



INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE

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Dear John

EUROPEAN SYSTEM OF ACCOUNTS 2010 – IMPLICATIONS FOR CAPITAL PROJECTS

I refer to your statement on 26 November during which you informed the Parliament that the Office for National Statistics (ONS) has deemed that, in relation to the Aberdeen Western Peripheral Route (AWPR), the Special Purpose Vehicles (SPVs) that are in place to manage the project and the capital asset itself should be classified as public sector, rather than private sector.

I understand that the impact of this is that the capital value of the asset would count as conventional capital costs and would need to be accounted for at the time of construction in the Scottish Government's capital budget. You indicated when making your statement that the Scottish Government is in discussion with Her Majesty's Treasury on the consequential budgetary implications of the ONS decision and that you intend to reflect the outcomes of those discussions in the draft Budget when it is published in the next few days.

As you will appreciate, this is a matter of considerable interest to the Infrastructure and Capital Investment Committee. I would therefore request that, on publication of the draft Budget, the Committee is advised of how the Scottish Government intends to address this matter, if at all possible. The Committee would also wish to take the opportunity to question the Cabinet Secretary for Infrastructure, Investment and Cities on the potential implications for the AWPR project and other key infrastructure projects in Scotland when he appears to provide evidence on the draft Budget on 6 January.

I have copied this letter to the Cabinet Secretary of information.

Yours sincerely

JIM EADIE MSP
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cc Cabinet Secretary for Infrastructure, Investment and Cities