

## Scottish Parliament

Wednesday 13 January 2010

[THE PRESIDING OFFICER *opened the meeting at 14:30*]

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### **Aberdeen Western Peripheral Route**

**The Presiding Officer (Alex Fergusson):** The next item of business is a statement by John Swinney on the Aberdeen western peripheral route. The cabinet secretary will take questions at the end of his statement, so there should be no interruptions or interventions during it.

14:35

**The Cabinet Secretary for Finance and Sustainable Growth (John Swinney):** On 21 December I announced my decision to authorise the construction of the Aberdeen western peripheral route. That was a particularly important decision, not just for the benefits that the road will bring to the communities in the north-east of Scotland, but because it takes us another step closer to our aim of completing the strategic road network for the country to an appropriate standard. The lack of a bypass for Aberdeen has been an obvious gap in that network for a long time. I am therefore pleased that we can now move forward with a scheme that will achieve its regional objectives while at the same time allowing us to consolidate the core strategic road network.

The Government is already committing significant funding to major projects, along with the AWPR, such as the M74 extension and the M80 upgrade, and I will announce a decision on improvements to the M8 in due course. That means that we will soon be in a position in which we will mainly upgrade and improve existing roads rather than build new ones—an approach that will fit well with our wider transport policy and environmental objectives.

The AWPR has been a complex scheme and there has been a wide range of issues to consider. There has been significant public interest in the route, with clear arguments on both sides. All statutory orders were published for the scheme, together with a comprehensive environmental statement. More than 9,000 objections were received, of which 179 were from statutory objectors. The objections have been analysed and responded to on an individual basis.

Because of the maintained objections, a public local inquiry was necessary. The Scottish ministers, having taken a policy decision to construct a special road to the west of Aberdeen, and in doing so having accepted the need in principle for the road, asked the inquiry reporters to advise them on the technical aspects of the route choice, including the published environmental statement and comments expressed thereon, and not on the justification for

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the principle of the special road scheme in economic, policy or strategy terms.

The inquiry allowed the reasons for the route choice and the design to be fully and properly debated. The affirmative order procedure in the Transport and Works (Scotland) Act 2007 has been assumed to apply to the Aberdeen western peripheral route and a direction to that effect has been issued. The procedure requires that the made orders, which are statutory instruments, cannot come into force unless the Parliament, by resolution, approves them.

Having given careful consideration to the issues and arguments, I agree with the reporters' findings and reasoning and with their recommendation to proceed with the scheme. In arriving at that decision, I took account of six issues that the reporters highlighted as requiring further consideration. Those matters, which were raised by objectors, were: the restricted nature of the inquiry, and whether the scheme is to be treated as a national development by virtue of sections 143 and 143A of the Roads (Scotland) Act 1984; the requirements of the European Union habitats directive and the Conservation (Natural Habitats &c) Regulations 1994, with respect to the River Dee special area of conservation and European protected species; the requirements of the Wildlife and Countryside Act 1981, with respect to national protected species; the Human Rights Act 1998; the Aarhus convention; and junction capacities in the Stonehaven and Charleston areas.

On the first point, I am satisfied that the remit of the inquiry was appropriate. The need for the scheme was well established in principle and justified in policy and strategy terms, and the processes involved were fully open and transparent.

Secondly, I am satisfied that the issues regarding the European Union habitats directive have been addressed by the undertaking of an appropriate assessment that has been endorsed by Scottish Natural Heritage.

Thirdly, on compliance with the Wildlife and Countryside Act 1981 and the requirement that an appropriate obligation be placed on the promoter—in this case, the Scottish ministers—to ensure that the necessary legislative arrangements are in place to address the issue, I consider that the details of the decision letter provide the necessary conditions for ensuring that arrangements can be put in place to protect affected wildlife.

Fourthly, I am satisfied that the compulsory acquisition of land and properties is justified and that a fair balance has been struck between the rights of the individual and the wider public benefits that are provided by the scheme.

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Fifthly, I have concluded that, in view of the considerable information that has been provided over a number of years to local residents and other interested parties, involving public consultations and meetings and the availability of documentation, the requirements of the Aarhus convention relating to public involvement in decision making have been met.

Finally, I am satisfied that the traffic modelling approach and growth forecasts that were adopted in designing the scheme were reasonable and appropriate.

With regard to the benefits and justification for the scheme, the AWPR is one of the most important projects in the current trunk roads programme. It incorporates a bypass of the city from Charleston to Blackdog and a fastlink dual carriageway to Stonehaven.

The AWPR project is not simply about building a road. It emerged from a major study into the provision of a modern transport system for Aberdeen that was carried out by the former Grampian Regional Council and the north east of Scotland transport partnership and is supported by the current regional transport strategy. The RTS includes investment in park and ride, rail, bus priority measures and commuter plans. This comprehensive solution to the transport needs of the north-east will deliver considerable benefits in and around Aberdeen. Within that, the AWPR will act both as a bypass for strategic traffic that does not need to access the city centre and as a local distributor providing access to key areas in the conurbation.

The AWPR will provide substantial benefits across the whole of the north-east of Scotland. It will provide a boost to the economy; increase business and tourism opportunities; remove traffic from unsuitable roads; and improve safety. It will also increase opportunities for improvements in public transport facilities; cut congestion and pollution in Aberdeen city centre; and, through the fastlink, address future congestion on the A90 south of Aberdeen.

It is estimated that the AWPR will generate total additional income in the north-east Scotland area of more than £6.33 billion and employment of 14,220 over the 30-year assessment period. In terms of tourism, it is estimated that there will be a 5 per cent increase in sales and a 2.5 per cent reduction in costs five years after the scheme's completion. It is estimated that, over the same timescale, there will be a reduction in costs of greater than 3 per cent in the haulage and distribution sector. In addition, it is estimated that the AWPR will reduce costs in the oil and gas sector by 2 per cent.

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It is estimated that, in the year of opening, there will be a net reduction of 83 accidents with the new road in place. The AWPR will also provide better links to existing and proposed park-and-ride facilities, reducing the need for commuter traffic to cross the main conurbation. The space that will be freed up on North Anderson Drive and connecting roads will be available for use by public transport. Although that is a matter for the local authority, the AWPR will be the catalyst.

The journey across the urban area can take an average of one hour at peak periods. It is expected that the AWPR will reduce that by up to half, with traffic levels at Haudagain roundabout and Bridge of Dee cut by up to 20 per cent. All of that is good news for traffic that needs to cross the urban area from the north to the south. Access to the city centre will be greatly improved for residents, shoppers, freight and businesses.

The necessary timescale arrangements are under way to allow the procurement process to commence. The plan is to seek suitably qualified contractors in 2010-11, subject to the completion of the necessary statutory procedures. Assuming that parliamentary approval is given, we will need to review the remaining stages of the project to produce a definitive timetable. My expectation is that construction will start in 2011. The orders will be made tomorrow, 14 January, and laid before Parliament on Monday, 18 January.

Approximately £91 million has been spent so far, and the current estimated cost of the preferred route is between £295 million and £395 million at outturn cost in 2012. That is based on the risks that are currently identified, but we will continue to monitor the position in the light of prevailing tender prices for roads contracts. The cost estimate will be reviewed and updated prior to the commencement of the procurement process. It would not be prudent to re-estimate project costs until the statutory procedures are complete, as the configuration of the road cannot be presumed until then. The final costs will not be known until tenders have been returned and the contract has been completed.

The preferred route demonstrates a very high level of economic justification. It has a high benefit to cost ratio—the benefit being more than four times the cost of building the route.

The Scottish Government is meeting the largest share of the costs, contributing 81 per cent of the total cost of the northern leg and southern leg sections of the project. Aberdeen City Council and Aberdeenshire Council are each contributing 9.5 per cent. The cost and maintenance of the fastlink scheme will be met wholly by the Scottish Government.

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The AWPR will be considered for procurement through the non-profit-distributing model, and financial advisers will be appointed shortly to take the procurement process forward.

As I said earlier, the promoters, Transport Scotland, are now finalising the draft Scottish statutory instruments, which will be laid in Parliament during the week beginning 18 January. The instruments will require affirmative resolution to become effective.

I regard this major road scheme to be a significant addition to our strategic road network, with particular benefits to the north-east of Scotland, and it will allow us to bring the country's road infrastructure closer to completion.

**The Presiding Officer:** The cabinet secretary will now take questions on his statement. We have 20 minutes and not one second longer, after which I must move on. Timing is very tight today, so please keep questions and answers brief.

**Charlie Gordon (Glasgow Cathcart) (Lab):** I thank the cabinet secretary for the advance copy of his statement. We support the project, the principles of which were first proposed by a Labour-led Scottish Government some seven years ago.

Given that the two local authorities are committed to funding 19 per cent of the costs of the northern and southern legs, and given the cabinet secretary's commitment to a review of cost estimates, which are likely to be well in excess of £400 million, does that 19 per cent contribution apply to outturn costs? Given that no procurement method is yet in place, and that two other major projects that were also supported by the previous Scottish Government, the Edinburgh airport rail link and the Glasgow airport rail link, have since been cancelled by the cabinet secretary, is he serious about letting the main road works contracts for the Aberdeen western peripheral route during this session, or is the statement window dressing for the future United Kingdom and Scottish parliamentary elections?

**John Swinney:** The local authorities will pay the appropriate share of the costs of the project according to the total cost arrangements that are in place. The councils will pay the share that I outlined in relation to the northern and southern legs of the project. That could not be clearer.

On Mr Gordon's second point, about the procurement process, I said in my statement that the project would be procured using the NPD model. That procurement process is now ready for commencement, and the appropriate decisions will be taken once the project is completed. Obviously, we want to move ahead with the project as quickly as we possibly can, and the Government will take every step to ensure that that is the case.

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**Alex Johnstone (North East Scotland) (Con):** I welcome today's statement and I say, together with the whole of the north-east, "Not before time."

In considering how the project will be achieved, can the cabinet secretary give some guarantee that the timescale that he has put in place will be kept to? This project, like many others, has been burdened with huge delays. Can he guarantee that the projected costs will quickly be brought to an actual figure? Significant concern has already been expressed by Labour that the eventual figure will be significantly greater than the top of the range that has been stated.

Can the cabinet secretary give me a definitive statement about what was taken into account in consideration of alternative junction structures, particularly at the Stonehaven junction? Were only traffic modelling and growth forecasts taken into account, or were development issues in the area also considered? Given the significant costs that will accrue to the local authority, it is important that we do not undermine the opportunity there.

**John Swinney:** On Mr Johnstone's first point, all I can say is that the Government has to go through due process in taking forward such a scheme. There were 9,000 objections to the scheme, including 179 statutory objections that were not withdrawn. We had to have a public local inquiry to examine all the issues. No one wants to make more progress on the matter than I do, but we have to allow due process to be undertaken, or the Government will not fulfil its obligations under the law.

On the timescale, as I set out in my statement, we expect construction to start in 2011. That is ministers' priority. I also said in my statement that final costs will not be known until tenders are returned and the contract completed. Obviously, we are working to maximise value for the public purse and to ensure that the project is consistent with that objective.

Mr Johnstone's final point was on the Stonehaven junction. I assure him that the reporter fully assessed the issues in that regard. The decision on any development interest is predominantly for Aberdeenshire Council to take, in the normal manner of planning applications. As I said, the reporter fully examined the issues with regard to junction capacity at Stonehaven.

**Mike Rumbles (West Aberdeenshire and Kincardine) (LD):** I thank the minister for giving the Parliament information that was, of course, given to the press on 21 December.

We still do not know how this vital north-east project will be paid for. Does the minister understand that it is surely not right for him to say in his statement that he is still considering how to fund it? The shire and city councils are expected

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to pay for 19 per cent of the scheme, during an enforced council tax freeze. How are they supposed to do that? Is it not true that this Government does not have the money and that it is leaving the funding and commencement of the project to the next Administration, after 2011?

The AWPR was never a standalone project; it was always supposed to be part of an integrated transport system for the north-east. The Government has dropped Aberdeen crossrail, which would have provided commuter trains every 15 minutes. Where are the park-and-ride facilities that were supposed to be planned for the AWPR?

My final question is specific to my constituency. Why did the Government ignore plans for an alternative junction at Stonehaven—an option that would save the taxpayer some £5 million in compensation? The Government's plans mean that a supermarket cannot be built where the community wants it to be built. Contrary to what the minister said, the decision is not for Aberdeenshire Council; the council has already made the decision—

**The Presiding Officer:** I must hurry you, Mr Rumbles.

**Mike Rumbles:** The taxpayer is out of pocket by £5 million on the junction.

**John Swinney:** Mr Rumbles's contributions never cease to amaze me. At least Mr Johnstone had the good grace to say that he welcomed the decision as being of benefit to the north-east of Scotland. There was not a word of encouragement, motivation or—

**Members:** Thanks?

**John Swinney:** I would not expect thanks from Mr Rumbles—that would be asking far too much. Perhaps someone of a more charitable disposition on the Liberal-Democrat benches might have recognised and welcomed that we are making significant progress and that we took the decision after a prolonged PLI.

I said that the project will go forward through the non-profit distributing model. That is the procurement method that the Government has chosen.

I turn to Mr Rumbles's point on the supermarket and the junction design at Stonehaven. As I explained to Mr Johnstone, the reporter considered fully the issues in relation to the design and layout of the junction, and I have satisfied myself that the reporter's assessment is the appropriate assessment of all the issues.

**The Presiding Officer:** We come to open questions. I repeat that we have no time to play with; members should keep it brief.

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**Brian Adam (Aberdeen North) (SNP):** I very much welcome the decision that the cabinet secretary made before Christmas, as I welcome today's statement.

The AWPR is one of two projects to improve access from the north of Aberdeen. In the interests of economy and efficiency, will the cabinet secretary consider adding the Haudagain roundabout scheme to the package when it goes to procurement?

**John Swinney:** I will certainly give consideration to the point that Mr Adam raises. As the Government has made clear, it has assumed responsibility for the improvements to Haudagain roundabout and has given clear assurances on how that development will be taken forward. I will consider the point as part of the procurement process.

**Lewis Macdonald (Aberdeen Central) (Lab):** The cabinet secretary said that he intends to deliver the project through the non-profit distributing model. He has been clearer on that in answer to questions than he was in his statement. He also said that he expects that the Scottish Government will bear the cost of maintaining the scheme. How will he achieve that? Will there be two separate contracts—one for construction and one for maintenance—rather than the cost of maintenance being met from the annual payments that are made to the main contractor, as would normally be the case with a non-profit distributing model? What work has been done to establish whether private sector partners are willing to fund a scheme of the size of the AWPR on such a model?

**John Swinney:** Mr Macdonald raises a specific point about the mechanism of the contract structure. That will be considered properly as part of the procurement process.

On private sector interest, I assure him that there is significant private sector appetite to be involved in other NPD-model projects that have gone to procurement, and I expect that to be the case on the Aberdeen western peripheral route into the bargain.

**Nanette Milne (North East Scotland) (Con):** I, too, am delighted with the announcement about the road, having been involved in trying to get it for more than 20 years. Does the cabinet secretary have any idea when in 2011 work is to start on it? Does he have any idea whether the north leg or the south leg will be commenced first? Can he give any indication as to when traffic will first be able to use the road?

**John Swinney:** All those points will be addressed by the design approach that the preferred contractor takes. As I said in my statement, I expect construction to start in 2011.

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That timescale is a welcome way of moving ahead timeously with the project now that we have addressed the issues that were raised in the public local inquiry. The priority is now to ensure that we have a construction approach that delivers the project efficiently and timeously as a consequence of construction starting in 2011.

**Jim Tolson (Dunfermline West) (LD):** Since the cabinet secretary's announcement on 21 December 2009, can he tell me what specific discussions he has had with Aberdeen City Council and Aberdeenshire Council in regard to the AWPR and, specifically, how they are to pay their 19 per cent share of the funding of the AWPR from their frozen council tax budgets?

**John Swinney:** Mr Tolson never surprises me in the way he manages to torment the English language.

Aberdeenshire Council and Aberdeen City Council have both had increases in their budgets under this Administration. In fact, both have had increases higher than the average Scottish local authority budget increase. I have been criticised for that in other parts of the country, but that is the outcome that the funding formula delivered. The Government has fully funded the council tax freeze on every occasion.

I have regular dialogue with the councils but I have not discussed with them the issue that Mr Tolson raises. I most recently met Aberdeenshire Council in December. I would be happy to have discussions with both councils, as I do regularly. If any issues about the contribution that they are expected to make and have agreed to make to the project require to be clarified, they can be clarified. Officials from Transport Scotland are in frequent dialogue with their counterparts in Aberdeen City Council and Aberdeenshire Council.

**Maureen Watt (North East Scotland) (SNP):** Like many people in the north-east, I am delighted that the AWPR is set to proceed and look forward to the economic benefits that it will bring to the region. Like Nanette Milne, in 1996 I thought that we had a done-and-dusted route at a cost three to four times lower than the current estimate.

**The Presiding Officer:** Ask a question, please.

**Maureen Watt:** Given that the current economic downturn has affected the construction industry and that plant hire costs are now much lower, does the cabinet



secretary believe that the AWPR may benefit from reduced costs, potentially saving the public purse money?

**John Swinney:** As Maureen Watt correctly says, the AWPR will have significant economic benefits. As I indicated to Mr Johnstone, the Government will look to secure maximum value from the procurement process to ensure that we

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deliver the road at the lowest possible cost to the taxpayer. Securing that value will be at the heart of the procurement process.

**Richard Baker (North East Scotland) (Lab):** Much-needed action to tackle congestion at the Haudagain roundabout in Aberdeen has been linked by the Government to the completion of the peripheral route. How long after the peripheral route has been completed will work begin at the Haudagain? Will it be as soon as the route is finished, which was the previous commitment? Will it be by 2012?

**John Swinney:** As Mr Baker knows, the Government has made very clear its commitment to take forward the improvements at Haudagain roundabout. It is common sense to link that directly to the approach to the AWPR. We have said that we can start improvements at Haudagain once the proposal is approved by Parliament, which of course has still to happen. We will start the improvements immediately on completion of the AWPR. Obviously, we will deliver the improvements as speedily and efficiently as we can. The Government has given a commitment that the road will be handed over with the improvements to Haudagain roundabout paid for by central Government, which I think provides the necessary reassurance to members of the public and interested parties on this important question.

**Patrick Harvie (Glasgow) (Green):** I thank the cabinet secretary for what may turn out to be the Government's opening statement in a judicial review of the project. How can he seriously expect any of us to take with any credibility a cost benefit ratio when he has openly admitted in the chamber that he does not know what the final cost will be either to Scotland or to local communities paying their council tax, and when he has made no mention of the carbon cost or the opportunity cost of money that could be spent on public transport? When are we going to see a transport policy that bears the slightest relation to climate change targets or to real people's needs?

**John Swinney:** Mr Harvie and I consider these points frequently and I know that he has deeply held views on projects such as the AWPR. I will say two things to him on this question, the first of which is a point that I made in my statement: the Government wants to complete the road network so that in future we are in the position of maintaining an existing road infrastructure rather than developing a new one. Secondly, the Government is taking forward a number of interventions that are essentially designed to support the development of public transport, including improvement of the rail line to Aberdeen and the rail connections from Aberdeen to Inverness, and a number of other developments around the country where we are working

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constructively to improve public transport opportunities for members of the public. That is the balance that the Government is trying to strike. I appreciate that Mr Harvie has strongly held views about whether that balance is correct. The Government believes that it is, and we will continue to work to effect that in the priorities that we take forward.

**The Presiding Officer:** There are two more questions, and we have a minute and a half to get both in with their answers.

**Nigel Don (North East Scotland) (SNP):** I welcome the AWPR on behalf of the citizens of Aberdeen. I wonder whether I heard the cabinet secretary aright. As I understand it, he suggested that scheduling would depend on what the contractor wanted to do. Will there be input from us and others locally? It seems to me that the ring road should be well ahead of the fastlink, and the faster we can get the bridges into use, the better.

**John Swinney:** There are obviously a series of issues involved in the operational priorities for taking forward the contract. There will, of course, be a significant amount of consultation on many of those questions.

**Nicol Stephen (Aberdeen South) (LD):** I thank the minister for his statement. I will ask a question on behalf of my constituents Bob and Roseanne Baxter, who live at 250A North Deeside Road, Milltimber. Their property is required for the route that has now been confirmed by the cabinet secretary. However, they were told back in 2008 that Transport Scotland would not proceed with the compulsory purchase of their property until a decision had been taken. I do not understand why that occurred, because, as the minister well knows, several properties, including the International school of Aberdeen have not only been acquired but, in the case of the school—

**The Presiding Officer:** I must hurry you.

**Nicol Stephen:**—been substantially rebuilt in a different location. Will the minister confirm that he will proceed with the compulsory purchase of the property, as is stated in the report, and will he do it on a timescale that conveys a similar urgency as is conveyed by the timescale on which he is laying the orders before Parliament—in other words, immediately and, certainly, as quickly as possible—

**The Presiding Officer:** Thank you, Mr Stephen; I cannot allow you any more time.

**John Swinney:** Nicol Stephen will appreciate that I will reserve my right to write to him about that question. I hear the point that he has made on behalf of his constituents. I will ensure that that issue is addressed timeously and will respond to him in writing as soon as I can.