From: Sharp DP (Damian)
Sent: 20 June 2007 10:37

To: Adamson L (Lucy); PS/Transport Scotland; Dunbar-Jubb C (Claire); Reeve W (Bill); Morrissey J

(Jerry); Duffy F (Frances)

Cc: Press Transport Scotland; McLaughlin AC (Ainslie); Barton JG (Jim); McShane N (Natalie)

Subject: RE: AUDIT SCOTLAND - Ministers' response

Tracking: Recipient Read

 Adamson L (Lucy)
 Read: 20/06/2007 10:44

 PS/Transport Scotland
 Read: 20/06/2007 10:40

 Dunbar-Jubb C (Claire)
 Read: 20/06/2007 10:38

Reeve W (Bill)

Morrissey J (Jerry) Read: 20/06/2007 10:39

Duffy F (Frances)
Press Transport Scotland

McLaughlin AC (Ainslie) Read: 20/06/2007 10:39

 Barton JG (Jim)
 Read: 20/06/2007 10:38

 McShane N (Natalie)
 Read: 20/06/2007 10:57

 Burgess H (Hazel)
 Read: 20/06/2007 12:14

 McLean M (Mags)
 Read: 20/06/2007 13:56

I have seen the subsequent correspondence and I agree with all that has been said.

Mr Swinney's line on trams delay is not consistent with the one that I proposed. I hope that Mr Swinney is aware that tie ltd and CEC would be able to produce evidence of delay caused by the uncertainty following the election. Indeed, Transport Scotland has instructed that works that were due to start should not commence – this was at the direct instruction of Mr Swinney.

Damian

----Original Message----From: Adamson L (Lucy) Sent: 20 June 2007 09:30

To: PS/Transport Scotland; Dunbar-Jubb C (Claire); Reeve W (Bill); Sharp DP (Damian); Morrissey J (Jerry); Duffy F (Frances)

Cc: Press Transport Scotland; McLaughlin AC (Ainslie); Barton JG (Jim); McShane N (Natalie)

Subject: FW: AUDIT SCOTLAND - Ministers' response

Importance: High

Angus/Bill

To see lines from the Minister's office. Grateful for comments asap given we're likely to be asked follow up questions to this. The out of control is a bit unhelpful but not much to do about that. I would obviously stick to the facts if pressed on this in terms of what had recently been presented to parliament.

The governance issue may come back to us as tie have said in their statement they were concerned about governance. I wonder whether we want to be firmer in our response or do we want to just take it on the chin for now?

Lucy

----Original Message---- **From:** McDonald L (Lisa) **Sent:** 20 June 2007 09:25

To: Trotter N (Neil); Hannan M (Mark); Pringle K (Kevin); Adamson L (Lucy); Berry MA (Michael)(Communications)

Cc: Communications Finance and Sustainable Growth; Co	ommunications First Minister; (Geoghan PD (Paul);	Minister for
Transport, Infrastructure and Climate Change			

Subject: AUDIT SCOTLAND

Statement and lines to take.

Statement now issued

Lisa

JOHN SWINNEY RESPONSE TO AUDIT SCOTLAND REVIEW OF TRANSPORT PROJECTS

Responding to Audit Scotland's review of the Edinburgh Airport Rail Link and Trams projects Cabinet Secretary for Finance and Sustainable Growth, John Swinney said:

"I welcome Audit Scotland's report and I thank Robert Black and his team for the work they have done in such a short space of time.

"The report raises a number of serious concerns about governance and development issues which we would have expected to be in better shape than the Auditor General finds them, particularly in relation to EARL. This vindicates my decision to seek further scrutiny of the projects the new government inherited and provides further assessment on which decisions can be made.

"We are assessing the full range of transport projects we have inherited and I want to consider the findings of this report in the context of value for money and affordability.

"I have already committed to come back to parliament to present the outcome of our assessment of the projects and I will do that next Wednesday."

Q&A – IF ASKED

Airdrie Bathgate

We are assessing the full range of transport projects we have inherited. Work that is already committed to is progressing. That is true of the trams project and it is true of the Airdrie Bathgate line where we have much more confidence in the figures we have seen.

Running out of control

Ministers were given information that showed the cost of the Stirling - Alloa -Kincardine rail link had more than doubled. At the same time, Ministers were also given a number of figures for the Edinburgh Trams project, some of which showed an increase in costs. It later transpired that the figures on Edinburgh Trams were not presented to Ministers on a like for like basis. Ministers took the view in this context that it was important to get fresh clarity and that is why Audit Scotland were asked to review the approach to the project and why Ministers have tested robustly the financial information they have inherited.

Delay

It is not true that we are delaying projects. The final business case on Trams was not due to come to Ministers until January 2008. This work will help to accelerate those decisions.

Lisa McDonald Senior Communications Officer Finance and Sustainable Growth Scottish Executive





