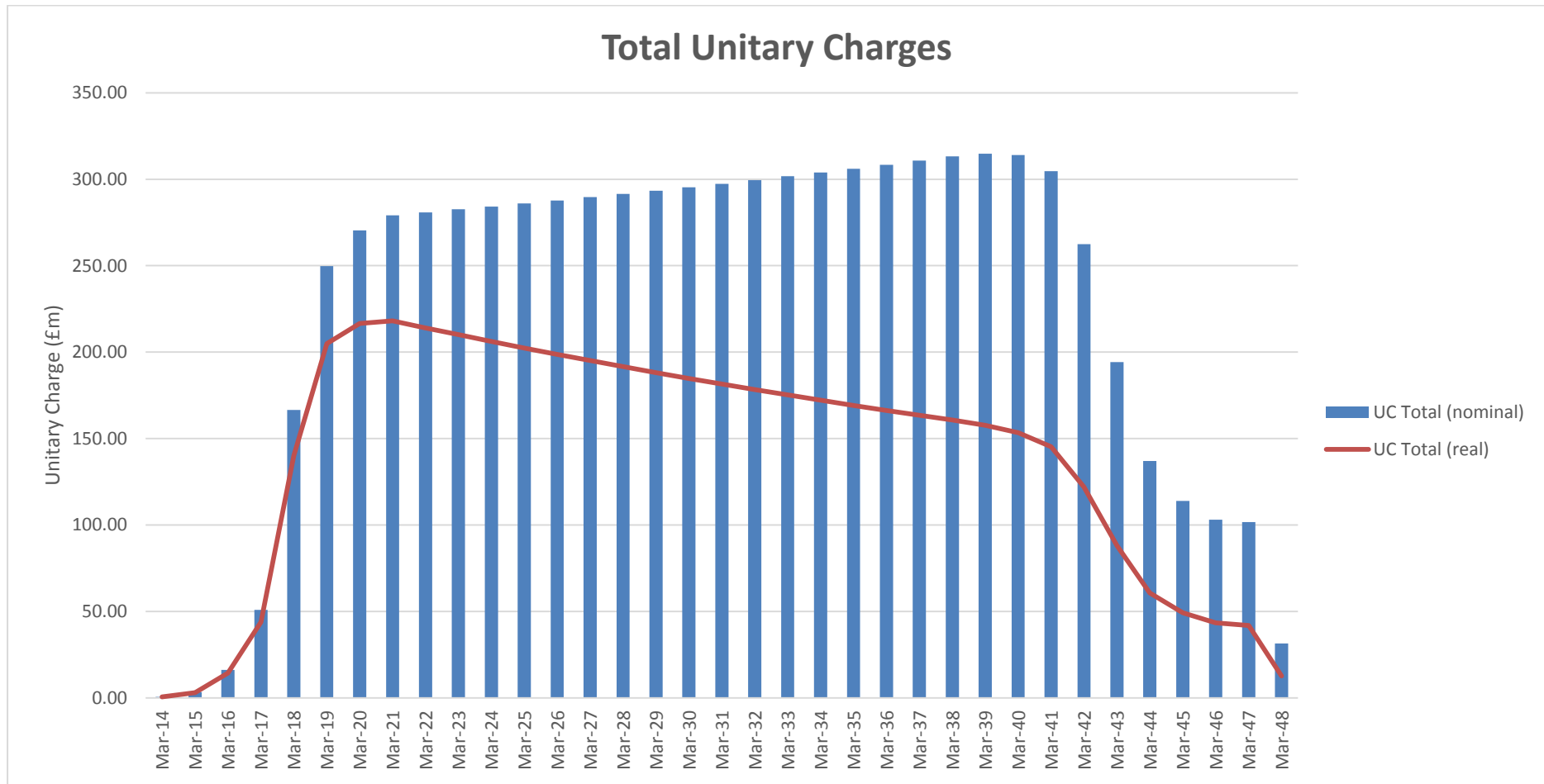
The following table summarises the published IIP Project Pipeline by funding type for each of the sectors and breaks down the investments by year in which construction commenced or is expected to commence.

- Where the total value of a project has a range, the upper range figure has been used.
- For those revenue funded projects which also have associated capital funding elements (NPD, hub and RAB), the separate capital funding figures have been included at Capital DEL and consequently the figures in the number of projects column will be higher than the number of projects within the IIP Project Pipeline.

Type of Funding	Sector	Total number of projects funded	Total value of all projects (£m)	Total value of projects completed since October 2017 (£m)	Total value of projects currently in construction and those planned to commence construction later in 2018 (£m)	Total value of projects planned to commence construction in 2019 (£m)	Total value of projects planned to commence construction in 2020 and beyond (£m)
Capital DEL	Transport	9	2,147.0	1,492.0	655.0	0	0
	Health	16	401.4	68.7	167.1	165.6	0
	Schools	43	404.4	132.2	272.2	0	0
	Further Education	1	78.0	0	78.0	0	0
	Culture	1	80.1	0	80.1	0	0
	Justice	5	404.4	0	85.5	73.9	245.0
TOTAL		75	3,515.3	1,692.9	1,337.9	239.5	245.0

Type of Funding	Sector	Total number of projects funded	Total value of all projects (£m)	Total value of projects completed since October 2017 (£m)	Total value of projects currently in construction and those planned to commence construction later in 2018 (£m)	Total value of projects planned to commence construction in 2019 (£m)	Total value of projects planned to commence construction in 2020 and beyond (£m)
Non Profit Distributing: Revenue Funded	Transport	2	779.0	310.0	469.0	0	0
	Health	3	367.7	212.6	155.1	0	0
TOTAL		5	1,146.7	522.6	624.1	0	0
hub: Revenue Funded	Health	14	478.3	28.4	241.3	208.6	0
	Schools	24	666.2	236.4	429.8	0	0
TOTAL		38	1,144.5	264.8	671.1	208.6	0
Regulatory Asset Base: Revenue Funded	Transport	5	1,481.0	0	1,481.0	0	0
To be confirmed	Further Education	1	93.5	0	0	0	93.5
GRAND TOTAL		124	7,381.0	2,480.3	4,114.1	448.1	338.5

Annex B: NPD/hub Revenue Funded Projects – Total Aggregated Annual Unitary Charges



Annex C: NPD/hub Revenue Funded Projects – Unitary Charges and associated Net Present Values

Health Projects	Base Date for NPV	Total UC £m	NPV £m
Aberdeen Community Health and Care Village	10/04/2012	48.8	21.9
Forres, Woodside and Tain Health Centres	22/04/2013	43.8	20.4
NHS Lanarkshire Bundle (Wishaw, East Kilbride and Kilsyth Health Centres)	19/12/2013	108.0	49.6
Maryhill Health Centre and Eastwood Health & Care Centre	10/10/2014	66.9	29.6
Redevelopment of Royal Edinburgh Hospital Campus - Phase 1	18/12/2014	116.1	51.2
Royal Hospital for Sick Children / Department of Clinical Neurosciences	13/02/2015	437.5	186.4
Acute Services Redevelopment Project	11/03/2015	533.5	228.9
Acute Mental Health & North Ayrshire Community Hospital (Woodland View at Ayrshire Central Hospital)	19/06/2014	133.7	59.8
Scottish National Blood Transfusion Service National Centre	08/10/2014	97.1	41.4
Inverclyde Continuing Care Beds for Mental Health	26/02/2016	20.9	9.1
Lothian Partnership Centre Bundle	01/04/2016	64.7	29.4
East Lothian Community Hospital	23/09/2016	168.6	71.4
Inverurie Health Care Hub & Foresterhill Health Centre	05/12/2016	51.9	23.4
Stirling Care Village	08/12/2016	85.1	37.1
Pharmaceuticals Services	22/12/2016	63.4	28.1
Gorbals & Woodside Health Centres	10/04/2017	90.5	38.7
NHS Orkney New Hospital & Healthcare Facilities	24/03/2017	57.2	24.2
Transport Projects			
M8, M73, M74 Motorway Improvements	20/02/2014	1,378.6	500.0
Aberdeen Western Peripheral Route / Balmedie Tipperty	12/12/2014	1,449.2	547.6

Education Projects	Base Date for NPV	Total UC £m	NPV £m
Inverness College	29/05/2013	135.4	59.3
City of Glasgow College	30/08/2013	603.0	253.2
James Gillespie's High School	05/12/2013	102.6	45.1
Alford Academy	30/05/2014	62.2	28.3
Ayrshire College (Kilmarnock Campus)	04/06/2014	140.9	62.6
Wick High School	19/12/2014	122.5	54.5
Levenmouth High School	22/12/2014	104.2	47.1
Greenfaulds High School	08/01/2015	84.8	37.9
Forfar Community Campus	12/06/2015	89.7	40.4
Anderson High School	30/07/2015	101.7	44.7
Dalbeattie Learning Campus	26/01/2016	60.6	27.1
Newbattle Community Campus	12/02/2016	83.3	36.4
Kelso High School	19/02/2016	54.2	24.3
Elgin High School	25/02/2016	68.8	31.0
William McIlvaney Campus	24/02/2016	107.1	46.7
Baldragon Academy	26/02/2016	71.6	32.0
Barrhead High School	21/03/2016	59.1	27.0
Oban High School and Campbeltown Grammar	24/03/2016	135.5	60.0
Our Lady & St Patrick's High School	31/03/2016	64.8	29.5
Largs Campus	27/05/2016	108.7	45.8
Lochside Academy	30/06/2016	104.0	46.0
Ayr Academy	01/07/2016	65.8	29.7
West Calder High School	14/12/2016	73.9	33.4
Cumbernauld Academy & Art Theatre	29/06/2017	90.4	39.6
Bertha Park High School	29/09/2017	84.5	37.6
Blairdardie & Carntyne Primary Schools	23/10/2017	46.1	21.3
Queen Margaret Academy	07/11/2017	67.0	29.5
Ladyloan & Muirfield Primary Schools	24/11/2017	38.8	18.1



Scottish Government
Riaghaltas na h-Alba
gov.scot

© Crown copyright 2018

OGI

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.scot

Any enquiries regarding this publication should be sent to us at
The Scottish Government
St Andrew's House
Edinburgh
EH1 3DG

ISBN: 978-1-78851-682-2 (web only)

Published by The Scottish Government, April 2018

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA
PPDAS406026 (04/18)

W W W . G O V . S C O T