

Frances Duffy, Director
Strategy and Investment

Buchanan House, 58 Port Dundas Road, Glasgow G4 0HF
Direct Line: 0141 272 7561,
Frances.duffy@transportscotland.gsi.gov.uk



Barry R. Colford BSc (Hons) C Eng MICE
Chief Engineer and Bridgemaster
Forth Road Bridge
Administration Office
South Queensferry
West Lothian
EH30 9SF

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Dear Barry

The Cabinet Secretary for Finance and Sustainable Growth made a statement to the Scottish Parliament this afternoon regarding the Scottish Budget for 2011/12.

Ministers have taken the decision to publish a one year budget which, while setting out future priorities, does not attach figures to these.

In 2011/12 the proposed budget lines for FETA are as follows;
Capital £10million
Revenue £5.1million

I am sure that you will be pleased that these figures reflect the funding that you were seeking and will enable you to progress with vital works, including the replacement of the viaduct bearings, in the coming year.

However, as the budget is only a one year budget there will be a requirement to prepare for a comprehensive Spending Review which will have to be brought forward following the Scottish elections in May next year.

In the same way in which we have prepared for this budget there will be a requirement to go through a similar process in the coming year. While it will be possible to utilise much of the preparatory work that has been undertaken in this year it is also likely that the availability of resources will be significantly more restricted in the coming years. While this year you have been awarded the funding that you sought, there are no guarantees that this will be possible throughout the rest of the Spending Review period. With this in mind I would strongly advise that any efficiencies you have identified are implemented in the coming year to support your submission to the next Spending Review.

Ministers recognise that, in the normal course of business FETA will have to award contracts which will run over several years and may run beyond the period of this budget and into the next Spending Review. Where contracts for significant spend across Spending Review periods are to be entered in to, FETA should take steps to ensure that Scottish Ministers are advised and have an opportunity to consider such proposals in advance of firm commitments being given.

It has been this year and it will remain vitally important that FETA officials and Transport Scotland officials work closely together in preparation for the next Spending Review to prepare submissions that are robust and based on a sound risk based prioritisation of spend.

I fully appreciate the continued challenge that we all face of delivering cuts in cost and I welcome and support your continued efforts to respond to this challenge.

Yours sincerely

Frances Duffy
Director, Strategy & Investment Directorate
Transport Scotland