Dear Kenneth

**REPORT ON DRAFT BUDGET 2016-17**

On behalf of SFT, I would like to thank the Committee for collating evidence on the performance of SFT, and place on record our thanks to all those organisations which took the time to respond. SFT welcomes the Committee’s report and its positive conclusion on the role we play in improving the efficiency and effectiveness of infrastructure investment and use in Scotland, working collaboratively with organisations across the public and private sectors.

The Committee’s report, and the positive response from stakeholders, provided great encouragement to the SFT team as we continue to deploy our commercial experience to improve infrastructure delivery in Scotland. Helpfully the evidence submitted to your committee provided some suggestions of where further improvements can be made and, as touched on in my oral evidence, we will certainly give consideration to these areas.

The Report noted the positive feedback on a number of housing initiatives, including the National Housing Trust. Developing and delivering new approaches to affordable housing, building on the valuable experience retained within the SFT housing team, will remain a key priority for SFT as we set our business plan for 2016-17.

The Report describes the impact of revised European accounting guidance on the NPD and hub infrastructure investment programmes, and SFT’s role in amending the hub arrangements to allow projects to go ahead. The Report’s summary is helpful to aid wider understanding of what is a complex matter and again I would like to thank you for it. The particular points raised at paragraphs 189 and 190 relate to budget impact and interaction with the fiscal framework negotiations, and as such are for Scottish Government to respond to.

Since our attendance at the Committee on 18 January when we were able to report that the Ayr Academy project had reached financial close, a further three of the twelve paused hub DBFM projects - Newbattle Community Campus, Dalbeattie Learning Campus and Kelso High School – have also completed financial close.

Should the Committee wish to take further evidence from SFT in the future, we would be happy to contribute to your ongoing important scrutiny.

Yours sincerely

Barry White
Chief Executive