

Infrastructure Investment Plan 2015

Progress Report for 2020-21



Scottish Government
Riaghaltas na h-Alba
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Contents

Foreword	1
Overview Report	3
Sector Reports	
Transport	10
Health	14
Schools	18
Early Learning and Childcare	19
Further and Higher Education	20
Culture, Heritage and Tourism	22
Justice	24
Digital	26
Energy	28
Water	30
Rural Economy and the Environment	33
Housing	35
Regeneration	38
Cities / Regions	41
Annexes	
Annex A: IIP 2015 - Projects Completed Summary	
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	

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Foreword

Infrastructure investment has been vital in delivering the Scottish Government's long-term ambitions for inclusive economic growth, responding to the climate emergency and building sustainable places. Infrastructure can provide the largest GDP boost of any Scottish Government investment and that is why in November 2018 we committed to a National Infrastructure Mission in order to increase the level of annual investment by £1.5 billion by the end of 2025-26. This last annual progress report of our 2015 Infrastructure Investment Plan, outlines our key achievements during 2020-21 as well as the key major infrastructure priorities that we have delivered over the course of the last five years.

Our new Infrastructure Investment Plan, which was published earlier this year alongside our Capital Spending Review, covers the five-year period from April 2021, builds on these achievements and delivers our National Infrastructure Mission.

Infrastructure has also had a vital role in helping businesses and communities to adapt and recover from the economic, health and social harm arising from the COVID-19 pandemic. In common with many other countries, infrastructure projects in Scotland have been subject to significant adjustment in the light of COVID-19 and that is why in June 2020 we announced a £230 million Return to Work package to help stimulate Scotland's economy.

In total over the last five years, key infrastructure projects totalling £7.7 billion have completed construction and opened to the public within our project pipeline. This included major infrastructure priorities such as the new Queensferry Crossing, the Edinburgh to Glasgow rail improvement programme, the Aberdeen Western Peripheral Route road scheme, the new Dumfries and Galloway Royal Infirmary, two new City of Glasgow College campuses and the Schools for the Future building programme. Within that, almost £660 million worth of infrastructure projects have been completed over the course of 2020-21.

Looking ahead, our new Infrastructure Investment Plan provides a robust pipeline of public sector infrastructure delivery, giving confidence to the construction sector and supporting our economic recovery from COVID-19. This pipeline includes details of around £26 billion worth of major projects valued at £5 million or more and national programmes valued at £20 million or more.

Our planned capital investment programme for 2021-22 includes substantial initial investments to support our commitment to inclusive economic growth. This includes strengthening digital connectivity through the £600 million Reaching 100% programme, investing £525 million to deliver the next five years of the £5 billion City Region and Regional Growth Deals programme, doubling investment in bridge and roads maintenance and enhancing safety with a programme of around £1.5 billion over 5 years. It also supports our transition to net zero and supports over £1.9 billion of low carbon infrastructure investment in 2021-22, including the first year of the £2 billion low carbon fund. This includes a range of multi-year investments such as the creation of an £180 million Emerging Energy Technologies Fund to support carbon capture and storage, negative emissions technologies and hydrogen development, £120 million of new investment in the transition to net-zero electric buses and £1.6 billion over the next five years to decarbonise heat in buildings.

Plans will continue to be subject to adjustment in the light of COVID-19, and we will continue to work closely across the Scottish Government to ensure the right investment and support is available for all our changing infrastructure needs.

I am pleased to say that the Infrastructure Commission for Scotland brought invaluable independent expertise and insight to the discussion on how we develop our long-term infrastructure strategy and support the delivery of infrastructure. The Infrastructure Investment Plan 2021-22 to 2025-26 sets out the Scottish Government's supportive response to that advice and focusses on adopting and building on the Commission's recommendations, integrating these into a five-year implementation plan.

We look forward to continuing to work with all our stakeholders to ensure that collectively we maximise the benefits of infrastructure investment for the people of Scotland.

Overview Report

2015 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 sector by sector.

This progress report will be the last report relating to the 2015 Plan as a new [Infrastructure Investment Plan for Scotland 2021-22 to 2025-26](#) was published on 4 February 2021. The new Plan covers the next five financial years from April 2021 and includes details of around £26 billion of major projects and national programmes with more to be confirmed in future years.

We consulted on the [draft Infrastructure Investment Plan for Scotland 2021-2022 to 2025-2026](#) up until 19 November 2020 in order to ensure the right final approach that benefited the whole of Scotland both now and in the future. The new Plan and the latest five-year Capital Spending Review were published together in order to provide a strong and coherent framework for directing, analysing, shaping, and prioritising future commitments.

The new Plan delivers the National Infrastructure Mission and sets a long-term vision of infrastructure supporting an inclusive, net zero carbon economy in Scotland. It provides a pipeline of public sector infrastructure delivery, giving confidence to construction sector and supporting our economic recovery from COVID-19. It shows how we will enhance our approach to choosing the right future investments and introduces a new infrastructure investment hierarchy. Reporting of the new Plan will commence in the autumn.

National Infrastructure Mission

The Scottish Government is firmly committed to infrastructure investment as a key factor in securing inclusive economic growth and our focus is on stimulating growth, protecting and creating jobs and promoting Scotland as a great place to do business. In recognition of the importance of infrastructure investment to the economy, the 2018 Programme for Government set out our commitment to a National Infrastructure Mission to increase annual investment by 1% of 2017 Scottish GDP (Gross Domestic Product) by the end of the next Parliament.

The [Capital Spending Review 2021-2022 to 2025-2026](#) confirms we will deliver our Mission, ensuring that investment is £1.56 billion higher in 2025-26 than the £5.2 billion the Scottish Government invested in 2019-20. This will deliver total investment value of over £33 billion pounds in the next five years and is estimated to support 45,000 jobs directly in that period, providing benefits right across Scottish supply chains. The experience of Coronavirus highlights how important this extra investment will be for our inclusive economic growth and recovery.

Infrastructure Commission for Scotland

The Scottish Government set up the Infrastructure Commission for Scotland in 2019 and it has brought invaluable independent expertise and insight to the discussion on how we develop our long-term infrastructure strategy. Our Infrastructure Investment Plan for Scotland 2021-2022 to 2025-2026 responds to the Commission's recommendations and shows how we will implement them, including through a five-year implementation plan.

Government Expenditure and Revenues Scotland (GERS)

The latest [Government Expenditure and Revenue Scotland \(GERS\) 2019-2020](#) publication provides details of capital expenditure for Scotland beyond that invested by the Scottish Government. It includes 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.

2015 Infrastructure Investment Plan Reporting

The 2015 IIP included 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 **IIP 2015 - Project Pipeline** is updated and published on a six-monthly basis and details projects with a capital value of £20 million or more where the Scottish Government has a lead role in procurement or funding. It has included school projects being delivered through Scotland's Schools for the Future Programme and health projects being delivered through the Scotland-wide 'hub' initiative which formed part of the Scottish Government's revenue funded £3.5 billion NPD/hub investment programme. A summary of all those projects, which have been completed and delivered within the last five years by way of the project pipeline, together with those currently in construction, is provided at **Annex A**.

The **IIP 2015 - Major Capital Projects Progress Update** is published on a six-monthly basis and 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 **IIP 2015 - Programme Pipeline Update** is published on a six-monthly basis and includes information relating to ongoing key major infrastructure programmes with an investment of £50 million or more.

The latest and last of these updated three reports relating to the 2015 IIP, can be found by way of the following link:

www.gov.scot/policies/government-finance/infrastructure-investment/plan

Going forward, our reporting of the new five year Infrastructure Investment Plan from April 2021 will include projects with a value of £5 million and programmes with a value of £20 million. This is to further enhance transparency guided by international best practice, including the recommendations of the European Cooperation in Science and Technology (CoST) framework¹ and the OECD² (Organisation for Economic Co-operation and Development).

Key achievements over last five years

Over the course of the last five years, key major infrastructure priorities have been delivered and projects totalling £7.7 billion have completed construction and opened to the public within our project pipeline. These have included projects from across the sectors such as:

Transport

- Queensferry Crossing (£1.325-£1.35 billion)
- Edinburgh Glasgow Improvement Programme EGIP (£870 million)
- Aberdeen Western Peripheral Route/Balmedie to Tipperty (£745 million)
- M8 M73 M74 Motorway Improvements Project (£452 million)
- Aberdeen to Inverness Rail Improvement Project (£330 million)

Health

- NHS Dumfries and Galloway - Acute Services Redevelopment Project (£275.5 million)
- NHS Lothian - Royal Hospital for Sick Children / Department of Clinical Neurosciences (£251.9 million)
- NHS Orkney New Hospital and Healthcare Facilities (£77.4 million)
- NHS Lothian - East Lothian Community Hospital (70.4 million)
- NHS Ayrshire and Arran - Acute Mental Health & North Ayrshire Community Hospital (£54.8 million)

Schools

- 93 schools within Scotland's Schools for the Future Programme (£2 billion)

Further Education

- City of Glasgow College (£228.6 million)
- Forth Valley College Falkirk Campus (£78 million)
- Ayrshire College Kilmarnock Campus (£53.6 million)

Culture

- V&A Museum of Design Dundee (£80.1 million)

Justice

- Inverness Justice Centre (£32.3 million)

¹ [Infrastructure Governance in Scotland: The added value of CoST in high-income countries: Scotland case study](#)

² [OECD Compendium of Policy Good Practices for Quality Infrastructure Investment](#)

Progress to March 2021

Major infrastructure improvements were delivered and in total over the course of 2020-21, the following projects worth almost £660 million opened to the public or completed construction within our project pipeline:

Health

- NHS Lothian - Royal Hospital for Sick Children / Department of Clinical Neurosciences (£251.9 million)
- NHS Lothian - East Lothian Community Hospital (70.4 million)
- NHS Greater Glasgow and Clyde - Greenock Health and Social Care Centre (£22.4 million)
- NHS Greater Glasgow and Clyde - Stobhill Mental Health DBFM Beds (£11.5 million)

Schools

- Barony Campus (£66.9 million)
- Inverurie Community Campus (£58.8 million)
- Queensferry High (£41.3 million)
- Alness (£37.4 million)
- Jedburgh (Scottish Borders Council) (£35.1 million)
- Merkinch Primary School (£18.7 million)
- Lossiemouth High School (£42.3 million)

Funding

Projects within the 2015 IIP were funded from several funding sources: capital grant, NPD/hub revenue finance and Regulated Asset Base (RAB) for rail projects until 2018-19 (thereafter it has been grant funded with HM Treasury taking on responsibility for debts accrued by Network Rail). The Scottish Government also has the power to borrow up to £3 billion for capital purposes with an annual cap of £450 million. 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 a self-imposed revenue finance investment limit in place. Planned and committed projects and borrowing for 2021-22 are estimated to be 2.98% of the Scottish Government resource budget (excluding social security). The corresponding figures are expected to be 2.91% in 2022-23 and 3.04% in 2023-24.

Financial Transactions

In addition, the UK Government has made a subset of capital funding available called Financial Transactions (FTs). FTs were introduced in financial year 2012-13 by HM Treasury and 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 HM Treasury by the 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.

Contribution to Economic Development

Infrastructure investment contributes to economic development and supports jobs. The contribution made by individual major projects is detailed within 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. Some examples of how infrastructure investment contributes to economic development are as follows:

The contribution made by major infrastructure programmes include for example, the dualling of the A9 between Perth and Inverness, which is one of the biggest transport infrastructure schemes in Scotland's history. This ambitious programme will bring many benefits for road users, communities and businesses who live along or use this vital route to the Highlands and Islands. In addition, dualling the A96 between Inverness to Aberdeen will ensure the road network between all Scottish cities is of dual carriageway standard. This will provide a number of benefits including delivering economic growth and will help tackle congestion in towns along the route, reduce journey times, improve journey time reliability and improve road safety for all users.

Our commitment to upgrading the A82 between Tarbet and Inverarnan will bring improved road safety and journey time reliability, supporting economic development by better connecting businesses and communities in the Highlands and Islands with the central belt.

The Skye Triangle infrastructure programme is contributing to the economic development of these island populations, communities and businesses by ensuring port infrastructure support and that ferry services continue to operate out of Tarbert (Harris), Lochmaddy and Uig.

Our Scottish Broadband Voucher Scheme is providing opportunities for SMEs (Small and medium-sized enterprises) in the telecommunications market to extend the reach of their networks across Scotland. To date we have 55 suppliers registered offering services across varying technology types including full fibre, 4G, Fixed Wireless Access and satellite.

The Low Carbon Infrastructure Transition Programme (LCITP) has run a number of open funding invitations, including the Green Recovery: Low Carbon Energy Project Capital Funding. This funding invitation targeted £50 million of support for projects that demonstrate innovative low carbon heat solutions for buildings, as well as proposals for integrated energy systems that support the ambitions for Scotland to

achieve net zero emissions by 2045 and further catalyse economic recovery from the challenges imposed by the COVID-19 Pandemic.

We have transformed access to affordable housing with record investment of more than £3.5 billion to deliver more affordable and social homes. This is helping to create great places and continuing to ensure the right types of homes in the right places to support Local Housing Strategies and regional development priorities. We recognise the positive social and economic impact that investment in social housing contributes and we are committed to expanding our social housing stock.

Leverage

In order to maximise the government's investment in infrastructure, leverage of other funding is pursued where possible. Examples of this include the Reaching 100% (R100) and Scottish 4G Infill (S4GI) programmes which utilise a gap funding model which is incentivising investment by commercial providers by making the business case financially viable in areas where they would not otherwise invest.

We are providing over £10 million funding to the Scotland 5G Centre, which aims to be Scotland's national platform for collaboration, innovation and knowledge sharing across all aspects of 5G from research to delivery and exploitation. Through a new network of 5G Innovation Hubs, the Scotland 5G Centre will continue to secure and target inward investment either in support of existing seed project activities or by stimulating new innovation and SME growth, with sectoral focus, in the economy. The Scotland 5G Centre is a partner in a 5G New Thinking project that was successful in securing £5 million UK Government funding for 5G in February 2020. With contributory funding from public and private sector project partners, the project is expected to be valued around £9 million. The project will look at the provision of mobile/wireless connectivity primarily using new shared spectrum and local spectrum licencing approaches.

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For 2019-20, our average grant contribution for the social homes delivered by Registered Social Landlords was approximately 56% (£88,500 per home), with an average of around £69,000 raised through private funding from Registered Social Landlords' rental income.

NPD/hub Revenue Funded Projects

Previous IIP 2015 - Project Pipelines have included the capital value of revenue funded projects through NPD and hub. These projects may also have had an

additional 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 [NPD/hub programme unitary payment charges](#) are published on the Scottish Government website and updated on an annual basis.

The graph provided at **Annex B** shows the total unitary charges payable each year in nominal, real and discounted terms. The nominal values represent the cash payments that will be made and the real figures remove the effect of inflation. The discounted figures remove the effect of inflation and in accordance with HM Treasury Green Book principles, discount to adjust for social time preference. 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 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 the Scottish Government has followed to support the economy and deliver high quality public services. Investment has been maximised through not only utilising capital grant, but also delivering infrastructure through revenue financed methods, capital borrowing and leveraging in additionality from the private sector and other sources. The IIP 2015 - Progress Reports and accompanying project and programme reports have set out the scale and diversity of our infrastructure programme and the use of various funding routes together with the associated economic benefits.

Sector Reports

All planned dates going forward will be subject to the impact of the coronavirus COVID-19 situation.

Transport

Key achievements over last five years

The Stirling Dunblane Alloa Electrification was completed in December 2018 enabling the introduction of new electric services on 9 December 2018. Highland Main Line new infrastructure was completed in March 2019, enabling enhancements, including an hourly service between Inverness and Perth and an average journey time reduction of around 10 minutes. Shotts Electrification and station enhancements was successfully completed in March 2019 with accessibility enhancements at 3 stations installing footbridges and lifts. New electric rolling stock reduced journey times and increased capacity and efficiency.

The Edinburgh Glasgow Improvement Programme (EGIP) regulatory milestone for completion by 31 March 2020 was met and Glasgow Queen Street station was certified to enter service. EGIP also successfully delivered the electrification of the Glasgow–Cumbernauld route, the redeveloped Haymarket Station and Edinburgh Gateway Station. EGIP also saw the electrification of the Edinburgh-Glasgow via Falkirk High route and introduction of new Class 385 Hitachi trains which has seen an improvement in journey times between the two cities and an increase in seating capacity of 44% following the extension of platforms at Queen Street.

The re-doubling of the railway line between Inverurie and Kittybrewster to the west of Aberdeen by August 2019 enabled a half-hourly service between Inverurie and Aberdeen between Monday and Saturday, with hourly “Crossrail” services continuing to Montrose and additional services during weekday peaks. Kintore Station between Inverurie and Aberdeen opened in autumn 2020 with a full hourly day-time service between Elgin and Inverness enabled by the enhancements earlier in the project to the west end of the line.

Brodick and Wemyss Bay port redevelopments were completed in 2017-18.

We have invested over £45 million to grow Scotland’s accessible public electric vehicle charging network through ChargePlace Scotland (CPS). CPS now provide over 1,600 Chargepoints in Scotland.

Over the last five years, work on upgrading Glasgow subway stations was completed, renewal and upgrade of existing infrastructure & depot facilities progressed, and the first three new trains were delivered.

Since 2016, we have committed record levels of investment in infrastructure that supports our vision for a sustainable transport network. We have doubled funding for active travel to £80 million in 2018. We have committed over £500 million to improve bus priority infrastructure over five years. We provided assurance that over the next five years over £550 million would be invested in active travel. The majority

of these investments will support infrastructure, including reallocating road space in favour of walking, cycling and wheeling.

The Queensferry Crossing, which was the largest transport infrastructure project in a generation, opened to traffic in August 2017. The M8 'missing link' between Glasgow and Edinburgh was completed in June 2017 with the opening of the M8 M73 M74 Motorway Improvements Project. The Aberdeen Western Peripheral Route (AWPR), which was the longest length of road under construction in the UK at the time, opened to full to traffic in February 2019. The first section of the A9 Dualling Programme opened in September 2017 following the completion of the A9 Kincairdie to Dalraddy stretch.

Progress in 2020-21

Significant progress continues to be made with the close out of existing rail projects noted above and ongoing delivery and development of works within the Rail Enhancement Pipeline, with an emphasis on the implementation of the Rail Decarbonisation Action Plan published in July 2020. Around 50 projects at various stages of development or delivery.

The Skye Triangle Infrastructure Programme has progressed despite impacts from the COVID-19 pandemic. Construction works at the Tarbert (Harris) port were temporarily suspended in March 2020 and re-mobilised on 29 June 2020.

We have invested £300k in launching a Hydrogen Accelerator programme based out of St Andrews University to provide technical expertise and support in hydrogen-related transport initiatives. We have invested approximately £25 million over the past year to develop the charging infrastructure for the public and private sector. We launched a £5.3 million large-scale joint-funded demonstrator project that aims to install up to 180 public EV (Electric Vehicle) charge points across 44 sites in Lanarkshire by April 2021.

The COVID-19 pandemic has had significant impact on the Glasgow subway modernisation programme with all site works initially stood down until the easing of the first lockdown. The restrictions on international travel also impacted Strathclyde Partnership for Transport's contractors and suppliers, with design and equipment factory testing activity being delayed or prolonged. However, the first three trains have been received and off-line train testing is in progress.

In 2020-21, we responded to the COVID-19 emergency by repurposing £39 million of our capital budget to fund Spaces for People, a programme supporting physical distancing and temporary measures, keeping people safe whilst out walking and cycling for daily exercise.

Construction is well underway on the second stretch of the A9 to be dualled between Luncarty and Birnam, which is anticipated to be completed in winter 2021. The Made Orders and Prior Information Notice (PIN) for the Tomatin and Moy section were published on 26 February 2021, the latter signalling the start of procurement for the £115 million construction contract, which is expected to be awarded in the second half of 2022.

The preferred option for the Hardmuir to Fochabers section of the A96 Dualling Programme was announced in December 2018 with the detailed development and assessment of the preferred option well underway. Route option assessment work on the section between East of Huntly and Aberdeen is also now complete with the preferred option announced at a virtual exhibition on 21 December 2020.

Work is progressing well on the A77 Maybole Bypass and the A92/A96 Haudagain Improvement projects. Completion of both is anticipated in winter 2021, subject to unforeseen circumstances such as effects of exceptional weather. We are continuing to work closely with the contractor to review the programme of work and any cost impact in relation to COVID-19 and identify any actions that may help to mitigate delays and additional costs where possible.

Activity going forward

Aberdeen to Central Belt Rail Enhancements will deliver the additional £200 million investment in improving capacity, performance and journey times between Aberdeen and the Central Belt by 2026. As recommended, this investment will be focussed on signalling enhancements between Aberdeen and Dundee to assist in enabling future potential freight/passenger loops, targeted line-speed improvements and electrification of the line in accordance with the Programme for Government decarbonisation agenda.

Ongoing implementation of the Rail Decarbonisation Action Plan published in July 2020 is already underway to decarbonise the East Kilbride and Barrhead routes as part of the first phase of delivery. This holistic package of enhancements will allow electric services in this corridor and facilitate future extension to Barrhead and other south Glasgow routes.

A new, two-platform station is to be constructed at Dalcross by December 2022 to service Inverness Airport, new housing at Tornagrain and Inverness Airport Business Park. New stations at Reston and East Linton are planned to be delivered by 2024.

The Tarbert (Harris) port works are expected to be completed by autumn 2021 with completion of the new terminal building by autumn 2022. In relation to the other two projects in the Skye Triangle programme, Lochmaddy is progressing towards re-tendering and Uig is currently in the tendering stage awaiting bids.

We will continue to fund the expansion of the public and private charging infrastructure, whilst developing hydrogen infrastructure to support HDV (Heavy Duty Vehicles) technology.

Completion of the remaining Glasgow subway modernisation works and finalising testing of the new trains and associated control systems in preparation for entering service.

As we navigate through the COVID-19 recovery and start again to address in earnest the oncoming climate emergency, we will be supporting our partners, local authorities and wider stakeholders to increase ambition, pace and the delivery of

quality infrastructure. With the assurance of more than £1 billion already committed to active travel and bus priority measures over the next five years, our investments will continue to prioritise mode shift, the movement of people and not cars. It will help to bring about transformational change in how we travel and how we live.

Design work is progressing well on the A9 Dualling with the statutory process well underway for eight of the remaining nine schemes. In addition to Tomatin to Moy, we have given approval to complete the statutory process for four further schemes. The work to prepare Made Orders for these four schemes is well underway with publication expected over the coming months. In addition, we expect Public Local Inquiry Reports to be submitted to Scottish Ministers for a further three schemes in the coming months, which subject to positive decisions would pave the way for completing the statutory processes for approximately 92% of the programme. Work also continues to identify a preferred route for the only section not to have started the statutory process, between Pass of Birnam and the Tay Crossing, which was subject to a Co-creative Process.

We will continue to progress design and assessment work on the A96 Dualling. On the Inverness to Nairn (including Nairn Bypass) section, following consideration of the Public Local Inquiry Reporters' Report, the Scottish Ministers have decided to make the Orders for the scheme with Decision letters issued on 19 February 2021. We have also identified preferred route options on the Hardmuir to Fochabers and East of Huntly to Aberdeen sections.

The Scottish Government remains committed to improving the A82 between Tarbet and Inverarnan, a key lifeline route to the western Highlands and Islands. Following identification of a preferred option the detailed development and assessment of the preferred option is well underway and we continue to push forward the preparation stages to deliver this scheme as soon as possible. This development work is being informed by enhanced understanding of the specific complexities associated with improving this iconic route and we continue to push forward the preparation stages to deliver this scheme as soon as possible.

Health

Key achievements over last five years

NHS Ayrshire and Arran's Woodland View, Acute Mental Health & North Ayrshire Community Hospital completed in 2016. Costing £54.8 million and serving East, North and South Ayrshire, the facility for 206 inpatients brings adult mental health and addiction inpatient services together on one site. It includes improved rehabilitation and re-enablement services; improved treatment and rehabilitation facilities for older people; and provides additional outpatient and support services.

NHS Lothian's Royal Edinburgh Campus Redevelopment (Phase 1) completed in December 2016. Costing £49 million, the phase one redevelopment of the Royal Edinburgh Hospital includes new accommodation for the adult acute mental health inpatient service, older people's mental health assessment, Intensive Psychiatric Care Service and the new Robert Fergusson national brain injury unit.

NHS Greater Glasgow and Clyde's Eastwood Health Centre and Maryhill Health Centre completed in summer 2016. Costing £10.8 million and £13.6 million respectively, these innovative new centres offer access to a wide range of primary and community health and social care services under one roof.

NHS Dumfries and Galloway's new 344-bed Royal Infirmary, opened in 2017. Costing £275 million, the new hospital enables 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 new Jack Copland Centre completed in 2017 and brought together on a single site, a range of Scottish National Blood Transfusion Services. This created 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.

NHS Grampian's £24.1 million project for the re-provision of a new Foresterhill Health Centre on the Foresterhill Health Campus site in Aberdeen completed in May 2018, and the re-provision of a new Inverurie Health Care Hub in Aberdeenshire completed in July 2018.

NHS Greater Glasgow and Clyde's new £18.6 million Gorbals Health Centre in Glasgow opened in November 2018.

NHS Orkney's Balfour Hospital, the biggest project in NHS Orkney's history, became operational in June 2019. The £77.4 million award-winning project saw the development of a purpose built facility to replace the existing Balfour Hospital in Kirkwall, two GP practices and the Public Dental Service.

NHS Scotland's £29 million Pharmaceutical Specials Service project at Ninewells Hospital in Dundee for the supply of unlicensed medicines to all 14 health boards in NHS Scotland was completed in March 2019.

NHS Forth Valley's Stirling Health and Social Care Village was completed in 2019. This £37.8 million facility houses three GP Practices, a Minor Injuries Unit with X-ray facilities, GP and Primary Care Out-of-Hours services, community nursing as well as accommodation for local healthcare and ambulance staff. The Centre can accommodate up to 116 people in en-suite rooms across four short-stay areas

NHS Greater Glasgow and Clyde's new £21.2 million state-of-the art Woodside Health and Care Centre in the centre of Glasgow became operational in 2019. Set over three and a half storeys, the development is a significant investment in the health and wellbeing of the local community, bringing together multiple clinicians under one roof.

NHS Lothian's £70.4 million East Lothian Community Hospital project includes a new community hospital that was built on the site of the former Roodlands Hospital and comprises a range of services including endoscopy procedure rooms and six wards, totalling 132 beds in single en-suite rooms. The new build is also able to support patients previously cared for in Haddington Care Home, Crookston Care Home, and Midlothian Community Hospital. The new hospital became fully operational in 2019 and the final phase of contracted works were completed in 2020.

Progress in 2020-21

NHS Lothian's Royal Hospital for Children and Young People in Edinburgh fully opened in March this year. It provides a wide range of services and facilities including a Children's Emergency Department, 242 beds, 10 theatres, outdoor play areas, physical and mental health specialities on one site and accommodation for families of paediatric patients. The hospital also accommodates NHS Lothian's Department for Clinical Neuroscience.

NHS Greater Glasgow and Clyde's new Greenock Health and Social Care Centre opened in March this year providing a wide range of services for the benefit of the community it serves. This includes the transfer of four General Practices, pharmacy, primary care and other health and social care services from the previous health centre, as well as the introduction of other services, including specialist children's services, speech and language therapy and the care at home service. The new facility offers an opportunity to reshape services from a patient and service user's perspective to provide care that is more integrated, accessible and efficient, as well as contributing to the wider goals of community regeneration and addressing health inequalities.

NHS Greater Glasgow and Clyde's new Stobhill Mental Health DBFM Beds project opened in August last year and delivered two new mental health wards at Stobhill Hospital in Glasgow with space for up to 40 patients accommodated in individual rooms. It has been designed to provide a positive environment for mental health patients and to play an important role in facilitating their treatment and recovery.

The Golden Jubilee National Hospital's Ophthalmology Unit Development became operational in November last year. The expanded integrated ophthalmology unit forms part of the Scheduled Care and Diagnostic Centres programme and offers state-of-the-art care for patients needing cataract surgery. The unit will play an important part in tackling the increase in waiting lists as a result of the COVID-19 pandemic.

The following projects continued construction during the last year:

- NHS Greater Glasgow and Clyde - Clydebank Health & Care Centre;
- NHS Highland - Redesign of Services for Skye, Lochalsh & South West Ross; and
- NHS Highland - Redesign of Services for Badenoch and Strathspey.

The following projects have commenced construction within the last year:

- Golden Jubilee National Hospital's Phase 2 Elective Expansion;
- NHS Highland - Elective Care Centre; and
- NHS Fife - Elective Orthopaedic Centre.

Activity going forward

Over the next five years, the Scottish Government and NHS Scotland plan on delivering the following major programme and projects:

- The £320 million Scheduled Care and Diagnostic Centres programme will increase Scotland's capacity for elective surgery, in order to allow people to be treated more quickly. The programme comprises the following projects:
 - Golden Jubilee National Hospital Ophthalmology Unit Development (completed);
 - Golden Jubilee National Hospital Phase 2 Elective Expansion (in construction);
 - NHS Highland - Elective Care Centre (in construction);
 - NHS Fife - Elective Orthopaedic Centre (in construction);
 - NHS Forth Valley - two additional theatres (in development);
 - NHS Lothian - Short Stay Elective Centre at St John's Hospital in Livingston (in development);
 - NHS Tayside - Elective Care Centre (in development); and
 - NHS Grampian - Elective Care Centre (in development).
- NHS Grampian's £233.2 million Baird Family Hospital and Anchor project in Aberdeen, brings together all Maternity, Neonatal, Reproductive Medicine, Breast and Gynaecology services in the Baird Family Hospital and consolidates Haematology, Oncology and Radiotherapy Day and Outpatient services under one roof in the ANCHOR Cancer centre.
- NHS Lothian's £20 million upgrade to the Edinburgh Cancer Centre at the Western General Hospital will improve the environment for patients and how services are delivered.

- NHS Ayrshire and Arran's new £10 million National Secure Adolescent Inpatient Service in Ayrshire will be the first of its kind in Scotland.
- NHS Western Isles new £18 million St Brendan's Hospital, will replace the existing health and social care facilities on Barra. The modern, state of the art facility will help residents of Barra receive care without having to travel off the island.
- NHS Greater Glasgow and Clyde's £67 million investment for the provision of a new Parkhead Health and Social Care Community Hub in Glasgow will replace 10 different buildings across Glasgow's North East area.

Schools

Key achievements over last five years

The Scottish Government's previous school building programme, Scotland's Schools for the Future, had a value of over £1.8 billion with £1.13 billion provided by the Scottish Government.

Over the last five years (1 January 2016 to 31 March 2021), 93 school projects have been completed.

Progress in 2020-21

Over the last year (1 April 2020 to 31 March 2021), 7 school projects have been completed.

The programme is now complete and has seen the construction of 117 new or refurbished schools, with at least one new school project being delivered in every local authority area in Scotland.

Final school cost figures within this report also include where relevant, additional related capital funded elements incurred by local authorities for additional works that were out with the scope of the Schools for the Future programme.

Activity going forward

The Scotland's Schools for the Future Programme successor is the £2 billion Learning Estate Investment Programme that will benefit around 50,000 pupils across Scotland by the end of the next Parliament.

The first phase of 11 school projects to benefit from the programme were announced in September 2019. Phase 1 projects are expected to be complete by summer 2024.

The second phase of 25 school projects to benefit from the programme were announced in December 2020. The majority of Phase 2 projects are expected to be complete by December 2025 (Inverkeithing & Penicuik High Schools are expected to be complete by summer 2026).

The Scottish Government will continue to work with local authorities regarding which projects may be suitable for Scottish Government support within a future phase of the Learning Estate Investment Programme.

Early learning and childcare

Key achievements over last five years

The Early Learning and Childcare (ELC) expansion programme will expand the entitlement to funded ELC from 600 to 1,140 hours per year for all 3 and 4-year olds and for eligible 2-year olds from August 2020.

The expansion planning process was undertaken in a collaborative manner between the Scottish Government and local authorities. This enabled Scottish Ministers and COSLA (Convention of Scottish Local Authorities) to reach agreement on a multi-year funding package for the ELC expansion programme.

The Scottish Government will provide local authorities with £476 million of capital funding to support the expansion, over four financial years from 2017-18 to 2020-21 inclusive.

The ELC expansion programme will comprise of over 900 capital projects including the refurbishment and/or extension of existing facilities, the provision of new standalone facilities as well as investing in outdoor ELC capacity. Together this will secure around 22,000 additional registered ELC space within the public sector.

The Scottish Futures Trust is supporting both the Scottish Government and local authorities with the infrastructure elements of the ELC expansion programme.

As at January 2021, a total of 588 early learning and childcare capital projects have been completed, delivering an additional 11,560 ELC spaces.

Progress in 2020-21

In 2020-21, 210 ELC projects with a value of £138.6 million are forecast to have been completed. These projects will deliver an additional 4,835 additional ELC spaces.

By 31 March 2021, it is forecast that a total 632 ELC projects with a value of £290 million will be completed since the start of the programme. This will bring the total number of additional spaces delivered to 13,416.

Activity going forward

285 further ELC projects are planned to complete thereafter. These projects are expected to have a combined value of £260.4 million and deliver an additional 7,866 ELC spaces.

To support the delivery of the expanded service from August 2021 it is estimated that 94% of all capital projects required from that date will have been completed with suitable transitional arrangements being put in place for the remaining projects required for August 2021.

Further and higher education

Further education - Key achievements over last five years

In 2017, the Scottish Government approved the final design stage of Forth Valley College's new Falkirk campus with a total cost of £78 million. The Scottish Government investment in the project was £65 million of capital funding. The Falkirk Campus opened its doors to students for the first time in January 2020.

City of Glasgow College completed a new £228 million twin-site super campus. The Riverside campus was completed in autumn 2015 and the Cathedral Street campus was completed in summer 2016. The super campus is designed to serve up to 40,000 students and 1,200 staff a year.

Progress in 2020-21

The Scottish Funding Council (SFC) published its College Estate Condition Survey in 2017 and has since considered where new approaches may represent better value for money than continuing to address backlog repairs alone. Scottish Government provided £26.9 million to fund very high priority estate maintenance issues in 2018-19, funding was provided in 2019-20 to continue to address lifecycle and backlog repairs and 2020-21 budget allocated £32.7 million for capital estate priorities.

The college sector was allocated an additional £6.5 million during 2020-21. This investment provided an opportunity to make an additional supportive contribution to the maintenance of college estates. Funding was used by colleges to support a range of capital projects which may have been put on hold as a result of the COVID-19 pandemic and the initial lockdown.

A Learning Estates Strategy was published in September 2019, which included a set of guiding principles. Building on this publication, the SFC is currently preparing a medium term estate strategy for the college sector, which is being informed by SFC's Review of Coherent Provision and Sustainability. The strategy will help set priorities for investment, improve the student experience and support better outcomes as well as set out how the college estate will contribute to efforts to tackle climate change.

Activity going forward

Fife College and Fife Council are developing a joint Dunfermline Learning Campus. The aim is to locate the new College building and two of Dunfermline's high schools on the same site. Fife College purchased the land for the new college site in October 2018 for £4.56 million. Funding has been earmarked in 2021-22 to continue with the £90 million project, which aims to be complete by 2024.

Higher education - Key achievements over last five years

Supported by Financial Transactions programme and maintenance grants, a considerable contribution to university carbon reduction was made with all universities implementing their estate carbon reduction strategies as an integral part of overall estate strategies. Projects delivered included Edinburgh solar array, Aberdeen and Strathclyde's Combined Heat and Power (CHP) systems, connecting to local District Heating Network (DHN). All universities have undertaken major investments in upgrading of spaces for learning such as Strathclyde Learning & Teaching Centre, Glasgow's Boyd Orr building and Stirling Campus Central projects.

Progress in 2020-21

Total capital funding for infrastructure at universities in 2020-21 including Financial Transactions (but excluding core research activity funding which was switched from resource to capital as part of a realignment of budgets exercise) was over £96 million. The investment into research infrastructure of £16.8 million, which was part of this, was further boosted by match funding from BEIS (Business, Energy and Industrial Strategy). The Scottish Government will further build on this in 2021-22 with the Scottish Budget setting out further investment of over £63 million.

The university sector was allocated an additional £3.5 million during 2020-21, which provided an opportunity to make additional supportive contributions to maintenance of university estates. Funding was used to support a range of infrastructure projects, which may have been put on hold as a result of COVID-19 and initial lockdown.

The Universities Financial Transactions Programme (UFTP) has run from 2017 to 2022, delivering a wide range of significant projects on Scotland's university estates.

- 2017-18 - £16 million loan funding to 11 universities for 15 projects;
- 2018-19 - £40 million loan funding to 7 universities for 10 projects;
- 2019-20 - £60 million loan funding (£55 million plus £5 million repayments) to 9 universities for 17 projects; and
- 2020-21 - £62.5 million (£55 million plus £7.5 million repayments) loan funding to 8 universities.

The Scottish Funding Council's 2020-21 Financial Transactions (FT) programme disbursed a total of £60 million to support 17 projects at 8 universities. These included carbon reduction, new build and refurbishment projects that will reduce carbon footprint by over 875 tCO₂ a year. FT programmes have made a considerable contribution to reducing the university sector carbon footprint, totalling approximately 12,000 tCO₂ annually over 4 programmes. Programmes have also improved student experience by supporting major investments in the upgrading of university spaces for learning, and have addressed a range of priority issues of backlog maintenance.

Activity going forward

In 2021-22, UFTP funding reduced to £22.1 million, which with expected repayments of £12 million will provide a £34 million programme (loans will be exclusively targeted at climate emergency / carbon emissions reduction projects).

Culture, heritage and tourism

Key achievements over last five years

Maintaining capital investment in the culture, heritage and tourism sectors supports the continued delivery of a range of key Scottish Government outcomes, including culture, economy and community. This investment provides significant economic stimulus and successfully leverages additional investment from other sources across the public, private and third sectors. We are investing in key infrastructure, including our historic environment, a key part of our national identity and an essential driver for our tourism industry.

The V&A Dundee opened in September 2018, the first ever dedicated design museum in Scotland. The Scottish Government provided a £25 million capital grant and £12.6 million growth accelerator investment towards the new £80.1 million Museum.

£11 million was invested in the external refurbishment of the National Library of Scotland's (NLS) Causewayside building in Edinburgh, which completed in April 2019, providing an improved space for managing the Library's collections and co-locating the majority of NLS's digitisation activities on one site.

£2.2 million provided 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.

Historic Environment Scotland's Engine Shed project in Stirling, opened in 2017 and aims to develop and sustain the skill base we need to secure the future of Scotland's historic environment.

Progress in 2020-21

£5.75 million investment towards the refurbishment of the Burrell Collection. This flagship project is transforming access to Sir William Burrell's internationally significant collection of over 8,000 artworks, and repairing and redeveloping its A-listed home, one of Scotland's finest examples of post war architecture. The project will connect the museum with its setting within Pollok Country Park on the south side of Glasgow.

Continuing our investment in the redevelopment of the Scottish National Gallery (SNG) in Edinburgh – to date, we have committed over £12 million to the project. New, world-class galleries will be created to house the amazingly rich national collection of historic Scottish art. This includes masterpieces by Henry Raeburn, Charles Rennie Mackintosh and the Scottish Colourists as well as giving direct access to the rest of the SNG's international collection.

Paisley Museum Reimagined has been supported with £2 million in investment towards the £42 million project. Paisley Museum is being transformed to bring to life the stories of its people, Pattern and much more. The space is being reconfigures to

ensure it is accessible to all. It will making an important contribution towards the regeneration of Paisley's High Street and town centre.

Activity going forward

We will continue to invest in and support Scotland's cultural and heritage infrastructure. Key areas of investment include:

- 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 and digital investment for 'Scotland Is Now'.

Justice

Key achievements over last five years

In 2015, the Cabinet Secretary for Justice announced progressive plans to transform the female custodial estate to address the specific needs of women, creating gender specific, trauma-informed settings where all who work, live and visit prison, feel safe, respected and valued. Construction is ongoing on the Women's National Facility in Stirling and two Community Custody Units, one in Glasgow and one in Dundee.

The new Inverness Justice Centre opened in March 2020. The centre has a range of organisations providing integrated justice services under one roof such as the Inverness Sheriff and Justice of the Peace Court, Crown Office and Procurator Fiscal Service, Highland Council's Criminal Justice Social Work and Police Scotland. The centre also has specially designed facilities for children and vulnerable witnesses.

The Home Office launched the Emergency Services Mobile Communications Programme (ESMCP) in 2016 to replace the 3 Emergency Service's (police, fire and ambulance) telecoms with a new Emergency Services Network (ESN). The Scottish Government is a sponsor body for the programme, providing a share of funding towards its development and engaging with the Home Office and the emergency services in Scotland to ensure that it is fit for purpose. We have also directly funded work for independent coverage assurance which aims to undertake coverage testing and gain experience of coverage levels provided by ESN and report findings that will ensure the new network can be further enhanced (as required) to meet the requirements for critical communications by emergency first responders across Scotland's unique geography.

Police Scotland continues to make good progress on a number of ICT projects, which are key to delivering on its Digital, Data and ICT (DDICT) Strategy. Early work to modernise key platform technology has resulted in the delivery of a new national network and national IT domain for Police Scotland, updating and modernising legacy systems. A key project delivered in 2019-20 was the roll out of mobile devices to 10,000 frontline officers, alongside investment in Police Scotland's core operating systems programme.

Progress in 2020-21

Transforming Scotland's Care of Women in Custody - The Women's National Facility, which is currently under construction at existing Cornton Vale site. This is a new 80-place facility, which includes admissions Assessment Centre for an additional 24 women. The new facility is intended for women with potentially higher security requirements or more complex needs. Work commenced in February 2020 but was suspended for 3 months due to COVID-19. The main phase of construction is programmed to be completed in the spring of 2022 with an estimated operational date of May 2022. Two Community Custody Units, one in Glasgow and one in Dundee are also currently under construction and are estimated to be operational by spring/summer 2022.

Work is also progressing on HMP Highland, the replacement for HMP Inverness. A site at Inverness Retail and Business Park on the east side of Inverness has been purchased. Early procurement activity is underway and the tendering process is due to commence spring 2021. Enabling construction work is estimated to start autumn 2021. The operational date for HMP Highland is estimated for February 2024.

Following an extensive search and negotiation period, the acquisition of the site for the replacement for HMP Barlinnie near Provanmill in Glasgow, is now complete. Construction work on the new HMP Glasgow is currently scheduled to commence autumn 2023 and is estimated to be delivered in 2026.

Given the significant financial and operational pressures, alongside other prison investment priorities, it is unlikely that the Scottish Prison Service (SPS) will be able to commence work at the site for HMP Greenock before 2025-26. SPS have already made significant investment in the site and they remain committed to the replacement prison.

A Home Office-led Emergency Services Mobile Communications Programme (ESMCP) is progressing the introduction of the Emergency Services Network (ESN) that aims to move the emergency services across Great Britain from their existing critical voice communication system – known as Airwave. Recently, the programme underwent a re-set following a review that considered a range of options, including cancellation, concluding ESMCP was still the right strategic solution and recommended the programme should continue. A refreshed Home Office Full Business Case (FBC) outlines the accepted recommendations from the re-set process and Scottish Government continue to work collaboratively with the three emergency services (Police, Fire & Ambulance) in Scotland to assess ESMCP's technical capability, affordability and the wider community benefits it will offer. The completed FBC will require re-approval through our governance processes which will be completed during 2021. Going forward, Scottish Government will work alongside Home Office and partners to continue assisting in the development of ESN sites to enable greater connection throughout Scotland.

Activity going forward

Progress the work on the replacement prisons for HMP Inverness and HMP Barlinnie, with construction work scheduled to begin autumn 2021 and 2023 respectively, representing an estimated total investment of around £500 million. Complete our £98 million investment in the construction of the new innovative female custodial estate, including a new national facility and two Community Custody Units in Dundee and Glasgow, tailored to the specific needs of women. The majority of this work is scheduled to be delivered over the course of 2022.

Continue to work collaboratively with the three emergency services (Police, Fire & Ambulance) in Scotland alongside Home Office and partners to continue assisting in the development of ESN sites to enable greater connection throughout Scotland.

Continue to support Police Scotland's innovative programme to transition to a sustainable ultra-low emission vehicle (ULEV) fleet to meet its vision of having the UK's first ultra-low emission blue light fleet by 2030.

Digital

Key achievements over last five years

The Digital Scotland Superfast Broadband (DSSB) programme met its target to extend fibre broadband access to 95% of premises across Scotland, on time and on budget. We have a successful track record of delivering broadband – 7 years of deployment; around 950,640 premises connected; over 16,729km of cable laid (400km subsea); 5,078 cabinets stood. We exceeded expectation – over 950,640 premises are capable of accessing fibre broadband thanks to DSSB – around 110,000 more than originally anticipated.

We are going where others would not – Before DSSB began there were no plans for commercial fibre broadband rollout in Orkney, Shetland or the Western Isles. We have gone faster – 866,999 of the premises delivered by DSSB are capable of accessing superfast speeds.

We have driven up demand – When the DSSB programme began, we expected around 20% of premises to take up services on DSSB funded infrastructure – now take-up sits at around 66.9% in the RoS (Rest of Scotland) project area and 70.2% in the HIE (Highlands and Islands Enterprise) project area, resulting in over £37 million being reinvested through the DSSB contracts.

In December 2017, we launched the £600 million procurement for the Reaching 100% (R100) Programme. In December 2019, we awarded the £83 million South lot contract and the £133 million Central lot contract.

We have published a 5G Strategy and established The Scotland 5G Centre that is laying the foundations for the development and deployment of 5G throughout Scotland.

Progress in 2020-21

Within the last year, the DSSB delivered its last connections and entered the closedown phase.

In August 2020, we launched our online address checker, which allows people to check what the R100 programme means for them. In September 2020, we launched the Scottish Broadband Voucher Scheme to ensure that anyone who cannot access superfast broadband through commercial deployment or the R100 contracts, can still secure a superfast broadband connection. Over 50 suppliers are now registered to provide services.

In December 2020, we awarded the £384 million R100 programme North lot contract following a legal challenge. All three contracts far exceed our superfast commitment by providing a significant proportion of full fibre FTTP (fibre to the premises) connection, capable of accessing gigabit download speeds.

We are investing up to £25 million in the Scottish 4G Infill Programme (S4GI) to provide future proofed 4G services in selected mobile notspots (areas of no mobile

coverage from any operator). We anticipate the programme bringing 4G service to up to 46 new locations across Scotland. Eleven sites are now active and delivering 4G services. These are Reawick (Shetland), New Luce (Dumfries and Galloway), Ettrick and Whitropefoot (Scottish Borders), Glenbarr (Argyll & Bute), Chapeltown (Moray) and Strathconon, Blairmore, Littlemill, Tarskavaig and Glencripesdale (Highland).

In September 2020's Programme for Government, we announced an additional £4 million funding support to the Scotland 5G Centre to deliver a network 5G Innovation Hubs network through the S5GConnect programme

On 17 March 2021 we launched Scotland's Vision and Action Plan for Green Datacentres & Digital Connectivity [Green datacentres and digital connectivity: vision and action plan for Scotland](#)

The Scottish Government, working with Scottish Futures Trust and other partners, developed the vision and action plan to support sustainable, green datacentres, terrestrial connectivity and international subsea fibre connectivity in Scotland – setting out co-ordinated action to support Scotland's digital ambition and green economic recovery from COVID-19.

Activity going forward

In relation to the Reaching 100% (R100) Programme going forward, we will continue to work with UK Government to ensure that Scotland receives its fair share of the £5 billion announced for gigabit connectivity delivery across the UK.

We are providing 10 years rates relief on newly laid and lit fibre – five years more than the UK Government – with the aim of encouraging new investment in Scotland's fibre infrastructure network.

Moving forward with delivering 4G services, we have a pipeline of further build activity and site activations over the rest of 2021 through to 2023.

5G Innovation Hubs will work with SMEs (small and medium-sized enterprises) to embrace 5G, develop use cases on a private 5G testbed network, and give them the skills they need to use 5G technology as business enabler. The first two Hubs will be located in the Forth Valley and in Dundee.

Energy

Key achievements over last five years

Launched in 2015, the Low Carbon Infrastructure Transition Programme (LCITP), co-funded by the European Regional Development Fund, focused on supporting the acceleration of low carbon energy 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 aimed to stimulate commercial investment and maximise Scotland's vast potential in the low carbon sector whilst contributing to the positive progress in reducing Scotland's greenhouse gas emissions. LCITP has supported the co-development of over thirty proof of concept and development proposals for low carbon projects. Since its inception, LCITP has awarded over £52 million of grant funding to low carbon demonstration projects across Scotland, which encourage replication, and wider uptake of innovative renewable technology.

LCITP has also run a number of open funding invitations, including the Green Recovery: Low Carbon Energy Project Capital Funding. This LCITP funding invitation targeted £50 million of support for projects that demonstrate innovative low carbon heat solutions for buildings as well as proposals for integrated energy systems that support the ambitions for Scotland to achieve net zero emissions by 2045 and further catalyse economic recovery from the challenges imposed by the COVID-19 Pandemic.

Our flagship Community and Renewable Energy Scheme (CARES) provides loan and grant funding to community groups and organisations, rural SME's, and other eligible organisations seeking to explore their renewable energy options. CARES provides support to local and community renewable energy projects, which have the potential to reduce carbon emissions, create local jobs, upskill local people, reduce energy costs and overall allow greater investment in local economies. Since its inception, CARES has directly supported:

- Over 600 community and locally owned energy projects throughout Scotland to date (March 2021);
- Made available funding of up to £52 million (March 2021) in support of renewable and energy efficient projects;
- 87 island communities as at February 2021; and
- 43 operational shared ownership projects throughout Scotland under the current CARES contract.

The Scottish Investment Bank (SIB) has delivered the Energy Investment Fund (EIF) on behalf of Scottish Government since late 2012 (initially the Renewable Energy Investment Fund), providing flexible investments for energy projects and companies in Scotland to support Scotland's transition to a net zero economy. Since its launch, EIF has provided £90 million to 44 companies (ranging from £60,000 to £19.6 million) which has leveraged additional investment of c. £200 million and generated £31.9 million of income. The team has deployed £25.1 million into 26 projects community energy projects, which generated conservative forecasts of over £142 million of free income to community groups to invest in their local area addressing key issues such as fuel poverty, youth unemployment and improving local amenities.

Wave Energy Scotland (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 and is recognised as a truly innovative approach to pre-commercial procurement delivering both value for money and innovation. In total, almost £50 million has been invested in WES and it has seen 200 organisations from industry and academia across 13 countries collaborate on almost 100 projects. Two half-scale wave energy converters from the programme will be deployed for testing in real sea conditions in Orkney in the summer of 2021, representing a significant milestone for the sector.

Scotland is home to substantial tidal energy resources and is among the world leaders in the tidal stream energy sector. The Scottish Government's £10 million Saltire Tidal Energy Challenge Fund was launched in February 2019, supporting the commercial deployment of tidal energy generation in Scottish waters.

Progress in 2020-21

The LCITP is due to be replaced in September 2021 and a Call for Evidence was launched in February 2021 seeking views on the support and interventions necessary to accelerate future deployment of low and zero carbon heat infrastructure projects in Scotland.

In 2020, the WES programme awarded £1.4 million to four projects developing quick connection systems to improve the installation efficiency and infrastructure of wave power devices.

In 2020, the Saltire Tidal Energy Challenge Fund supported the deployment of a subsea hub as part of Simec Atlantis Energy's flagship MeyGen project in the Pentland Firth. This innovation will facilitate the build out of the next generation of grid connected tidal turbines.

Activity going forward

By 2030, the Scottish Government aims to generate 50% of Scotland's overall energy consumption from renewable sources and by 2050 aim to decarbonise our energy system almost completely with renewable and low carbon energy proving the foundation of our future energy system with CARES supporting the delivery of the Scottish Government targets of 2GW by 2030.

Activities coordinated by the WES programme over the next five years will support the commercialisation of the technology developed under the programme to meet the needs of either utility scale project developers or alternative markets.

The Saltire Tidal Energy Challenge Fund has enabled Orbital Marine Power to manufacture in Scotland, its next generation technology. The O2, Orbital's first commercial turbine, is due to be installed and tested at the European Marine Energy Centre (EMEC) in Orkney by the summer of 2021.

Water

Key achievements over last five years

On 1 April 2015, Scottish Water began to deliver the investment requirements for the 2015-21 period as directed by Ministers on 1 October 2014. The Delivery Assurance Group is carefully reporting on the delivery of the improvements in line with Scottish Water's delivery plan and quarterly reports are published on the Scottish Government's website.

In the regulatory period 2015-21, Scottish Water has invested some £3.9 billion in maintaining and replacing its infrastructure and in delivering further improvements to drinking water quality, protecting the environment and supporting the Scottish economy. These vital services are part of Scotland's critical infrastructure and certain works remain essential during the COVID-19 outbreak. Since April 2015, Scottish Water has invested an average of over £50 million a month.

Scottish Water reported for the financial year 2019-20 that £673 million capital investment was made which 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 include:

- Levels of customer service for 2019-20 remain high and are amongst the best in the UK (in 2009-10 Scottish Water ranked amongst the worst);
- Environmental compliance has improved significantly over the last six years with significant reductions in numbers of pollution incidents - in 2019-20 there were 224 pollution incidents, compared to 939 in 2009-10;
- Drinking water quality is at a high level in 2019-20 and 99.917% of samples taken met strict quality standards;
- Scottish Water supports Scotland's economy by investing over £50 million a month;
- To deliver this investment, it works closely with alliance partners and delivery teams who bring with them, dedicated, well trained people;
- This includes more than 200 suppliers, employing around 3,000 people, many of whom are young apprentices and graduates;
- Scottish Water is committed to playing its role in responding to the climate emergency as set out in the Programme for Government and has set an ambitious target of achieving net-zero emissions by 2040;
- Scottish Water is now facilitating enough renewable generation to meet over 200% of its electricity requirement;
- Scottish Water's operational carbon footprint for 2019-20 decreased by a further 15kg/household compared with 2018-19 and by over 40% since it started reporting in 2006-07.

Progress in 2020-21

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 2015-21 investment plan contains many thousands of projects.

During the COVID-19 pandemic, Scottish Water's main focus has been to ensure that it kept the water and waste water services flowing across the country for all its customers, whilst doing so in a safe and compliant manner to protect its staff and customers. At the same time, Scottish Water also continued to deliver its capital investment programme in line with all Scottish Government guidelines for the construction industry. As a result of the impact of COVID-19, Scottish Water invested less than planned in 2020-21. However, despite three months of site closures, in October 2020, levels of investment returned to comparable to pre-COVID-19 levels.

Robslee, Giffnock was a £4 million investment to upgrade the waste water network infrastructure. Around 776 million metres of pipework was replaced to upsize the sewers, with new pipework installed within the Pavillion playing fields and on private land. The project will help prevent sewer flooding and improve the quality of the Bagabout Burn and Otter Burn.

Mauldslie Bridge was a £1.3 million renovation project by Scottish Water to strengthen and preserve the A-listed Mauldslie Bridge in South Lanarkshire. The bridge, which crosses the River Clyde south of Dalserf, is owned by Scottish Water and provides access to Mauldslie Waste Water Treatment Works. Built in the 1800s, the structural integrity of Mauldslie Bridge had diminished over the last few years and it was essential that this improvement work was carried out – carriageway and stonework.

Scottish Water has completed a £950,000 investment project of essential upgrades to its water network infrastructure near Campbeltown. The improvements involved approximately three miles of pipework on the water network between Campbeltown and Machrihanish being replaced. Two further sections of the network are also being proposed to complete the link.

Scottish Water completed a £3.5 million upgrade to Peebles Waste Water treatment works. Works included the installation of two new tanks and equipment to ensure we continue to treat waste water to a high standard and also improve the site's capacity to ensure it can continue to serve the community well into the future. Scottish Water has also begun a new multimillion-pound project to construct a brand new water treatment works for the town.

Portobello and Fisherrow Bathing Water. Multiple misconconnections, which have the potential to impact water quality, were rectified through an initiative funded by Scottish Government and undertaken by Scottish Water. A total of 16 misconconnections that would discharge into the Brunstane burn or one of its tributaries have been rectified. We also carried out work at Eastfield pumping station and an

emergency overflow, which discharges direct, to sea via an outfall. To improve the reliability of this asset Scottish Water refurbished pumps at Eastfield pumping station and these were part of a £3 million package of investment to improve bathing water in the area.

Green energy is helping to power a Scottish Water facility in Glassford, South Lanarkshire. A £185,000 investment made by Scottish Water's commercial subsidiary Scottish Water Horizons has seen 532 ground-mounted solar Photovoltaic (PV) panels installed at the utility's service reservoir in Glassford. Once treated, water from the facility is delivered to around 9,300 homes in the Chapelton and Auldhouse areas as well as parts of Hamilton and East Kilbride.

Dunfermline Waste Water Treatment Works has turned to green energy to boost Scottish Water's pledge to reach net zero emissions by 2040. Scottish Water's commercial subsidiary Scottish Water Horizons, has invested £300,000 installing 784 PV panels at the work, which serves around 81,000 customers in Dunfermline, Inverkeithing, Dalgety Bay, Crossgates, Rosyth and Kingseat. This investment will offset almost ten per cent of the electricity required to operate the facility. The new 231 kW solar PV system will generate 0.2GWhr of energy on an annual basis – equivalent to powering 55 homes for a year.

Activity going forward

A £52 million investment is underway at Invercannie Water Treatment Works, near Banchory in the north east. This 2-year major project will see the complete refurbishment of the existing plant, including a new water storage tank and a dissolved air filtration plant, with capacity to produce up to 63 million litres of drinking water a day. The work will support recovery and growth in the region's economy, while helping to secure a resilient and high quality water supply for around 300,000 existing customers.

Work is progressing well with a £9.3 million Back-Tolsta, Isle of Lewis project to upgrade the water infrastructure serving the communities north of Stornoway in Lewis, including Marybank, Laxdale, Back and Tolsta. The project includes construction of approximately 21 kilometres of new water main and will enable the area to be supplied from North Lochs Water Treatment Works, allowing Tolsta Water Treatment Works to be taken out of service.

To improve the management and efficiency of its waste water treatment works, Scottish Water have developed an Exemplar Waste Water Treatment Works project to bring together smart technology and automation. The project seeks to increase remote site monitoring and control. Over the next two years, Scottish Water will build on the pilot we are undertaking at Laighpark, and its intention, subject to an investment appraisal, is to roll this out to at least three further sites - Shieldhall, Philipshill and Erskine.

Rural economy and the environment

Key achievements over last five years

Investment has been a key driver of the Scottish Government's efforts to grow the rural economy. Over the period, there have been significant investments within the sector.

Flooding is one of the greatest climate risks in Scotland. In 2016, Scottish Ministers and COSLA agreed a 10-year funding plan to support delivery of actions, including 40 prioritised flood protection schemes and works, set out in the Flood Risk Management Strategies published by the Scottish Environment Protection Agency (SEPA) in December 2015. The agreement guarantees that until 2026, the level of flooding capital grant in the local government settlement is set at a minimum of £42 million per annum.

Progress in 2020-21

During 2020 the Smithton and Culloden Flood Protection Scheme was completed which will protect some 120 properties from the risk of flooding. Construction work also started on the Hawick Flood Protection scheme and the Upper Garnock Flood Protection Scheme and when completed they will reduce the risk of flooding to some further 1300 properties. The schemes receive 80% funding from the Scottish Government through the general capital grant.

Activity going forward

Peatland - Up to 2022-23, capital investment of £100 million in our natural assets is being provided as part of the Scottish Government's 10-year £250 million commitment to restore 20,000 ha annually, and 250,000 ha by 2030.

Agricultural support programme - Up to 2025-26, agricultural support funding of up to £220 million is being provided to support legacy payments under EC schemes, a new round of the Agri-Environment Climate Scheme (AECS 2021) as well as funding for low-carbon activities and agricultural support which is being developed following recommendations from farmer-led groups during 2021. Through the CAP Simplification and Improvement project (Common Agricultural Policy), improvements are being to existing schemes under the stability and simplicity agenda over the period 2021-24. This project also takes into account the climate emergency and wider environmental stability.

National Islands Plan - £30 million has been allocated to the National Islands Plan (NIP). In order to ensure that this £30 million capital allocation provides best value for island communities whilst supporting them in their economic recovery, the framework for the Islands Programme will be underpinned by the principles of place-based community wealth building, whilst ensuring it promotes a fair, integrated, green and inclusive approach to island policy. The NIP will be spread over two programme themes of 'Transformation' and 'Wellbeing', which will encompass four key project streams.

In the period 2021-22 to 2025-26, we will continue to invest in protecting our homes and businesses from flooding, make investments to support our transition to a Circular Economy, and invest in growing and conserving our natural assets. As part of our green recovery, we will invest an additional £150 million in flood risk management (complimenting the £42 million provided annually to Councils), and almost £12 million in coastal change adaptation to help us adapt to the threat of sea level rises and protect our assets. As part of supporting our transition towards a circular economy, we will invest up to £75 million to improve local authority recycling collection infrastructure, accelerate of the landfill gas capture and improve waste data through electronic waste tracking.

We are investing £58 million in the Edinburgh Biomes initiative at the Royal Botanic Garden Edinburgh to transform the garden's estate and to improve carbon management and environmental public engagement.

Housing

Key achievements over last five years including progress up to 2020-21

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.

During the Parliamentary 2016-2021 term, our target was to deliver 50,000 affordable homes, and within that, 35,000 homes for social rent backed by investment of over £3.5 billion. This is the single biggest investment in and delivery of affordable housing since devolution.

Over the period 1 April 2016 to 31 December 2020, a total of 37,964 affordable homes have been delivered towards the 50,000 affordable homes target, including 25,677 for social rent, 4318 for affordable rent and 7969 for affordable home ownership.

The impact of the lock down in March to June 2020 meant that there was a necessary pause in the delivery of affordable homes at a critical time in our target period. Although we will not now meet the 50,000 affordable homes commitment by the end of this parliament, we are continuing to work closely with partners to deliver the remaining homes during 2021-22 in line with COVID-19 safe site operating procedures.

Since 2016, we have made available over £800 million to help prospective buyers to access homeownership across our range of shared equity schemes; we estimate that this will have assisted over 27,000 homebuyers into home ownership by 31 March 2021.

We have supported the unlocking of sites through the Housing Infrastructure Fund (HIF). To date, HIF has provided £48 million of loan and grant investment which we expect to unlock around 12,000 houses, of which 3,600 will be affordable through this investment over the next 10-15 years.

Since 2016, we have provided £102.5 million of Financial Transactions loan funding, enabling private/institutional investment into large-scale mid-market rent (MMR) housing projects, creating a total investment package of £302.5 million to deliver up to 2,000 long-term affordable MMR homes across Scotland.

Innovative delivery through the National Housing Trust – the first guarantee based scheme for housing in the UK, has contributed over 1,700 affordable homes across Scotland.

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 consent to on-lend up to £248 million along with a one off £16 million capital grant to City of Edinburgh Council (for the mid-market rent (MMR) units only), to support a new city region housing company to deliver a minimum of 1,500 homes at mid-market rent (MMR) and competitive

market rent levels of which 728 units will be for mid-market rent. This company, known as Edinburgh Living, will have completed 299 MMR units by 31 March 2021 with the remaining MMR completions from 2021-22 to 2024-25.

We launched the Rental Income Guarantee Scheme (RIGS) on 12 October 2017 to support Build to Rent in Scotland, with support from Scottish Futures Trust. 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 (Private Rented Sector) homes. RIGS was developed in consultation with the industry, addressing the uncertainty around rental income streams in this emerging market.

We have extended the £30 million funding for the Rural and Island Housing Funds beyond March 2021. This Fund is open to a wide range of applicants including community bodies, private landlords and landowners and is specifically targeted at increasing the supply of affordable housing of all tenures in island and rural communities.

We are the first, and remain the only government in the UK to invest in Charitable Bonds, a form of ethical investment that creates loan finance to fund affordable housing and generates charitable donations. Investment spend for the financial year 2020-21 was £39.7 million, generating charitable donations of over £9 million. Total spend on the Charitable Bond programme will be over £260 million by the end of 2020-21.

Activity going forward

Recognising the importance of everyone having a safe and affordable home that meets their needs, Housing to 2040 – Scotland’s first long-term housing strategy – outlines what the Scottish Government wants housing and communities to look and feel like for the people of Scotland, with actions on how to get there.

One of the key priorities in the strategy, which will be taken forward subject to the outcome of the election, includes delivering 100,000 more affordable homes by 2032, with at least 70% of these being for social rent. These homes will support people’s health, wellbeing and life chances, can help to tackle poverty and climate change, and are a major investment in the economy supporting about £16 billion in total investment and up to 14,000 jobs a year.

Over the next 5 years (2021-22 to 2025-26), we will invest £3.5 billion in housing including Financial Transactions in 2021-22. This funding will help to deliver against our new 100,000 affordable homes target by 2032.

- £3.44 billion of that will deliver more social and affordable homes, continuing to ensure the right homes in the right places.
- This includes £831.615 million to deliver affordable homes across Scotland in 2021-22, and is part of a wider planned capital grant investment of over £2.9 billion over the next 5 years.
- This is £488 million more than the equivalent planned investment of £2.430 billion capital grant over the current five-year period – a planned increase of 20% in capital grant investment in affordable housing.

We will continue to take forward our Achieving Excellence in Housing Development programme, which is driving value for money and quality in the Affordable Housing Supply Programme. We have led ground-breaking innovation in housing financing approaches and delivery models enabling delivery of over 20,000 new homes across all tenures - positioning Scotland as a leader in this field. Innovations have included use of government guarantees, loan and equity funding, and collaboration and risk sharing with local authorities and the private sector. Public and private sources of funding and financing have been combined to create new investment opportunities for our partners and secure major additional investment in housing and social infrastructure programmes.

Looking forward, in addition to our investment in affordable homes through our Affordable Housing Supply Programme, we have already committed to supporting the growth in Scotland of the building of homes by the private sector for long-term private renting. In recent years, we introduced a package of measures – tenancy reform, planning advice, tax relief and a government guarantee to give certainty of rental income to investors – to encourage investment in private sector “Build to Rent”. A substantial pipeline of around 9,000 Build to Rent homes in Scotland’s major cities is now progressing, with several developments moving to construction stage, contributing to place-making and regeneration of city sites.

Over the next decade, we will continue to support the building of homes for private rent, with a focus on maximising delivery of these homes at the affordable end of market rents, working with private sector investors and partners whose business models match our ambition to improve affordability for tenants.

The Scottish Government is committed to increasing the supply of new homes and it is crucial that this is taken forward in a way that supports the right housing in the right places not just in terms of numbers, but as an integral part of a place-based approach to planning for housing. The measures introduced through the Planning (Scotland) Act 2019 together with the existing structures supporting housing delivery will ensure that we are meeting the housing needs of Scotland’s population including through the provision of land for housing.

Regeneration

Key achievements over last five years

The Scottish Government's Regeneration Strategy recognises that a sustained and coordinated place based approach across the public sector and its partners, working with people and communities, is needed to address the deeply ingrained economic, environmental and social issues faced by some of Scotland's most disadvantaged, fragile and remote communities.

Community-led regeneration delivers inclusive growth by supporting interventions which respond to local circumstances and increases opportunities to attract investment and jobs in those communities, while building community and regional cohesion. Improved economic, social and environmental outcomes are achieved through community-led solutions, which deliver projects and services specific to community aspirations and needs, through collaborative partnerships invested in those areas and outcomes.

Regeneration across Scotland's cities, towns, villages, communities and remote areas is underpinned through a combination of funding and investment; and, creating the conditions to support community empowerment, place based approaches and inclusive growth.

The Place Principle, which was adopted, by Cabinet and COSLA (Convention of Scottish Local Authorities) in March 2019 will be supported through the establishment of a Place Based Investment Programme to support sustained longer-term place based regeneration. The Programme aims to link and align all place based funding initiatives and progress our ambitions for community-led regeneration, town centres and 20-minute neighbourhoods aspirations right across Scotland.

The Scottish Partnership for Regeneration in Urban Centres (SPRUCE) fund provides investment in the form of loans for commercial and industrial property and sustainable energy projects that support regeneration and inclusive growth. 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 COSLA, supports locally developed, place-based regeneration projects that involve local communities and helps tackle inequality and support inclusive growth in disadvantaged and fragile rural areas.

The Vacant and Derelict Land Fund aims to tackle long-term vacant and derelict land bringing it back into productive use in order to stimulate economic growth and job creation, with a focus on temporary and permanent greening, whilst supporting communities to flourish and tackle inequalities.

The Town Centre Fund for 2019-20 enables local authorities to investment in projects, which re-purpose and diversify town centre use and promote inclusive growth through place-based approaches.

This builds on previous investment against the themes of the Town Centre Action Plan through the Town Centre Housing Fund, Town Centre Communities Capital Fund, Town Centre Empty Homes Fund and the Town Centre Action plan demonstration phase.

The Empowering Communities Programme comprising a suite of strategic partnerships and funds that together 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.

Funding is used to support hundreds of community organisations through two key community funds the new Investing in Communities Fund and Aspiring Communities Fund and funding to key programmes such as the Community Ownership Support Service.

We launched the Investing in Communities Fund in 2019-20, bringing together five former community funds to provide a simpler, more flexible process for communities. Importantly the fund offers multi-year funding grants to support communities in longer term planning to address deep ingrained issues of poverty and inequality, and develop more sustainable solutions.

Progress up to 2020-21 and activity going forward

SPRUCE is now recycling loans, which have been repaid into further regeneration projects. In addition to the initial £50 million of capital, further contributions of £45 million in Financial Transactions, including £25 million provided by the Building Scotland Fund, have been provided by the Scottish Government to support investments taking the total contributions to £95 million. A total of 17 projects have now received investment of over £123 million, supporting estimated development costs of over £309 million and creating more than 6,000 jobs.

The Scottish Government continues to support Clyde Gateway URC (Urban Regeneration Company) with more than £166 million of support provided up until March 2021.

Since the first year of RCGF (2014-15), a total of 198 projects across Scotland have received an offer of grant, including for 2021-22, at a total of over £200 million. RCGF projects to date are anticipated to support or create more than 10,000 jobs, refurbish and bring back into use 240 buildings, create more than 200,000 sqm of business space, support a combined total of over 530 community facilities and services and benefit more than 3300 businesses or enterprises.

Over £121 million was provided from the Vacant and Derelict Land Fund to tackle long-term vacant and derelict land in five local authority areas.

The Town Centre Fund has enabled local authorities to support 709 projects in town centres across Scotland with funding of £68 million across 2019-20 and 2020-21,

which includes £18 million for 2020-21 as part of the wider overall £230 million Return to Work economic stimulus package.

The relationships and strong foundations built over the course of the past five years of delivering the Empowering Communities Programme have been key to delivering additional investment as part of the £350 million Communities Support Package in the response to COVID-19. This additional investment together with the continued investment from the programme, including the flexibility offered to organisations through Investing in Communities Fund, have enabled and supported the rapid and agile responses delivered within our communities. The continued support from this programme will provide much needed stability as we emerge and move toward recovery.

The Place Based Investment Programme to support sustained longer-term place based regeneration, is backed by £325 million capital investment over 5 years from 2021-22 which includes maintaining the Regeneration Capital Grant Fund (RCGF) and ongoing support for Clyde Gateway.

Cities and regions

Key achievements over last five years

City Region and Regional Growth Deals are a key tool for the Scottish Government in driving inclusive growth throughout Scotland. This is achieved by working together with local partners to identify and support projects that target and address unique regional needs and concerns. We are committed to implementing deals covering all of Scotland, allocating £1.9 billion to the programme so far. We have agreed eight deals over the last five years and a further four are in development.

The eight deals now in delivery are summarised in the following table:

Growth Deal	Date Signed	Scottish Government Commitment	UK Government Commitment	Regional Partners Commitment
Glasgow	20 August 2014	£500m	£500m	£130m
Aberdeen City Region	21 November 2016	£125m	£125m	£576m
Inverness and Highland City Region Deal	30 January 2017	£135m	£53.1m	£126.96m
Edinburgh and South East Scotland City Region Deal	7 August 2018	£300m	£300m	£730m
Ayrshire Regional Growth Deal	19 November 2020	£103m	£103m	£45.5m
Stirling and Clackmannanshire City Region Deal	26 February 2020	£45.1m	£45.1m	£123.8m
Tay Cities Region Deal	17 December 2020	£150m	£150m	£400m
Borderlands Growth Deal	18 March 2021	£85m	£65m	£41.2m

Those deals in delivery have funded a diverse range of successful projects over the preceding five years. Some of the most notable of these are as follows:

- Glasgow City Region Deal - The 'Sauchiehall Avenue' regeneration development, the first of multiple such 'Avenues' to be delivered across Glasgow city centre, is now complete. The Avenues Programme will result in a transformation of the city centre's streetscape and public realm - making it more "people-friendly", more attractive, greener, more sustainable and more economically competitive. The completion of the Sauchiehall Avenue marks a successful start to the £115 million programme of investment in urban regeneration.
- Aberdeen City Region Deal - The 'Oil and Gas Technology Centre' celebrated its fourth anniversary in February 2021. This organisation funds and directs projects supporting the oil and gas industry to accelerate the transition to an affordable net zero North Sea.
- Inverness and Highland City Region Deal - 'Newton Rooms', providing STEM skills workshops and interactive lessons to young people, opened in 2019 in both Caithness and Fort William, with a third ready to open in Dingwall. In the initial three months of these rooms opening, there were over 1,000 STEM engagements with individuals. These are the first in what will become a network of Newton Rooms throughout the Highland City Region, encouraging young people's interest in science, technology, engineering and maths from an early age.
- Edinburgh and South East Scotland City Region Deal - The 'Bayes Centre' opened in October 2018. This is Edinburgh University's innovation hub for Data Science and Artificial Intelligence. The Centre employs 400 internationally recognised scientists, outstanding PhD students and leading industry experts.
- Ayrshire Regional Growth Deal - Despite this deal only recently entering delivery, one project, 'HALO', is already expected to open in May 2021. HALO involves the regeneration of a 28-acre site, projected to generate £205 million Gross Domestic Product and 1,500 jobs.

Progress in 2020-21

Despite the challenges from the COVID-19 pandemic, multiple deals were signed and moved into delivery throughout 2020-2021.

- Ayrshire Growth Deal was signed in November 2020, focusing on a community wealth building approach harnessing resources, community strength, and relationships within Ayrshire to deliver improved outcomes for communities. The Deal can potentially create over 7,000 new jobs and unlock £300 million of further investment from the private sector.
- Tay Cities Region Deal was signed in December 2020, targeting inclusion, innovation, internationalisation, connectivity and empowerment, supporting projects that aim to promote inclusive economic growth across the region. This deal aims to secure more than 6,000 jobs and attract £400 million of investment.

- Borderlands Growth Deal was signed in March 2021. Targeting priority themes including digital, energy, place, destination, mountain biking, business infrastructure, knowledge exchange, transport and land and marine management. It is estimated that this deal will bring an additional 5,500 job opportunities across the area, while also generating around £1.1 billion in Gross Value Added to the UK economy.

Three Growth Deals reached Heads of Terms agreement during 2020-21: Moray in August 2020; Argyll and Bute in February 2021; and the Islands in March 2021.

- The Scottish and UK Governments have each committed to investing up to £32.5 million in the Moray Growth Deal. Projects span digital, sustainable transport, manufacturing, tourism, housing, skills and innovation. Regional partners are confident that the Moray Growth Deal will unlock private investment worth in excess of £200 million and deliver over 450 new jobs across a wide range of sectors.
- The Scottish and UK Governments have each committed to investing up to £25 million in the Argyll and Bute Growth Deal. Proposals span tourism development, digital, business innovation, housing, skills, aquaculture, low carbon and regeneration. Deal investment will focus on connecting Argyll and Bute's high value business sectors to national and international business markets, growing benefit from the area's natural assets, and on strengthening communities by making Argyll & Bute a more attractive place to live and work.
- The Scottish and UK Governments have each committed to investing up to £50 million in the Islands Growth Deal (Outer Hebrides, Orkney, and Shetland). Proposals span energy, industry innovation, tourism, skills and housing. The deal aims to place the islands at the forefront of the transition to net zero; support growth in key sectors of opportunity such as tourism, food and drink, space and creative industries; and develop thriving, sustainable communities. It is projected that the deal will result in 1,300 sustainable jobs aimed at retaining and attracting workers aged 16-40 to all three island areas, supported by a programme to equip the islands' workforce with new skills and training.

All City Region and Regional Growth Deals are required to advance equality of opportunity and reduce gaps in socio economic outcomes as part of the conditions of grant aid. The Scottish Government provides support, training and resources to regional partners via Scotland's Centre for Regional Inclusive Growth (SCRIG) to enable them to do this. All Deal projects are required to submit a full Equality Impact Assessment prior to their approval.

Activity Going Forward

We aim to progress all deals to delivery by the end of 2022. At this stage, the only deal remaining pre-Heads of Terms is Falkirk, one of the last deals announced.

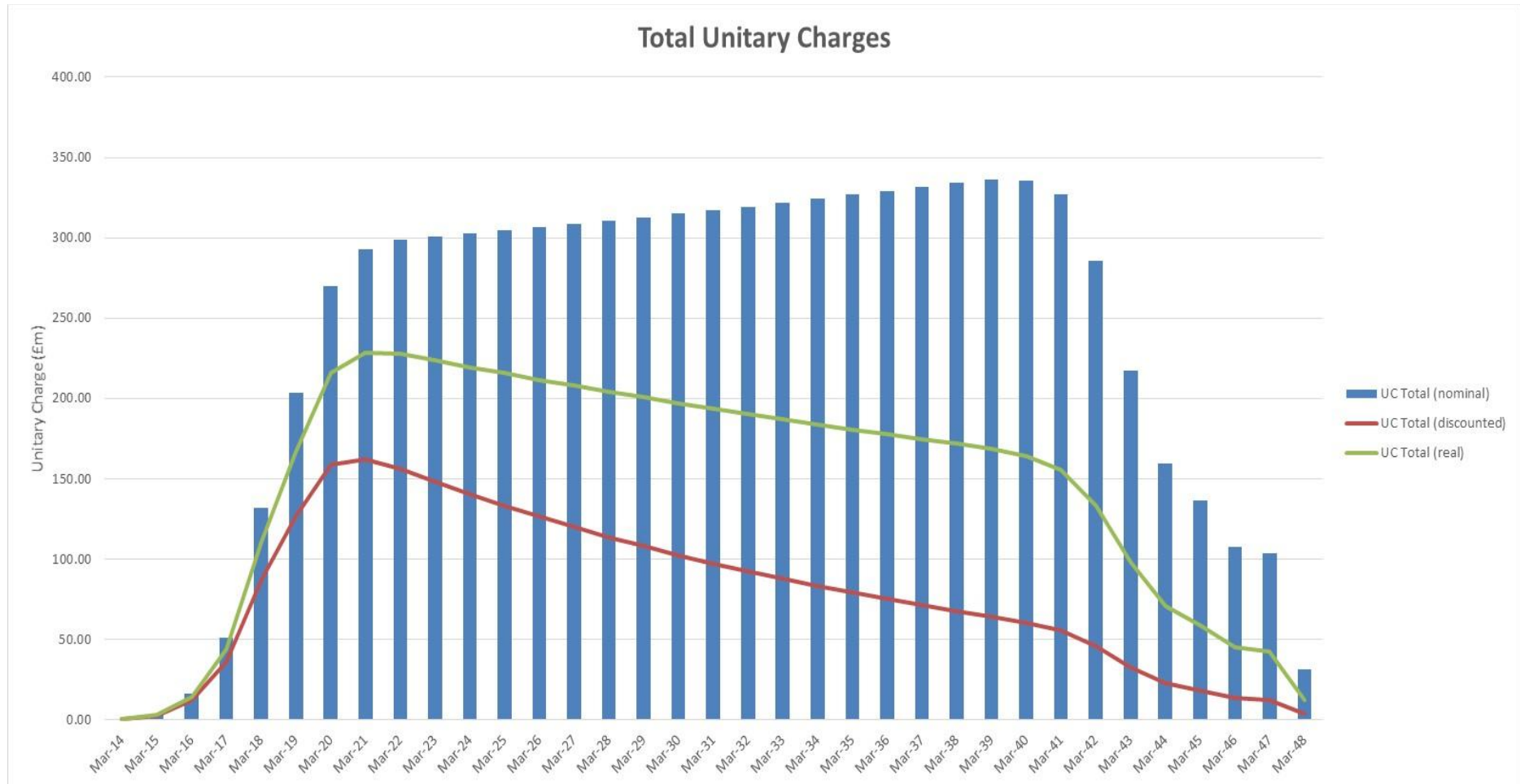
Annex A: IIP 2015 – Project Pipeline Summary

The following table summarises the number of major projects that have been completed and delivered within the last five years as well as those currently in construction, which have featured in the IIP 2015's accompanying project pipelines. Figures are broken down by sector and by the total capital investment value, which includes construction contract costs and any other associated capital funded costs.

Sector	Number of projects completed	Value of projects completed (£m)	Number of projects in construction	Value of projects in construction (£m)	Total number of projects	Total value of projects
Transport	11	4,220.1	4	404.5	15	4,624.6
Health	19	1,071.9	4	311.1	23	1,383.0
Schools	93	1,955.0	0	0	93	1,955.0
Further Education	3	360.2	0	0	3	360.2
Justice	1	32.3	1	74.0	2	106.3
Culture	1	80.1	0	0	1	80.1
GRAND TOTAL	128	7,719.6	9	789.6	137	8,509.2

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

The following graph shows the total unitary charges payable each year in nominal, real and discounted terms. The nominal values are represented by the bars, the real figures are represented by the higher line and the discounted figures are represented by the lower line.



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 & Tain Health Centres	22/04/2013	43.7	20.3
NHS Lanarkshire Bundle (Wishaw, East Kilbride & Kilsyth Health Centres)	19/12/2013	110.8	50.6
Maryhill Health Centre & Eastwood Health and Care Centre	10/10/2014	66.9	29.6
Redevelopment of Royal Edinburgh Hospital Campus - Phase 1	18/12/2014	116.8	51.1
Royal Hospital for Sick Children / Department of Clinical Neurosciences	13/02/2015	416.9	167.9
Acute Services Redevelopment Project	11/03/2015	538.6	230.9
Acute Mental Health & North Ayrshire Community Hospital (Woodland View at Ayrshire Central Hospital)	19/06/2014	133.4	59.7
Scottish National Blood Transfusion Service National Centre	08/10/2014	97.7	41.6
Inverclyde Continuing Care Beds for Mental Health	26/02/2016	20.9	9.6
Lothian Partnership Centre Bundle	01/04/2016	65.4	29.5
East Lothian Community Hospital	23/09/2016	170.7	71.7
Inverurie Health Care Hub & Foresterhill Health Centre	05/12/2016	52.4	23.8
Stirling Care Village	08/12/2016	87.4	37.9
Pharmaceuticals Services	22/12/2016	62.8	27.5
Gorbals Health Centre & Woodside Health Centre	10/04/2017	90.5	38.7
NHS Orkney New Hospital & Healthcare Facilities	24/03/2017	57.2	24.2
Greenock Health and Care Centre, Stobhill Health and Care Centre & Clydebank Health and Care Centre	20/12/2018	118.5	53.0
Transport Projects			
M8, M73, M74 Motorway Improvements	20/02/2014	1,479.3	533.3
Aberdeen Western Peripheral Route / Balmedie Tipperty	12/12/2014	1,379.0	499.5

Education Projects	Base Date for NPV	Total UC £m	NPV £m
Inverness College	29/05/2013	134.5	58.8
City of Glasgow College	30/08/2013	595.7	250.9
James Gillespie's High School	05/12/2013	100.9	44.4
Alford Academy	30/05/2014	61.9	28.1
Ayrshire College (Kilmarnock Campus)	04/06/2014	140.9	62.6
Wick High School	19/12/2014	121.6	54.0
Levenmouth High School	22/12/2014	104.2	47.2
Greenfaulds High School	08/01/2015	84.7	37.8
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	82.6	36.0
Kelso High School	19/02/2016	54.2	24.3
Elgin High School	25/02/2016	68.5	30.9
William McIlvaney Campus	24/02/2016	107.1	46.7
Baldragon Academy	26/02/2016	71.8	32.0
Barrhead High School	21/03/2016	58.9	26.9
Oban High School & Campbeltown Grammar	24/03/2016	135.2	59.8
Our Lady & St Patrick's High School	31/03/2016	63.2	28.9
Largs Campus	27/05/2016	107.4	48.1
Lochside Academy	30/06/2016	103.8	46.0
Ayr Academy	07/01/2016	65.3	29.5
West Calder High School	14/12/2016	75.3	33.9
Cumbernauld Academy & Art Theatre	29/06/2017	90.4	39.6
Bertha Park High School	29/09/2017	83.0	37.0
Blairdardie & Carntyne Primary Schools	23/10/2017	46.0	21.3
Queen Margaret Academy	07/11/2017	66.9	29.5
Ladyloan & Muirfield Primary Schools	24/11/2017	38.8	18.1

Education Projects	Base Date for NPV	Total UC £m	NPV £m
Inverurie Community Campus	19/04/2018	134.9	59.6
Queensferry High School	14/06/2018	93.5	41.7
Jedburgh Intergenerational Community Campus	25/10/2018	76.0	34.9



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