

Roy Brannen, Director
Trunk Road and Bus Operations

Buchanan House, 58 Port Dundas Road, Glasgow G4 0HF
Direct Line: 0141 272 7321, Fax: 0141 272 7537
Roy.Brannen@transportscotland.gsi.gov.uk

Hugh Dunn
Treasurer
Forth Estuary Transport Authority
Waverly Court
4 East Market Street
Edinburgh
EH8 8BG

Your ref:

Our ref:

Date:
28 March 2014

Dear Hugh,

FORTH ESTUARY TRANSPORT AUTHORITY (FETA) – GRANT – 2014/15

On behalf of Scottish Ministers, in exercise of their powers under Section 70 of the Transport (Scotland) Act 2001, I am writing to make a formal offer of grant to the Forth Estuary Transport Authority (FETA) (“the Grantee”) Revenue Grant of up to £5,100,000 STERLING and Capital Grant of up to £1,716,000 STERLING to be paid in instalments on the 15th of each month for the financial year 2014-2015.

I enclose two formal offers of Grant to fund the projected revenue costs of maintaining and operating the Forth Road Bridge and for the capital spending programme for 2014-2015 as discussed and agreed during the budget preparation process.

Detailed conditions and arrangements for payment of the Grant are set out in the attached offer letters. As in previous years, spend against profile will continue to be monitored throughout the year. A timetable for the submission of data to comply with the conditions of Grant is attached to this letter.

While Scottish Ministers do not generally provide Grant in advance of need, Ministers have a limited discretion with respect to public sector bodies, in order to strike a balance between prudent management of the Grant and the need to provide a reasonable amount of freedom for the funded body to take decisions of its own. As part of this flexibility it is accepted that a certain level of reserves should be held to facilitate the efficient management of the Forth Road Bridge, and the Scottish Ministers will keep the level of such reserves under review.

Scottish Ministers consider the commitment set out above and in the enclosed offer letters, taken together with the General Fund reserves, sufficient to meet FETA’s estimated revenue and capital costs in the coming financial year. Scottish Ministers do not foresee a need for the Authority to undertake any new long-term borrowing commitments during 2014-2015.

Ministers recognise that, in the normal course of business funded bodies will have to award contracts which will run over several years, and often beyond the period covered by the Spending Review. Where such contracts are entered into in accordance with agreed policies and plans, Ministers recognise that there is an obligation on the Scottish

Government to continue to provide the necessary funding. Where contracts for significant spend across Spending Review periods are to be entered in to, funded bodies should ensure that Scottish Ministers are advised and have an opportunity to consider such proposals in advance of firm commitments being given.

Key Returns and Meetings

We are proposing to maintain working with you under the same methods as last year. The timetable attached sets out the dates for payments and returns throughout the year. Most of these returns can be completed by e-mail or via telephone contact which will enable the dates to be more effectively aligned with quarterly deadlines and the Board meeting schedule. This will give greater flexibility around the arrangement of face to face meetings to ensure that they take place when they will be of greatest value. It will also mean that meeting schedules can be tailored to address specific issues when they arise. It is envisaged that Transport Scotland and FETA officials will meet at least twice a year.

I should be grateful if you would sign and return the Grant Acceptance appended to each of the attached letters, and return the relevant documents to me, retaining one copy for your own records.

Yours sincerely,

ROY BRANNEN

Transport Scotland, Director