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Richard Leonard MSP  
Convenor, Public Audit Committee

By email only

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Your ref: Investing in Scotland's Infrastructure

19 December 2023

Dear Mr Leonard,

### **Investing in Scotland's infrastructure**

Thank you for your letter of 15 November 2023 regarding the Auditor General's briefing paper 'Investing in Scotland's Infrastructure'.

My office has liaised with the clerk to the Committee and we have a date for the evidence session in the New Year. If the Committee has any particular areas of interest in addition to those highlighted in your letter, then an early indication would be appreciated. Working with the clerk we will then arrange for those closest to the issues to be invited so we can best support the Committee's lines of enquiry.

This letter addresses the three specific questions in your letter and also provides an update on Major Capital Reporting. I am grateful to colleagues in Transport Scotland, Budget and Public Spending Directorate and Scottish Procurement and Property Directorate for their contributions to the responses below:

#### ***Current up-to-date costs and timescales for the dualling of the A9.***

A breakdown of costs to date on individual components of the A9 Dualling Programme is provided in the annex to this letter.

Over £450 million has been invested in delivering the programme so far, with road users benefiting from the dualled sections between Kincaig and Dalraddy and Luncarty and the Pass of Birnam. These sections opened in September 2017 and August 2021 respectively.

The next section to be constructed is between Tomatin and Moy, the procurement process for the construction contract commenced on 5 September 2023 and, subject to no unforeseen circumstances, the contract is expected to be awarded in early Summer 2024.

Design work is progressing on the rest of the programme, with ministerial decisions secured to complete the statutory process for seven of the remaining eight schemes. Work to determine the most suitable procurement options for the remaining sections of the A9 dualling is now well advanced. This is a complex exercise which looks at a number of factors including how the project can be delivered most efficiently by the industry, whilst minimising disruption to road users and helping to support economic recovery post-COVID.

The Scottish Government remains firmly committed to completing the dualling of the A9 between Perth and Inverness and will update Parliament on a renewed programme this week and therefore prior to the session with the Committee in the New Year.

***The role of the Scottish Futures Trust in advising the Scottish Government on the prioritisation of projects.***

The development of a new infrastructure prioritisation framework ahead of the next Infrastructure Investment Plan was a recommendation of the Infrastructure Commission for Scotland (ICfS), which the Scottish Government has accepted and is taking it forward *with support from* the Scottish Futures Trust (SFT).

The SFT does not advise the Government on the prioritisation of individual projects. Its support is in the form of co-producing, with the Scottish Government, a long-term needs assessment, which will inform the prioritisation of future infrastructure investment plans by Scottish Ministers.

As noted in the letter to the Committee from the Director of Budget and Public Spending in August 2023, work has been undertaken by the Scottish Government and the SFT to assess available assessment and prioritisation methodologies (both in Scotland and in other jurisdictions) and their suitability for use for infrastructure prioritisation.

***The rationale for the single Scottish estate survey being limited to only administrative buildings and not including all other buildings, such as operational building, colleges, NHS buildings and local authority buildings in order to have a total overall picture of the Scottish public sector estate***

The Single Scottish Estate (SSE) scope to develop strategic estates decision-making right across public sector organisations in support of public service reform and the spending review is anchored in existing governance under the Scottish Public Finance Manual (SPFM).

The SPFM is applicable to the administrative estate of central government bodies. Operational estate such as clinical buildings, schools and housing sits under different governance, requires a different combination of specialist expertise being significantly more diffuse and numerous than administrative (office, storage, laboratory) estate. The programme will work outward from the SPFM on administrative estate and is already actively engaging with all parts of the public sector including local authorities and the NHS for their administrative properties. As successful delivery and resources are secured, capacity to expand to formally include specialist operational estate such as clinical settings, schools etc may develop.

As a point of information, the question refers to a single Scottish estate *survey*. but there is no survey in the SSE programme as such. All bodies in the programme are required to bring information on the condition and requirements of their own estate and have to give

assurance on their workforce planning, impact assessments and local needs to support their proposals as part of the programme's location-based reviews.

### ***Major Capital Projects and Programmes reporting***

I had previously written to you to advise that, in order to reflect the Scottish Government's 2024-25 budget funding decisions, the review of multi-year capital allocations and the revised infrastructure pipeline, we would defer publication of the Major Capital Projects and Programmes reporting until the week of 8 January 2024.

Given the deteriorating fiscal outlook over the medium term, as set out by the Office for Budget Responsibility's forecasts at the time of the UK Autumn Statement, the Deputy First Minister and Cabinet Secretary for Finance has set out only a single year of figures in the draft Budget 2024-25. As a result, it will take more time to prepare our infrastructure investment pipeline and defers the Programme Pipeline and Project Pipeline reports until the time of the 2024 Medium Term Financial Strategy publication.

Therefore, it will be the Major Capital Project update report only that will be produced in the light of the 2024-25 Budget and I will share this with the Committee in late January 2024.

Regards,

Alyson Stafford

Director General Scottish Exchequer

## Annex A

### Total expenditure on road expansion projects for the A9 between Jan 1st 2007 and Jan 1st 2023, delineated by project.

Project	Total expenditure
A9 Crubenmore Extension	£520,346.08
A9 Helmsdale - Ord Of Caithness Phase 2	£191,796.17
A9 Dualling - P1- Luncarty Pass of Birnam Study	£98,112,070.14
A9 Dualling - P2- Pass of Birnam to Tay Crossing	£38,748,557.21
A9 Dualling - P3- Tay Crossing to Ballinluig	£22,836,897.27
A9 Dualling - P4- Pitlochry to Killiecrankie	£23,467,898.74
A9 Dualling - P5- Killiecrankie to Pitagowan*	£23,112,907.70
A9 Dualling - P6 - Pitagowan to Glen Garry*	£1,615,634.25
A9 Dualling - P7- Glen Garry to Dalwhinnie	£17,569,699.70
A9 Dualling - P8- Dalwhinnie to Crubenmore	£28,003,316.17
A9 Dualling - P9- Crubenmore to Kincaig	£31,181,929.50
A9 Dualling - P10- Kincaig to Dalraddy	£43,814,472.13
A9 Dualling - P11- Dalraddy to Slochd	£55,558,028.36
A9 Dualling - P12- Tomatin to Moy	£51,913,625.86
A9 Dualling Preliminary Engineering Support Services	£876,807.14
A9 Dualling Strategic Environmental Assessment	£3,399,917.05
A9 Ballinluig Junction Improvement	£379,982.31
A9 Berridale Braes Improvement	£9,910,176.27
A82/A9 Longman Junction	£7,167,409.96
<b>Total</b>	<b>£458,381,472.00</b>

\* A9 Dualling projects P5 (Killiecrankie to Pitagowan) and P6 (Pitagowan to Glen Garry) were combined in 2016/17 and became known as P5 Killiecrankie to Glen Garry.

Please note that the A9/A96 Inshes to Smithton Link Road project has not been included in the scope of projects reported above.

Further information including breakdown of costs by year can be found in the Environmental Information (Scotland) Regulations release published 16 November 2023: [A9 trunk road maintenance and expansion expenditure: EIR release - gov.scot \(www.gov.scot\)](#)