

**LETTER FROM THE SCOTTISH GOVERNMENT TO THE FINANCE COMMITTEE
(COPIED TO THE PUBLIC AUDIT COMMITTEE), DATED 19 JUNE 2015**

Dear Kenneth

I wrote to the Committee on 1 June to provide an update on the ONS review of the Aberdeen Western Peripheral Route NPD project and related issues within the NPD/Hub programme of infrastructure projects.

The ONS review remains underway. As I advised in my earlier letter, the Scottish Futures Trust are in parallel engaging with Hub partners to implement changes to the structural arrangements that apply to the Hub programme to help strengthen the case that these projects should be privately classified.

Since 1 June, and as anticipated in my letter, one Hub project - Forfar Community Campus - has reached financial close, reflecting the advanced nature of works on site. The intention is that the project will be migrated into the new Hub structure in due course.

A second Hub project - Anderson High School - has also since made significant progress locally and is in a position to reach financial close soon. The unique weather and supply chain context of the Shetland Islands brings a substantial delivery risk if the project is not able to make use of currently agreed supply chain availability and summer weather conditions.

Having considered the balance of these risks, I am enabling the project to reach close, should project partners be able to deliver it. Again, should the project reach financial close before the SFT has completed the structural changes it is making to the Hub programme, the intention would be to migrate the project into the new structure in due course.

As before, I am copying this letter to the Public Audit Committee.

JOHN SWINNEY