Cabinet Secretary for Transport Rùnaire a' Chaibineit airson Còmhdhail Fiona Hyslop MSP/BPA



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Our Reference: 202400399536 Your Reference: Councillor Anne Stirling, Aberdeen City Region Deal Chairperson

10 April 2024

Dear Councillor Stirling,

Thank you for your letter of 14th February 2024 to Mairi McAllan in her former capacity of Cabinet Secretary for Transport, Net Zero and Just Transition regarding the Aberdeen to Central belt enhancement project. I am responding in my capacity of Cabinet Secretary for Transport. Please accept my apologies for the delay in replying to you.

As you note in your letter, further to Ms McAllan's appearance at the evidence session with the Net Zero, Energy and Transport Committee, the budget allocation for financial year 2024-25 in December 2023 has meant that we are having to review our plans for the delivery of projects in our portfolio.

Consistent with the works successfully completed to date on this programme, we remain committed to delivering the Aberdeen – Central Belt Rail Enhancement scheme. However, given the extremely challenging financial climate, and following a worst case scenario UK Autumn Statement in which UK Ministers prioritised tax cuts over public spending, we have had to take difficult decisions in setting the budget 2024-25. Due to the UK Government's failure to inflation-proof capital budgets, our capital spending power is due to contract by almost 10% in real terms over 5 years.

As Ms McAllan outlined, when budgets are constrained, it is only right to consider the time over which projects can be completed. I have asked that a review is undertaken and I will ensure that an update is provided to Parliament in due course.

We are also looking to align the planned infrastructure enhancements to improve journey times with the

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plans for the signalling renewals on the route and also the electrification of the route. This will enable the deployment of cleaner, greener and more attractive rolling stock, and will more efficiently deliver the overall programme of works, reducing disruption to passengers who use this key route.

We undertake to advise all interested parties, and the Stakeholder Group (including NesTrans) with relevant updates, when appropriate.

The Scottish Government continues to develop a joint business case for upgrade works on the Aberdeen to Central Belt rail corridor, examining both the Enhancement project and the case for decarbonisation including how this can best be achieved. This will be considered in in the coming months and within the context of the present and anticipated future funding available for rail enhancements. Achieving rail decarbonisation across Scotland remains a key term target for Scottish Government.

I can confirm that the Scottish Government remains committed to the A90/A937 Laurencekirk Junction Improvement scheme as part of a package of additional investment alongside the Aberdeen City Region Deal.

It is important to note that the real terms decrease in the capital grant allocation Scotland has received from UK Government and the ongoing impact of high inflation and the current cost of living crisis places significant additional pressure on our capital programme. The Scottish Government is prioritising programmes of work which have the greatest impact on the delivery of our three core missions of equality, opportunity and community. Transport Scotland is in the process of considering how the current funding constraints may impact the future delivery of the A90/A937 Laurencekirk Junction Improvement Scheme.

Transport Scotland and its technical advisors continue to take forward work on the scheme to further progress the required statutory processes. Following ongoing constructive dialogue with Aberdeenshire Council, we are pleased to welcome the Council's formal withdrawal of its technical objection to the scheme. Two objections from directly affected landowners remain outstanding and Transport Scotland continues to work with these objectors to try and resolve concerns where possible. Should Transport Scotland be unsuccessful in removing all objections, a public local inquiry may be required. As with all trunk road projects, this is the appropriate forum for considering objections received and not withdrawn. The statutory right for individuals to have their say on our proposals cannot be set aside.

Delivery of the scheme itself can only commence if it is approved under the relevant statutory procedures, at which point a timetable for its progress can be set in accordance with the availability of funding.

Thank you for extending an invite to discuss the project. Unfortunately, due to diary commitments and Parliamentary business, I am unable to meet at this time.

Please be assured that we remain firmly committed to infrastructure investment as a key factor in securing economic growth and high-quality public infrastructure across Scotland, including spending over £1.6 billion in 2024-25 to operate, maintain and improve Scotland's railway.

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Yours sincerely

Fin Dyly

FIONA HYSLOP Cabinet Secretary for Transport

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