The Scottish Parliament
Pàrlamaid na h-Alba

TRANSPORT, INFRASTRUCTURE AND CLIMATE CHANGE COMMITTEE

AGENDA

23rd Meeting, 2009 (Session 3)

Tuesday 27 October 2009

The Committee will meet at 2.00 pm in Committee Room 2.

1. **Decision on taking business in private:** The Committee will decide whether to take items 3 and 4 in private.

2. **Draft Budget Scrutiny 2010-11:** The Committee will take evidence on the Scottish Government's Draft Budget 2010-11

   Amanda McMillan, Managing Director Glasgow Airport, and Stuart White, Development Director, BAA Scotland;

   Garry Clark, Head of Policy and Public Affairs, Scottish Chambers of Commerce;

   and then from—

   Derick Murray, Director, Nestrans;

   Eric Guthrie, Partnership Director, Tactran;

   Alex Macaulay, Partnership Director, SEStran.

3. **Draft Budget Scrutiny 2010-11:** The Committee will consider the evidence heard earlier in the meeting.

4. **Climate change conference:** The Committee will consider a proposal for attendance at the United Nations COP15 climate change conference in Copenhagen.

TIC/S3/09/23/A

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The papers for this meeting are as follows—

Agenda item 2

Letters from BAA Scotland and the Minister for Transport, infrastructure and Climate Change	TIC/S3/09/23/1
Written evidence from SEStran	TIC/S3/09/23/2
Private paper	TIC/S3/09/23/3 (P)

Agenda item 4

Private paper	TIC/S3/09/23/4 (P)

LETTERS FROM AMANDA MCMILLAN, DIRECTOR, BAA GLASGOW AIRPORT AND STEWART STEVENSON, MINISTER FOR TRANSPORT, INFRASTRUCTURE AND CLIMATE CHANGE - 7 OCTOBER 2009

LETTER FROM AMANDA MCMILLAN

Dear MSP

Glasgow Airport Rail Link
We have followed recent announcements relating to GARL with interest, and continue to follow the exchanges between the relevant organisations.

I am keen to clarify Glasgow Airport's position, and set out the facts as I see them. I do so to avoid any confusion arising which misrepresents our role in the GARL project.

As the lead sponsor of GARL, it fell to Transport Scotland to make the key decisions around how taxpayers' money should be spent, and to maintain control over costs.

As a private sector company, we have a proven track record of delivering complex capital projects, on time and on budget. With a substantial, ongoing capital investment programme in place, we recognise the importance of delivering value for money.

We raised our concerns over the original cost estimates when the Glasgow Airport rail link was reviewed by the Scottish Parliament three years ago. We are disappointed that Transport Scotland underestimated the costs of relocating infrastructure to the extent that the project can no longer proceed.

In 2006, before the project began, BAA Glasgow signed a Master Agreement with Transport Scotland which set out, in very detailed terms, Glasgow Airport's contribution to the project. We have fulfilled every one of our obligations, and like many others, we have invested a good deal of time and effort in the Glasgow Airport Rail Link.

Indeed, our contribution has been substantial, particularly in terms of the professional support and expertise we have shared with Transport Scotland, and the land we provided for the project. The decision not to proceed with GARL is therefore a matter of regret for Glasgow Airport, though we well understand the financial context in which the decision was made.

Nevertheless, I think it is important that MSPs have a clear understanding of the facts, as they relate to GARL, and of the significant contribution Glasgow Airport has made to this project.

The 2006 Master Agreement with Transport Scotland established a very clear timetable and process for relocating key airport facilities, including the fuel farm. At that time, BAA warned that the budget allocation for these important works was inadequate. The notion that one could reprovide a fuel farm, car hire facilities, car parking, a children's nursery and other ancilliary services for £8 million – the original budget estimate – was clearly unrealistic.

In recent days, a new figure of £70 million has been quoted in respect of the relocation of airport services and facilities. It has even been suggested that BAA would have 'received' this funding directly. This is simply not the case.

The figure of £70 million is not one we recognise. However, our understanding is that this cost is, in the main, associated with the reprovision of existing services and facilities, many of them operated by third parties.

Glasgow Airport's own compensation claim was a relatively modest £4 million, considerably lower than the value of our contribution to the project, and reflected the loss of revenue that would arise during the lengthy construction phase.

The notion, as some have suggested, that the Scottish Government would have "given" BAA £70 million "before even an inch of railway line was laid" is therefore completely false.

We are, as I have said, disappointed that Transport Scotland underestimated the costs of relocating infrastructure to the extent that the project can no longer proceed.

Having signed a Master Agreement with BAA in 2006, the scale and complexity of the relocation of core airport facilities was well known to Transport Scotland. It should not have come as a surprise to the agency that facilities such as the fuel farm would need to be re-provided, and that doing so would be a costly exercise.

However, any responsibility for underestimating the true cost of the airport re-provision works is a matter for Transport Scotland. This was fundamentally their project.

For our part, we remain committed to working hard to secure a bright commercial future for Glasgow Airport, in turn supporting the economy of the West of Scotland, and will continue to invest in Glasgow Airport so that Glasgow and the west can compete on the international stage.

I trust you find this information helpful. If you would like to discuss the matter further, please do not hesitate to contact me.

Yours sincerely
Amanda McMillan
Managing Director, Glasgow Airport

LETTER FROM THE MINISTER FOR TRANSPORT, INFRASTRUCTURE AND CLIMATE CHANGE

Dear Member

Glasgow Airport Rail Link (GARL) - cost of work associated with reprovisioning facilities at Glasgow Airport

You will today have received a letter from Amanda MacMillan, Managing Director Glasgow Airport Limited, setting out their position with respect to recent exchanges in the Scottish Parliament and the national press over the reasons behind this government's reluctant decision to cancel the branch line element of the GARL project.

It is our clear assessment from the cost data discussed with BAA that the cost of the works and compensation necessary in the airport campus in order to permit the construction of the GARL railway had risen from £8m at the time of the Bill to £70m at the current time.

For your information I attach a breakdown of the £70 million along with a narrative explaining how these costs have developed since the GARL Act received Royal Assent in January 2007. You will wish to note that these were costs, which would have been directly attributable to the GARL project and therefore paid for with public monies, would have ultimately resulted in enhanced and more operationally efficient facilities for the airport operator and their tenants.

I should stress that the Government's decision not to proceed with this project was based on the affordability of the project in the context of the cuts announced by the Chancellor of the Exchequer affecting financial years 2010/11 and 2011/12.

STEWART STEVENSON

Breakdown of £70 million capital costs associated with works at Glasgow airport

	rounded values (£M)	
Fuel Farm capital construction costs	32	based on tender returns in 2009 from BAA for an enhanced fuel farm
Fuel Farm compensation costs	5	based on concluded negotiations involving TS/BAA/Pentland Aviation & District Valuer
	37	
Happitots	1.4	based on construction of new nursery building for BAA to rent to tenant Happiots at Abbotsinch Road site
Car Rental Companies back up facilities	8	based on construction of new combined facility to be owned by BAA and operated under various arrangements between BAA & Car Rental Companies at Abbotsinch Road site. Developed in consultation with BAA.
New Multi Storey Car Park to reprovide for car rental 'ready and return' area and to reprovide for affected public car parking spaces	11	based on construction of new multi storey car park to be owned by BAA and operated under various arrangements between BAA & Car Rental Companies and Car Park operator. Developed in consultation with BAA.
BAA compensation claim (land value & other)	3.7	based on submission from BAA
TS Estimated 'Other'	5	generated by TS and includes estimates for other potentially affected third parties on airport campus and an element of risk provision
	29.1	
Reimbursement of BAA staff and advisor costs	3.9	costs to develop GARL in BAA campus under terms of Master Agreement -based on invoices values from BAA to date and a further forecast of £1.3m to complete
	70	

Background

BAA has been intimately involved in the development of proposals for a heavy rail link to Glasgow Airport from its earliest stages.

BAA, along with Scottish Executive, Scottish Enterprise, Strategic Rail Authority and Department for Transport, were co-commissioners/funders, and part of the Steering Group, for the study undertaken by Sinclair Knight Merz, "Rail Links to Glasgow and Edinburgh Airports" (2001 - 2003).

When SPT developed proposals for the GARL, sufficient to seek the necessary powers through the submission of a Private Bill to the Scottish Parliament, they consulted extensively with BAA as the owner/operator of Glasgow Airport to develop the detailed design of the rail link within the airport campus. SPT's preferred location for the airport station would have resulted in an alignment which would have had significantly less impact on the airport facilities and third parties. However through SPT's discussion with BAA, and to ensure as far as practicable that the GARL project did not impact on BAA's proposed Masterplan for the Development of Glasgow Airport, a station location to the south of Multi Storey Car Park 2 (MSCP) was agreed. Unfortunately this alignment resulted in the GARL project directly impacting upon the existing aviation fuel farm and other 3rd party facilities e.g. car parks, car hire and ready returns etc.

At the time of finalising the preferred route alignment within the airport SPT, with technical input from BAA, estimated the capital cost, for reproviding the aviation fuel farm at **£3 million** (Q4/2004). During the passage of the GARL Bill SPT negotiated an agreement with BAA which addressed, amongst other issues:

- An amendment to the Private Bill to afford BAA protection with respect to Compulsory Purchase Powers;
- That BAA would be responsible for the design and construction of the pedestrian link structure between the airport station and the terminal building, including all associated costs;
- That BAA would project manage, on behalf of the project, the reprovisioning of the aviation fuel farm facility;
- That BAA would tender for the replacement fuel farm on the basis of (1) like for like replacement and (2) and enhanced facility. Furthermore that BAA would be liable for the first £500k of any cost over run; and
- The general scope of the 3rd party reprovisioning works within the airport to be undertaken by the Authorised Undertaker at their cost.

On the basis of this agreement BAA withdrew their objection to the GARL Bill.

Developments since January 2007

At the time the GARL Act received Royal Assent in January 2007, estimates for the work in the airport campus were £7.8 million (including £5 million for the aviation fuel farm and £3 million other affected parties)

> Further Subsidiary Agreements have been developed between the Authorised Undertaker (since May 2008, Transport Scotland) and BAA for the development and operation of the GARL infrastructure and passenger services.

At the point where the project was handed over from SPT to Transport Scotland the estimate for the work in the airport campus were estimated by SPT at £16 million (£13 million for the aviation fuel farm and £3 million other affected parties), compared with the estimate of £7.8 million at Assent.

Following the transfer of responsibility (May 2008) Transport Scotland and BAA were required to continue to work within the bounds of the agreements that stemmed back to 2006 and were associated with the passing of the GARL Act. Transport Scotland's revised estimate (developed between June - December 2008) of the costs associated with the work in the airport campus was £36 million to £42 million in total (compared to £16 million). This figure was included in the cost range made public by the Minister for Transport Infrastructure and Climate Change (December 2008) of £365.5 million to £395 million for the combined project.

> It should be noted that any proposals affecting existing airport facilities had to receive a 'no objection' from BAA. Further for some items it was BAA who were obliged to design and seek estimates for and manage the work (for example, as previously mentioned, it was BAA who elected to design and procure an enhanced fuel farm as is their entitlement under the terms of the agreement).

After the Minister's statement (December 2008) BAA submitted a proposed target cost for the aviation fuel farm, based on tender returns, of £38 million for the capital costs alone.

Through negotiation, Transport Scotland and BAA managed the capital cost of the aviation fuel farm down to circa £34 million (Transport Scotland contribution was £32 million and BAA £2 million).

> Transport Scotland fully accepts that when it comes to the intricacies of airport operations and consequential impacts the Authorised Undertaker, whether SPT or Transport Scotland, it was important to engage the airport operator. Thus BAA was engaged as a key stakeholder. It should also be noted that to date BAA have been paid for their involvement in the project to the tune of £3 million from the public purse.

By early 2009, following BAA's submitted target cost for the fuel farm, Transport Scotland had concerns around potential consequential impacts within the airport campus, solutions for which had not been previously resolved or agreed. These concerns led to the development of potential solutions for car hire operators and car parking reprovision, jointly by Transport Scotland and BAA. Based on information provided by BAA, advice from the District Valuer indicated that reprovision of facilities would be cheaper than compensation or business extinguishment costs. In addition under the terms of the previously negotiated agreement BAA would not grant permission for Transport Scotland to use the CPO powers or extinguish certain businesses which they considered to be operationally necessary. Further under the terms of the previous agreement the Authorised Undertaker was limited in the selection of suitable reprovision sites to those which BAA would agree.

Estimates developed since January 2009 and discussed throughout the summer months with BAA conclude that:

- The total cost of the enhanced fuel farm is now estimated to be £37 million (capital and associated compensation);
- The total cost of "other" capital and compensation amounts is now estimated to be £29 million; and
- The total cost to reimburse BAA for their time spent on the project is estimated to be£4 million

Therefore Transport Scotland concludes that £70 million is the total estimated cost of works and compensation at the airport required by BAA under the terms of the Master Agreement. These costs are all in addition the construction of the airport branch line itself, and have been included in the £397.5m figure that was provided to the Transport, Infrastructure and Climate Change Committee yesterday.

WRITTEN EVIDENCE FROM SESTRAN – 21 OCTOBER 2009

INTRODUCTION

My name is Alex Macaulay and, since July 2006, I am Partnership Director of SEStran, the South East of Scotland Transport Partnership, having previously been Projects Director of **tie** Ltd., a head of service with the City of Edinburgh Council, Depute Director of Transportation with Lothian Regional Council, an Associate Director with a major transportation consultancy and Assistant Director of Roads and Transportation with Central Regional Council.

SEStran (South East Scotland Transport Partnership) is the statutory transport partnership of the eight local authorities Clackmannanshire, East Lothian, City of Edinburgh, Falkirk, Fife, Midlothian, Scottish Borders and West Lothian. It should be noted that, due to the tightness of time from the invitation to present evidence, the SEStran Board has not had the opportunity to consider this evidence. Therefore any opinions expressed are my own.

The Cabinet Secretary for Finance and Sustainable Growth announced the Draft Scottish Budget 2010-11 to Parliament in September.

DRAFT SCOTTISH BUDGET 2010-11

The key elements of the Cabinet Secretary's announcement as they will affect SEStran are outlined below.

The total managed expenditure of the Scottish Government for 2010-11 will be £35,144.1 million, a reduction of £767.7 million from the 2009-10 figure. Within the Finance and Sustainable Growth budget, the budget for Transport Strategy and Innovation has been cut from £8.6m in 2009-10 to £6.6m in 20010-11. Among other things, this is the budget that provides running cost support for Regional Transport Partnerships (RTPs). It is not yet clear how much of this budget reduction will be borne by the RTPs but if it is on the basis of a pro rate cut of 23% this would have serious implications on the delivery of Regional Transport Strategies.

The remainder of funding for RTPs comes from partner Local Authorities through a requisition to cover operating costs and agreement for contributions towards capital investment. As part of the Local Government Concordat, the vast majority of central Government support to Local Government is through a non ring fenced block grant and the Local Authorities have the discretion to determine their own priorities for spending that money. Consequently, transport and in particular regional transport has to compete for funds with other local priorities like social work and education. The total support from Government to Local Government adjusted for capital acceleration represents an increase of £75.7m in 2010-11 at 2009-10 price levels.

Given that the level of support from Government to Local Authorities shows a modest increase, the level of revenue support to RTPs from local government should not be under threat provided other revenue sources to local government can be maintained and inflationary pressures can be contained. It is by no means certain, however, that these pressures can be contained. The picture for capital expenditure is even more difficult with local government capital programmes being drastically reduced as a result of the general economic position.

IMPACT OF THE LOCAL GOVERNMENT CONCORDAT ON REGIONAL TRANSPORT EXPENDITURE

The concordat sets out the terms of a new relationship between the Scottish Government and local government. It underpins the funding provided to local government over the period 2008/9 to 2010/11 and has been endorsed by both the Scottish Ministers and by the COSLA Presidential Team.

While RTPs are not members of COSLA and were not involved in the development of the concordat they have embraced the new regime and have participated in the development of all the single outcome agreements (SOAs) between Government and the Community Planning Partnerships.

The SOAs have however brought a new set of priorities to local government spending particularly in relation to regional transport. When the regional transport 2008-9 spend and the budgeted spend for 2009-10 of the local authorities within the SEStran area are compared to the planned spend in the delivery plan associated with the Regional Transport Strategy (RTS), a major reduction is apparent. The level of planned expenditure in the RTS was based on the level of regional transport Government grant inherited by the local authorities and incorporated within the block settlement. The figure for SEStran are summarised below.

	Approved Budget		
	£,000		
Councils	**2008/09**	**2009/10**	**20010/11**
Clackmannanshire	0	0	0
Edinburgh	3647	2834	0
Falkirk	660	0	0
East Lothian	895	5	0
Fife	0	0	0
Midlothian	0	0	0
Scottish Borders	365	195	1422
West Lothian	25	550	2790
Total	5592	3584	4212

Last financial year only £5.592 million was committed to transport projects by the partnership authorities and an estimate of expenditure for the current financial year based on the returns from the authorities suggests that the financial commitment will be only £3.584 million with £4.412 million budgeted for next year. Capital expenditure detailed in the Delivery Plan for the first 3 years of the RTS was as follows; Region Wide and Specific Groups and Areas £6.77 million, Network Based Measures £24.808 million giving an overall total of £31.58 million. This means that only 42% of the funding that was previously allocated to SEStran is being utilised for strategic transport projects within the region.

It is therefore clear that, unless there is a re-prioritisation of local budgets, the progress agreed as part of the RTS delivery plan will not be achieved.

To offset the difficulty, SEStran has successfully attracted finance from the EU to fund two projects, namely Real Time Passenger Information for buses (RTPI), 40% from EU, and Dryport, 50% from EU. RTPI is match funded by SEStran and East Lothian Council, Dryport by Napier Transport Research Institute and we will continue to pursue additional funding from Europe for other projects. However this process is made difficult as a result of the tight availability of capital funding from the partner authorities. The projects that have so far attracted EU funding are outlined below.

SEStran Draft Capital Budget 2009/10 to 2011/12

Project Ref.	***Delivery***	***Project name***	***2009/10 £000***	***2010/11 £000***	***2011/12 £000***	***Post 2011/12 £000***	***Total £000***
EU C1	*SEStran*	*RTPI East Lothian*	*75*	*425*	*350*	*275*	*1,125*
EU C2	*SEStran*	*RTPI Borders*	*100*	*150*	*125*	*137*	*512*
		Total Expenditure					***1,637***
		Funding					
Project Ref.	***Source***	***Project name***	***2009/10 £000***	***2010/11 £000***	***2011/12 £000***	***Post 2011/12 £000***	***Total £000***
EU C1	*EU*	*RTPI East Lothian*	*30*	*170*	*140*	*70*	*410*
EU C1	*SEStran*	*RTPI East Lothian*	*45*	*100*	*85*	*108*	*338*
EU C1	*East Lothian Council*	*RTPI East Lothian*	*0*	*155*	*125*	*97*	*377*
EU C1		***Total***					*1,125*
EU C2	*EU*		*40*	*60*	*50*	*50*	*200*
EU C2	*SEStran*		*60*	*90*	*75*	*87*	*312*
EU C2		***Total***					*512*
		Total EU C1 and EU C2					***1,637***

DRYPORT BUDGETS FOR THE 2 SCOTTISH PROJECT PARTNERS

Partner 1: Transport Research Institute (TRI)
Project timescale and Budget

Budget (x1000€)

Budget Heading	**Year1**	**Year2**	**Year 3**	**Sum**
External Experts and Consultants	28.1	26.1	22.1	76.3
Temporary staff	14.9	14.9		29.8
Permanent Staff	87.3	87.3	87.3	261.9
Travel and Accommodation	13.7	8.3	8.3	30.3
Meetings, conferences, seminars	1.8	1.8	1.8	5.4
General Costs	0	0	0	0
Promotion and Publications	8.4	8.4	11.2	28.1
Material Investments	14.5	10	2.5	27
Control costs	3.1	3.1	3.1	9.3
Other	0	0	0	0
Irrecoverable VAT	0	0	0	0
Revenue	0	0	0	0
Total Eligible Expenditure	**171.9**	**160.0**	**136.4**	**468.3**

Note: Rounded figures from detailed cost calculation

Partner 2: SEStran
Project timescale and Budget SEStran

Budget (x1000€)

Budget Heading	**Year1**	**Year2**	**Year 3**	**Sum**
External Experts and Consultants	120.5	110	102.5	333
Temporary staff	0	0	0	0
Permanent Staff	57.3	57.3	57.3	172
Travel and Accommodation	9.5	9.5	9.5	29
Meetings, conferences, seminars	5	5	5	15
General Costs	0	0	0	0
Promotion and Publications	10	10	10	30
Material Investments	0	0	0	0
Control costs	2	2	2	6
Other	0	0	0	0
Irrecoverable VAT	0	0	0	0
Revenue	0	0	0	0
Total Eligible Expenditure	**204.3**	**193.8**	**186.3**	**585**

SCOTTISH GOVERNMENT'S TRANSPORT BUDGET

The Finance and Sustainable Growth Budget contains expenditure on a wide range of areas targeting sustainable growth. Two key areas are tackling climate change and transport. The ambitious targets for reduction of emissions contained in the Climate Change (Scotland) Act 2009 present a major challenge for government. Transport is a major contributor to climate change emissions and it is still growing. It will be fundamentally important to minimise travel especially by car if transport is to contribute to meeting the government's targets. It is therefore disappointing that the funding from Government for Travel Planning not only was seriously reduced this year but will cease in 20010-11.

It is, however, encouraging to see significant investment in rail, ferries, Bus Services Operators Grant and concessionary travel by public transport. The continued progress on the replacement Forth Crossing is also welcome although it is essential that this is supported by a comprehensive and integrated strategy for movement across the estuary by public transport to accommodate the future demands for travel without increasing private car use. This strategy should include:-

- Construction of new bus / rail based Park and Ride / Park and Choose sites (ie Halbeath and Rosyth, etc)

- High quality, high speed, access to and from the existing bridge for buses, including extensive priority measures from both the north and south (eg M90, A90, M8, M9, and M9 Spur to the A8000).

- Similarly, priority for HOV (ie cars / vans / minibuses with two or more occupants) on the bridge approaches, though this should not be at the expense of bus priority.

- Active use of Intelligent Transport Systems to assist in bus and HOV priority

- A high quality bus interchange for Queensferry at Echline, with good pedestrian and cycle access and car / cycle parking – potentially a full scale Park and Ride

- Improvements to bus and rail services

- Measures to ensure that walking and cycling networks on both sides of the Forth are fully integrated into the new Public Transport Corridor

- Ferry / Hovercraft services, subject to positive further work

- **Measures to improve safety and accessibility for vulnerable communities north and south of the new crossing, including Queensferry, Inverkeithing and Newton**

It is important that the investment in motorways and trunk roads be focused on removing areas of high congestion where emissions are highest.

The Government's priorities for investment in transport over the next 15 years are as set out in the Strategic Transport Projects Review (STPR) and are generally supported. However, as a result of the pressures on budgets resulting from the major investments in rail and the Forth Crossing, it is unlikely that there will be any significant progress on many projects in the STPR before 2016. The result is that projects that are seen as a high regional priority are effectively stalled with no real prospect of moving them forward in partnership between local/regional and central government. In addition the prospect of attracting additional funds from Europe is extremely constrained due to the lack of available match funding.

The allocation of a relatively modest sum for regional transport priorities to the RTPs would make a significant improvement to this situation. For the SEStran area an allocation of £10 to £15m a year would make a significant difference and would allow progress to be made on projects such as Edinburgh Outer Orbital Bus Rapid Transit, Levenmouth Rail, Cross Forth Ferry/Hovercraft, Park and Ride north and south of the Forth including Halbeath, Rosyth and Lothianburn and implementation of the A801 M8/M9 Link Road in partnership with Transport Scotland. In addition projects designed to reduce car traffic, increase use of public transport and remove freight traffic from the roads like RTPI, cycling investment, short sea shipping could be progressed to contribute to the emissions targets.

The headline figure for Motorways and Trunk Roads shows a real terms increase of £33.8m from 2009-10 to 2010-11 at 2009-10 prices. At a time when budgets are under extreme pressure it is hard to see why investment in road based transport, the major contributor to greenhouse emissions should increase. A minor re-adjustment in this budget could create the headroom to deliver on regional projects through the RTPs. If this is accepted, it is important that funding be through the RTPs to avoid the danger of funding being diverted to other non transport local priorities.

Future budgetary constraints will present a major challenge for Government. The lack of borrowing powers represents a major restriction of flexibility and the proposal to allow the Scottish Government to borrow as was included in the Calman Commission report is supported.

SUMMARY

The main points I wish to make to the Committee are as follows:-

- The Government faces a difficult task in producing its budget for 2010-11
- The budget for Transport Strategy and Innovation is proposed to be cut by 23%. A cut of this magnitude in the RTP support from Government would cause major problems.
- Local government budgets will continue to be under pressure.
- Local authorities in the SEStran area are spending only 42% of the historical level on regional transport projects
- SEStran has attracted additional funding from Europe but its ability to do this is constrained by lack of match funding.
- The general investment profile of Government is supported especially to assist with meeting the ambitious greenhouse gas emission targets.
- A modest adjustment to the Trunk Road and Motorway budget would permit investment in regional priorities through the RTPs.

Alex Macaulay
SEStran Partnership Director
21st October 2009