

**Correspondence from the Public Audit Committee to the Scottish Government,
dated 11 April 2014**

MAJOR CAPITAL PROJECTS

The Committee considered the March 2014 Major Capital Projects (MCP) update at its meeting on 2 April 2014. I attach a link to the Official Report of that meeting for your information:

<http://www.scottish.parliament.uk/parliamentarybusiness/28862.aspx?r=9097&mode=pdf>

During its consideration, the Committee agreed to write to you for further information on the following.

Tracking variations in projects

In discussing the latest Major Capital Projects update the Committee noted that whilst some projects were stated to be on time and on budget, it was difficult to determine the basis upon which that information was based. An example was given of the Scottish Crime Campus which Annexe B of the March 2014 update confirms as being on budget (£82 million) and on time (autumn 2013). However the Scottish Government announcement made in 2009 at the start of this project was that it would be operational in 2011 at a cost of £65 million.

The Committee would therefore welcome further information on the extent to which each MCP update will enable the Committee and others to track any changes in the value of and timetable for completion of each project throughout its lifetime from project start to delivery and completion, particularly in relation to those projects valued at over £50 million. In your response it would be helpful if you could also confirm how any significant changes in a project's timescale for delivery and cost will be brought to the attention of the Committee.

Local Economic Impact information

The Committee also noted that there was variation in the level and range of information provided on the contribution made by each project towards Local Economic Development (Annexe B). An example of this variation is comparing the detailed information provided for the Forth Replacement Crossing with the summary information provided for the Edinburgh Glasgow Improvement Programme.

The Committee would therefore welcome clarification from you of the reasons for variation in the level of detail provided on local economic impact for the different projects. It would be helpful if you could also confirm the basis upon which you determine the level of information to be provided in the MCP update for each project.

A9 project

Finally the Committee would welcome confirmation of when (and at what stage of the project) it is anticipated that the A9 dualling project will appear in the MCP update. More generally it would be helpful if you could confirm the 'trigger' point at which any project above £20 million would appear in the MCP update.

I would therefore be grateful if you could provide a response to this letter by Monday 5 May 2014. Should the deadline cause you any difficulties or you have any queries, please contact the clerk to the committee on 0131 348 5390 or email pa.committee@scottish.parliament.uk.

Yours sincerely

Hugh Henry MSP, Convener