

## News release

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### Public reporting of Scotland's major transport projects must improve

**Transport Scotland and the Scottish Government must improve their public reporting on major projects, says an Audit Scotland review of five key projects costing £3.8 billion in total to build.**

An Audit Scotland report published today, *Scotland key transport infrastructure projects*, reviews the progress of the Forth Replacement Crossing, 'Aberdeen bypass' project, Edinburgh-Glasgow rail improvement project, 'M8 bundle' of motorway improvements, and Borders Railway.

The report says:

- Transport Scotland expects to deliver all five projects within their current budgets and to complete four on time
- Transport Scotland is managing the risks to each project well but cannot eliminate them completely
- Transport Scotland and the Scottish Government must improve their public reporting; the full public sector financial commitment for these projects has not been reported until now
- The projects are expected to commit £7.5 billion of public money over 30 years. The Scottish Government considers this affordable in the long-term but has not fully demonstrated the reliability of its analysis.

#### **Auditor General for Scotland Caroline Gardner said:**

"The five key transport projects we report on are central to the Scottish Government's aim of strengthening Scotland's economy and recovery. It is encouraging that all are currently on track to be built within budget and four are on time.

"Transport Scotland and the Scottish Government need to improve their reporting on major projects to the public and to the Scottish Parliament. The estimated full public spending commitment for these five projects has not been reported until now; and the forecast building costs for some have been incompletely or inconsistently reported.

"These projects will cost an estimated £3.8 billion to build and will tie up about £7.5 billion of public money over 30 years. It is important for the Scottish Government to demonstrate that this spending is affordable."

The report also recommends Transport Scotland improve its processes for developing and updating business cases for major projects. Good business cases are vital for project scrutiny, decision-making and transparency. However, for the Borders Railway and EGIP projects, Transport Scotland did not ensure that business cases were complete and up-to-date at all stages. Consequently, at certain decision points, it had not fully demonstrated the viability, value for money and affordability of these projects.

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#### **Notes to editors**

1. The current forecast completion dates and estimated capital (building) costs for the projects are:
  - [Forth Replacement Crossing](#): October 2016; £1.46 billion
  - [Aberdeen Western Peripheral Route and Balmedie to Tipperty](#): March 2018; £745 million
  - [Edinburgh-Glasgow rail improvement project \(EGIP\)](#): March 2019 – phase one; £650 million
  - [M8 bundle \(M8/M73/M74 improvements\)](#): April 2017; £588 million
  - [Borders Railway](#): September 2015; £353 million.
2. EGIP is the project currently expected to be completed over two years later than originally planned. It is now being delivered in phases, with the initial phase delivering a reduced scope of work over a longer time. Ministers will confirm a revised target date for the initial phase completion in the summer.
3. There have been changes to the approved scope, timescales or costs – in some cases reductions - for all five projects over time.

4. Transport Scotland will pay for the Forth crossing from its capital budget. It will pay for the other four mainly from revenue budgets. The Scottish Government has set an 'affordability cap' for revenue-financed projects of five per cent of its expected future annual budgets. In 2013/14, this will amount to £1.4 billion. From 2018/19, when all four revenue-financed projects should be operating, they will cost an estimated £225 million a year for the next 30 years.
5. The five projects are expected to tie up £7.5 billion of public money over thirty years. The £7.5 billion includes building costs for the five projects, together with the costs of financing, operating and maintaining them over a thirty-year period.
6. All Audit Scotland reports published since 2000 can be found on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)
  - Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. Audit Scotland has prepared this report for the Auditor General for Scotland.
  - The Auditor General is responsible for securing the audit of the Scottish Government and most other public bodies in Scotland, except local authorities. She investigates whether spending bodies achieve the best possible value for money and adhere to the highest standards of financial management. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament.