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Report to Partnership Meeting 13 November 2020

CONSULTATION

Draft Infrastructure Investment Plan for Scotland 2021/22- 2025/26

Purpose of Report

To introduce a summary of the Draft Infrastructure Investment Plan for Scotland and invite members to consider the public consultation questions relating to the report so as to inform the preparation of a HITRANS response.

Background

To support delivery of the National Infrastructure Mission, Scottish Ministers established an independent Infrastructure Commission for Scotland. The Commission started work in 2019 and has reported its findings in two phases: Phase 1 recommendations on the right ambition, vision and strategic priorities, published in January 2020; and Phase 2 advice on how infrastructure is delivered.

The Infrastructure Investment Plan (IIP) outlines that its focus is on adopting and building on the recommendations of the Commission in its Phase 1 report by setting out the Government's long term vision for Scottish infrastructure, how it will choose future investments, and sets out a 5 year programme of further improvements for their approach. A copy of the full report can be found on the Scottish Government website at the following link <https://bit.ly/3latmtU>

Draft Infrastructure Investment Plan for Scotland 2021/22- 2025/26

The vision for the Infrastructure Investment Plan is that 'Our Infrastructure supports Scotland's resilience and enables inclusive, net zero, and sustainable growth'

In delivering this vision, the draft Infrastructure Investment Plan states that its focus is on three core strategic themes for guiding investment decisions in Scotland:

- Enabling the transition to net zero emissions and environmental sustainability
- Driving inclusive economic growth
- Building resilient and sustainable places

The Plan highlights that it is closely linked to the development of the next National Planning Framework – which will support delivery of this Plan by shaping the geographic distribution of development and infrastructure – and the Climate Change Plan, which will be updated later this year to incorporate green recovery proposals.

It states that our Infrastructure supports Scotland's resilience and enables inclusive, net zero, and sustainable growth. The draft Plan highlights those investments the Scottish Government delivers itself or through its own agencies and non-departmental public bodies. It does not cover investments by the UK Government or the private sector, nor by Councils, recognising their independence. Some of the proposed key investments include investment in:

- Over £500 million over 5 years in active travel, the large majority of which will be for active travel infrastructure including reallocating road space in favour of walking, wheeling and cycling, encouraging active travel for shorter every day journeys.
- £495 million towards the Programme for Government commitment to invest over £500 million in improved bus priority infrastructure to tackle the impacts of congestion on bus services, making journey times shorter and services more reliable, encouraging people to leave their cars at home and to take the bus.
- Continue our investment to support public sector fleet alternatives to petrol and diesel vehicles.
- Invest over £3.8 billion in the operation, maintenance and sustainable renewal of a high performing rail network for passengers and freight
- Progress the rail decarbonisation action plan
- Doubling investment in bridge and roads maintenance: a programme of around £1.5 billion over 5 years to boost structural repairs and strengthen the network, improve road safety, deliver a range of improvements to our ITS infrastructure, and enhance key links such as the Tarbet to Inverarnan A82 section.
- Delivering significantly improved rail services and accessibility to stations between East Kilbride and Glasgow, and Aberdeen to Central Belt, to meet growing demand, drive more usage and decarbonise rail passenger and freight services.
- Delivering phased dualling of the A9 Perth to Inverness road.
- Continuing design and development work to dual the A96 in the period to 2026.
- Completing construction of the A77 Maybole Bypass and improvements to the A92/A96 Haudagain junction.
- Producing and maintaining a long-term plan and investment programme for new ferries and development at ports to improve resilience, reliability, capacity, and accessibility, increase standardisation, and reduce emissions to meet the needs of island communities, supported by investment of at least £580 million during the next 5 years.

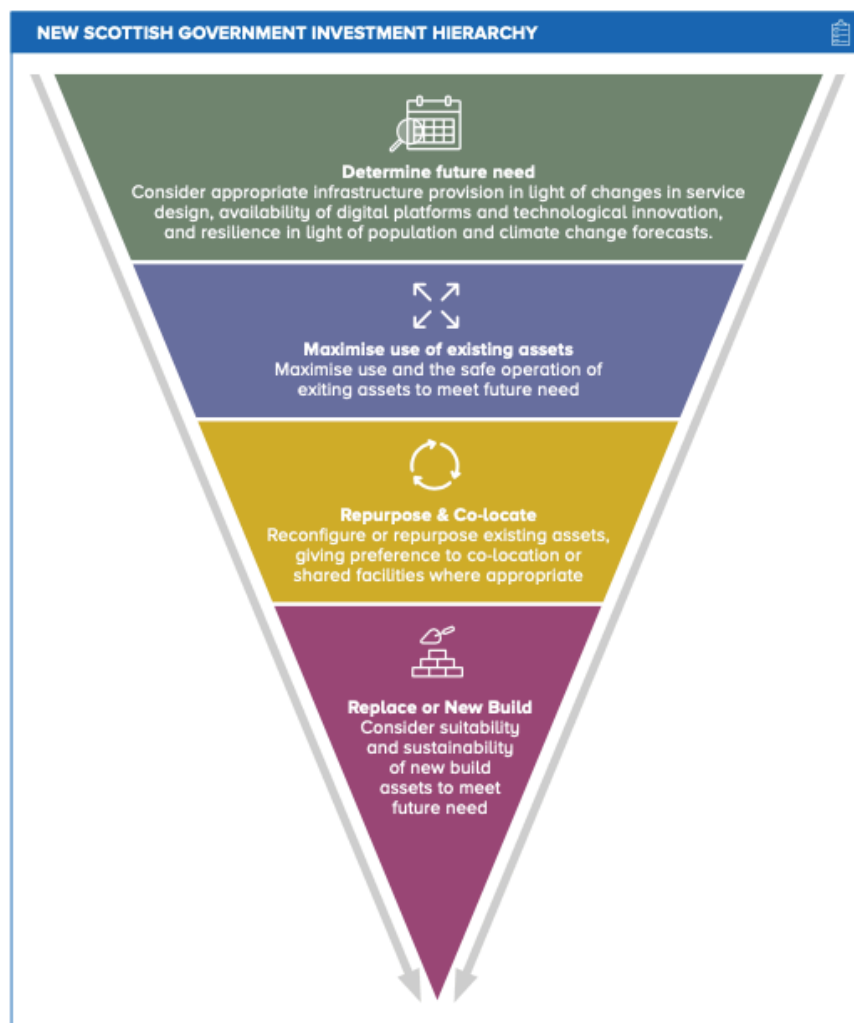
Under the theme Supporting long term and inclusive growth the following measures are outlined;

- Investing £525 million, aligned with local authority and UK Government funds, to deliver the next five years of £5 billion city region and regional growth deals.
- The Deals are supplemented by complementary and additional investment in key road sections and links: Sheriffhall junction with the A720 in Edinburgh; cross Tay link road; Laurencekirk junction with the A90, Longman junction with the A9/A82; and the A9/A96 Inshes to Smithton connection, as well as improvements to the rail network between Aberdeen and the Central belt.
- Deliver a range of economic, environmental and social measures for the benefit of rural Scotland through £100 million funding for the Scottish Rural Development Programme.
- Invest £30 million in delivering the National Islands Plan, supporting a range of areas, including tourism, infrastructure, innovation, energy transition and skills – informed by our learning of how island communities have responded and adapted to COVID-19. This will include specific ringfenced funding for capital projects on islands relating to net zero and green recovery objectives, creating high quality, skilled, green jobs in some of our most remote and vulnerable communities.

A New Common Investment Hierarchy

The Scottish Government has also accepted the Infrastructure Commission recommendation to develop an 'investment hierarchy' which prioritises enhancing and maintaining our existing assets over new build. It proposes a new Scottish Government-wide common hierarchy to aid planning and decision-making.

If adopted, the hierarchy would mean that each step would need to be considered, in turn, before deciding the right new approach. For example, something new might only be built if there is still a demonstrable service need for a facility, and an existing asset can't be re-purposed. This would mean that a higher proportion of investment is likely to be directed towards the initial steps in the hierarchy than in previous years. As part of that, the Government is committing to address backlogs by working towards doubling investment in maintenance and asset enhancement over the next 5 years.



Responding to Covid-19 & Long Term Trends

The Draft IIP also has a chapter outlining the challenges posed in responding to Covid-19 but also to other long term trends including climate change, technological development and demographic change.

Consultation Questions

Chapter four of the Draft IIP outlines four questions on which public feedback is invited.

1. The inclusion of natural infrastructure in our definition

Our natural environment can play an important role in our infrastructure system and generate benefits to the economy and society – as well as help to tackle climate change and other challenges such as biodiversity loss and poor air quality.

The Government would like to revise its infrastructure definition to include references to natural infrastructure, and offers proposes the following changes (shown in green):

2. How we should prioritise – a common investment hierarchy

The Scottish Government has accepted the Commission’s suggestion to develop an ‘investment hierarchy’ which prioritises maintaining and enhancing existing assets over new build. On pages 22-23 we propose a new common hierarchy, to aid planning and decision-making and drive future investment choices.

In practice, this means that the following steps would need to be considered, in turn, before deciding the right investment plans.

1. Determine future need.
2. Maximise use of existing assets.
3. Repurpose & Co-locate.
4. Replace or New Build.

For example, something new might only be built if there is still a demonstrable service need for a facility, and an existing asset cannot be re-purposed. In future, this will mean that a higher proportion of investment and resource is likely to be directed towards the initial steps in the hierarchy than in previous years.

2a) Do you agree that the steps proposed in the common investment hierarchy are the right ones? Yes /No/ Unsure

2b) If you think any adjustments are needed to the proposed investment hierarchy, please provide suggested changes (and evidence, where appropriate) to support your answers:

“The physical and technical facilities, **natural** and other fundamental systems necessary for the economy to function and to enable, sustain or enhance societal living conditions.

These include the networks, connections and storage relating to the enabling infrastructure of transport, energy, water, telecoms, digital and internet, to permit the ready movement of people, goods and services.

They include the built environment of housing; public infrastructure such as education, health, justice and cultural facilities; safety enhancement such as waste management or flood prevention; **natural assets and networks**; and public services such as emergency services and resilience.”

These proposed changes will help ensure investment in natural infrastructure can be considered and prioritised equally, alongside other areas, and that progress on our plans to boost natural

infrastructure will be equally transparent and can be scrutinised on a consistent basis by Parliament.

**1a) Do you support the inclusion of natural infrastructure in our definition of infrastructure?
Yes /No/ Unsure**

**1b) Do you agree with the wording proposed for the revised definition?
Yes/ No/ Unsure**

1c) If you do not agree, please provide your suggested changes and additional material to support your answers [200 word limit]:

3. How we best assess the impact of proposed infrastructure

The Infrastructure Commission recommended a new assessment framework is developed, in advance of the next Infrastructure Investment Plan, to inform decisions about future infrastructure investment so that it best achieves desired outcomes.

On page 24 we have set out the challenges in comparing the potential benefits of different types of infrastructure. It is not easy to compare investment in a school, hospital, or new digital public service, for example, because they may all deliver positive outcomes but not necessarily using comparable evidence or over the same timeframe.

We are considering how best to develop our new approach and welcome views about the best way forward. This is likely to take the form of a suite or 'dashboard' of indicators, as shown in the diagram on page 25, to allow for a range of factors to be taken into account in any assessment, balancing potential trade-offs. This approach would be consistent with the National Performance Framework. Responses to questions in this section will inform our work to develop a common assessment framework.

3a) Do you agree that a dashboard of indicators is the best approach to enable informed decisions to be taken about the long-term trade-offs and choices in our infrastructure investments? Please provide the reasons for your response.

3b) What outcomes (and/or indicators) do you think should be included in developing a common assessment framework for prioritising infrastructure investment?

In your response you may wish to consider how any of the suggested factors might:
■ link to the three themes of the Infrastructure

Investment Plan (enabling net zero emissions and environmental sustainability; driving inclusive economic growth; and building resilient and sustainable places); and

■ help address inequality, including for protected characteristic groups, and socioeconomic disadvantage.

3c) Are there existing tools or methodologies you are aware of which you think the Scottish Government could draw on or adopt in developing its framework? You may wish to draw on examples from other countries in your response.

4. How we assess the greenhouse gas emissions impact of future Plans

The Scottish Government has used broad categories of low, neutral and high carbon (known as a taxonomy approach) to explain the climate impact of its infrastructure investment.

When considering the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, Parliament agreed that a new methodology should be developed to improve assessment of the contribution made by infrastructure investment to Scotland's emissions targets. We have undertaken some research to support this, it is published online at:

<https://www.climateexchange.org.uk/research/projects/greenhouse-gas-emissions-and-infrastructure-investment-decisions/>

The research concludes that a new approach will take time to develop, and we wish to ascertain views on the best way forward. The research presents four options that we should consider in developing a new approach, these are:

1. Updated taxonomy.
2. Absolute emissions.
3. Baseline and intervention.
4. Gap analysis.

A summary of the strengths and weaknesses is set out in Annex C and in the full report.

The Scottish Government is minded to explore further the use of Baseline and Intervention and Gap Analysis approaches which we believe will provide a more useful and meaningful assessment than the current taxonomy approach.

The development of the new approach using one of the methods (or a combination of them) is likely to be an iterative process and will require substantial work to establish the new framework and collect the necessary data. This is noted in the Infrastructure Investment Plan forward programme. We would like our measurement to be internationally comparable, practicable, and to give stakeholders useful information.

4a) Do you support the planned approach to developing a new approach to assessing the contribution made by infrastructure investment to Scotland's emissions targets?

Yes /No/ Unsure

4b) Please explain and support your response with evidence [500 word limit].

5. Strategic Environmental Assessment: Environmental Report

Strategic Environmental Assessment (SEA) is the assessment of the likely significant environmental effects that a public plan, programme or strategy will have on the environment if implemented. Where possible, it proposes how negative effects can be avoided or reduced and identifies opportunities for positive effects to be maximised. An Environmental Report has been published alongside the IIP.

5a) What are your views on the accuracy and scope of the environmental baseline set out in the Environmental Report?

Please give details of additional relevant sources alongside your response.

5b) What are your views on the predicted environmental effects of the IIP as set out in the Environmental Report?

5c) What are your views on the proposals for mitigating, enhancing and monitoring the environmental effects set out in the Environmental Report?

RISK REGISTER

RTS Delivery

Impact - Positive

Comment – The Infrastructure Investment Plan provides a strategic picture of the Scottish Government wide priorities across financial years 2021-22 to 2025-26. It therefore provides a vital opportunity to advance key RTS priorities.

Policy

Impact – Positive

Comment – The IIP will help shape infrastructure investment in the coming years and decades. This offers an opportunity to make a case for the infrastructure choices that can deliver a fairer Scotland where the Highlands and Islands performs as well as the Scottish average in terms of socio economic outcomes.

Financial

Impact – Positive

Comment - There is no direct financial impact on HITRANS. However, HITRANS are already actively working with partners to capitalise on the benefits presented by a number of the workstreams including those relating to Active Travel and Public transport.

Equality

Impact – Positive

Comment –

RECOMMENDATIONS

Members are invited to:

1. note the report
2. delegate the preparation of a response to the Key Findings Report on behalf of the Partnership to the Partnership Director and Chair.

Report by: Neil MacRae
Designation: Partnership Manager
Date: 9th November 2020