



The Scottish Parliament  
Pàrlamaid na h-Alba

## Public Audit Committee

Cabinet Secretary for Transport  
Scottish Government  
By email

8 May 2025

Dear Cabinet Secretary,

### **Sustainable Transport: reducing car use**

Thank you for providing evidence to the Public Audit Committee on the above report, at its meeting on [23 April 2025](#).

Following the evidence session, the Committee agreed to write to you for clarification on issues arising from the Auditor General for Scotland's report, specifically in relation to the monitoring and oversight of the active travel funding and Places for Everyone programme delivered by Sustrans.

You also offered to follow up on additional areas and these are noted at the bottom of the letter for ease of reference.

### **Active travel funding**

The Auditor General's report found that the delivery of active travel infrastructure was "complex, fragmented and not appropriately monitored" and that the 2023/24 audit of Transport Scotland identified a "consistent lack of evidence provided for grant expenditure claims which does not meet the conditions set out in the grant letters".

The Committee was concerned to learn from the report, that Transport Scotland was recording active travel funding as spent while it was being held in partner's accounts. The report notes that since 2017/18 Sustrans had claimed the full grant award each year and carried forward any unspent funds) and:

"At the end of March 2023, Sustrans had accrued £72.5 million of unspent Places for Everyone funding in its accounts.... Transport Scotland agreed with this approach despite it not complying with the grant conditions."

Furthermore, in April 2024:

"it claimed and received a further £10 million. However, Transport Scotland did not check any documentary evidence that the £82.5 million had been spent on projects before authorising payments."

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Contact: Public Audit Committee, The Scottish Parliament, Edinburgh, EH99 1SP.  
Email [publicaudit.committee@parliament.scot](mailto:publicaudit.committee@parliament.scot). We welcome calls through Relay UK and in BSL through Contact Scotland BSL.

When the Committee took evidence from the Auditor General on [26 February 2025](#), he stated:-

“the approach that was taken did not comply with the grant conditions. If the grant conditions were not aligned with how the projects needed to be delivered, that should have been dealt with very clearly by the funder—in this case, Transport Scotland. The only rider that I will add to that is that the money was not lost: it was recovered and used as intended, in line with the original requirements of the scheme. However, the situation does not represent good financial controls or governance”.

With regard to due diligence, the Auditor General said:

“Transport Scotland did not check that the money had been spent on the projects as intended, before authorising payments. More rigour ought to have been deployed by Transport Scotland than it did deploy, especially when some of the arrangements were pointed out as being non-compliant.”

During evidence, the Committee raised questions about the adequacy of the financial governance framework in place at that time, and the extent to which Transport Scotland and the Scottish Government exercised appropriate due diligence over the distribution and monitoring of public money. The Auditor General’s statements appear to be at odds with evidence provided to the Committee by Transport Scotland who stated:-

“the Auditor General’s report essentially indicates that Transport Scotland has no evidence to support the payment of the funding. That is not strictly true” and:

“The documentation – the invoices and so on – sat with Sustrans and we were having monthly meetings with Sustrans and getting monthly reporting... This was not something that Transport Scotland was doing blind. We were satisfied that the money was spent appropriately.”

The Committee acknowledges that significant changes have been made to the delivery and monitoring of active travel funding, with funds now being allocated directly to councils. However, it would welcome greater clarity on the arrangements that were in place at the time, as well as assurance that lessons have been learned, not only from this case but more broadly, regarding the deployment and oversight of grant funding when public money is provided to organisations outwith the public sector.

Against this background, the Committee requests further clarity on:

- 1. What oversight arrangements and financial controls were in place between 2018 and 2023 for the administration of the Places for Everyone programme and how did these align with the grant conditions agreed with Sustrans?**
- 2. What assurance can the Scottish Government provide that changes introduced from 2024/25 will effectively address the weaknesses in due diligence identified by the Auditor General?**

**3. What role did the Scottish Government sponsorship team play in overseeing Sustrans’s compliance with the grant conditions and were any concerns raised internally about the management of the funding, prior to the intervention of Audit Scotland?**

During the evidence session, you also undertook to provide the Committee with the following information:

- **The “Active Travel Infrastructure Investment Report 2023-24”** produced subsequently to the publication of the Auditor General’s report (in response to Colin Beattie’s question column 23).
- **EV emissions** What percentage of the 39 per cent of all emissions which are related to cars concern combustion engines (in response to Jamie Greene’s question column 38/39).
- **Formal response:** The Committee also noted that, in your opening statement, you indicated that the Scottish Government would be responding formally to Audit Scotland, and we should be grateful if this can be confirmed, and a copy of your response provided to us once published.

The *Official Report* of the committee’s meeting can be found here: [Public Audit Committee Official Report, 23 April 2025](#).

I should be grateful for your response by **5 June 2025**.

Yours sincerely,



**Richard Leonard MSP**

**Convener**