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Richard Leonard MSP
Convenor, Public Audit Committee
Scottish Parliament
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Dear Mr Leonard

As you are aware the Scottish Government has committed to review its Capital Allocations to 2026-27 and publish these alongside the 2024-25 Budget in December. The reduction in the Scottish Government's block grant allocation and the impact of continuing inflation on the construction sector means that the public pound cannot stretch to accommodate the full previously intended programme of investments or timescales. The Scottish Government is not alone in needing to cut its cloth according to its means. So, the updated allocations may have an impact on the pace and scale of delivery of the projects and programmes listed in the Infrastructure Investment Plan.

We would, in previous years, ask project leads to provide updates on their Infrastructure Plan projects as at end September so as to provide the Committee with the 6 month report, but to ensure that the information provided to the Public Audit Committee and the wider public is as useful as possible I propose to reschedule asking for that information until the current work on capital allocations has been completed as part of the Budget process for 2024-25.

This will mean that the information provided slightly later will align with that to be published alongside the 2024-25 Budget on future capital allocations. We will publish the full suite of documents that form our major capital projects reporting after the publication of the 2024-25 Budget.

Alison Cumming, Director for Budget and Public Spending, wrote to you on 24 August 2023 advising that the infrastructure projects pipeline update would take place at the publication of the draft budget. I am now writing to advise that in order to allow for the Major capital Reporting publications to be prepared and completed using the information published in the draft 2024-25 Budget, we will provide you with the full suite of updates that align with the updated Infrastructure projects pipeline in the week of 8th January 2024. This way the Committee is working with the data that reflects the delivery of the *updated* pipeline going forward.

Officials in Infrastructure Investment Division will work with the Public Audit Committee clerks to ensure that the material provided is presented as clearly as possible and in a way that continues to support effective scrutiny by the Public Audit Committee through this period of updating plans in line with inflationary impacts.

Yours sincerely

Alison Stafford

