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Dear Jim,

## **EUROPEAN SYSTEM OF ACCOUNTS 2010 – IMPLICATIONS FOR CAPITAL PROJECTS**

Thank you for your letter of 10 December.

As I indicated in my statement of 26 November, it has become clear that a rapid reversal of the Office for National Statistics' (ONS) decision to classify the Aberdeen Western Peripheral Route (AWPR) project to the public sector will not be possible. This has no impact on the delivery of the project itself.

Given this position, the Draft Budget 2016-17 includes capital budget provision for the estimated construction costs of the Aberdeen Western Peripheral Route project (£183m) and four NPD Health projects (£215 million), which could in future attract the same public sector classification.

Going forward, I have asked the Scottish Futures Trust to continue to review the implications of the ONS opinion on the AWPR and their more recent response to the revised model that has been developed for the Hub programme, which ONS have indicated would lead to a private sector classification for projects delivered through the model.

I will be happy to provide a further update to Parliament when I am in a position to do so.

**JOHN SWINNEY**