

Infrastructure Investment Plan - Interim Equality and Fairer Scotland Duty Statement

Context

In 2018, with a range of partners, the Scottish Government launched a new National Performance Framework¹. It set out an agreed purpose to focus on creating a more successful country with opportunities for all of Scotland to flourish through increased wellbeing, and sustainable and inclusive economic growth. Infrastructure investment is a key articulation of our priorities and paths towards achieving this purpose. To achieve that purpose it is vital that equality and human rights considerations are embedded from the outset of policy development.

One way of ensuring that our approach to infrastructure investment is informed by the needs of Scotland's diverse communities will be to ensure that the investments we make take fully into account the three needs of the general duty (known as the Public Sector Equality Duty (PSED)) as set out in the Equality Act 2010 and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.

Under this duty the Scottish Government has a duty to advance equality, eliminate discrimination and foster good community relations. We are also required by the Fairer Scotland Duty (which forms part of the Equality Act 2010) to actively consider ('pay due regard' to) how to reduce inequalities of outcome caused by socio-economic disadvantage and to consider alternative options to maximise the impact of our policies to meet this aim.

While steady progress is being made against a range of indicators in the National Performance Framework, we still need to do more to address the deep and long-standing structural causes of inequality, especially as COVID-19 has worsened a range of outcomes for groups facing structural disadvantage. COVID-19 has deepened existing economic, social and health inequalities and therefore there is an even more acute need for a coherent infrastructure investment plan that provides an opportunity to respond through supporting investments that deliver a long term boost to inclusive economic growth and societal wellbeing.

Tackling inequality and promoting equality both in terms of socio-economically disadvantaged people and places and in terms of protected characteristics², including sex, ethnicity, disability and age, needs to be a central focus of our investment in infrastructure. For this reason, the Scottish Government looks at our approach to investing in infrastructure through the lens of the Public Sector Equality Duty. Our overarching aim is to reduce inequality and advance equality of opportunity for all.

The draft Infrastructure Investment Plan

The Infrastructure Investment Plan (IIP) will contribute to tackling inequality both in terms of the strategic decisions that are made (where we spend our money) and in the principles that underlie the individual policies (how we spend our money).

¹ <https://nationalperformance.gov.scot/>

² age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

The IIP sets the strategic framework for the infrastructure investment the Scottish Government and its public bodies will make over the coming 5 years – from 2021-22. It also provides details of the major projects and programmes the Scottish Government plans to invest in. The delivery of individual projects and programmes is the responsibility of relevant Scottish Government portfolios and public bodies.

We have adopted a common, single vision for all our infrastructure investment choices:

“Our Infrastructure supports Scotland’s resilience and enables inclusive, net-zero, and sustainable growth”

Underpinning this vision are three supporting themes:

- **Enabling the transition to Net Zero Emissions and Environmental Sustainability**
- **Driving Inclusive Economic Growth**
- **Building Resilient and Sustainable Places**

These themes are not necessarily independent, and some investments deliver across more than one theme. It is envisaged that while investing towards a particular theme, there will likely be knock-on effects that result in positive outcomes against other themes. For example, investing in a project which contributes towards net zero emissions could then also improve opportunities and outcomes in the place in which that project is based and project investments will be taken forward with those aims at the forefront. The investment could also present an opportunity for new groups of people to benefit from working in the industry who may not have been previously represented.

Our approach to infrastructure must create opportunities for all, and seek to distribute the dividends of increased prosperity fairly. We will prioritise investments that deliver improved outcomes against more than one, and preferably all three, themes.

Where any negative impacts are identified, we will seek to mitigate/eliminate these. We are also mindful that the equality duty is not just about negating or mitigating negative impacts, as we also have a positive duty to promote equality.

The current COVID-19 recession is already impacting disproportionately on socio-economically disadvantaged people, as well as women, minority ethnic communities, disabled people and younger people, and coupled with withdrawal from the EU has the potential to reduce their economic participation and wellbeing. It is therefore critical that we harness the potential of infrastructure investment to protect the gains we have made, and that we test our plans to ensure that they work for everyone, in a way that is founded in fairness and dignity, and which ensures that equality is safeguarded. The responsibility for this will not rest solely with the Infrastructure Investment Plan but in the ways in which projects and programmes are delivered. By working with stakeholders and placing these values at the heart of our plans we can ensure that we protect the most ‘at risk’ groups; and that our response not only protects the progress we have made, but advances equality of opportunity.

Where we spend our money

The IIP is a strategic framework document. Its role is to provide a single vision and clear set of priorities to steer the selection of projects and programmes that we invest in so that they reflect the importance placed on delivering inclusivity and tackling inequalities, in order to maximise improvements to the quality of life of people facing most disadvantage.

Our focus will therefore be on ensuring that our investment in infrastructure prioritises projects and programmes that:

1. support progress towards our national outcomes – identified using the most relevant aspects of the National Performance Framework - and tackle inequality in outcomes between different groups;
2. are based on a sound understanding of the diversity of likely future community needs and how the places we live in and the way we live might change (informed by demographic, climate change and future technological projections and trends, as outlined in the draft IIP); and
3. are supported by decisions under a new common investment hierarchy described in the draft IIP which prioritises maintaining and enhancing existing assets.

Specifically, this will include investments that:

- **Enable the transition to Net Zero Emissions and Environmental Sustainability:** The effects of environmental and climate change do not affect people equally, and certain groups are more vulnerable than others. The ability of some people to adapt to climate change impacts is also variable with those from lower income groups or living in more deprived areas often facing the greatest challenge in being able to adapt, for instance to the increased flood risk likely to be a key impact of climate change in Scotland. Overall, the groups who are most likely to be directly or indirectly affected include older people, disabled people, those with existing health problems, rural, island or coastal communities, younger people and future generations, those on lower incomes, and people living in deprived areas including those in fuel poor households. Public infrastructure investment has a critical role to play in tackling the twin crises of climate change and biodiversity loss. We will increase spending on low carbon measures, climate resilience, and nature-based solutions.
- **Driving Inclusive Economic Growth:** We can boost productivity and competitiveness, and create good jobs and green jobs, by enhancing our transport and digital connectivity and capacity in all areas of Scotland, and by stimulating innovation. We will help improve lives across our urban, rural and island communities by embedding fairness and inclusion, seeking to ensure no-one is left behind.
- **Building Resilient and Sustainable Places:** There are strong links between poverty, equality and place, so place-based investments are key to addressing these issues in a joined-up and focused way. Delivering on our ambition for a fairer Scotland starts at the local community level. We will invest in our housing and

better local delivery of services. With our partners we will meet the diverse economic, social and environmental needs of urban, rural and island areas.

For example.

- By providing more responsive transport provision and boosting country-wide digital connectivity and capacity, we will help provide more flexible travel opportunities and enable more people to engage with the digital economy.
- Infrastructure investment in many sectors could help address the barriers that exist for some people in the labour market. For example, investment in new childcare facilities, affordable housing and good public transport links reduces the barriers for job seekers and working parents. Wider roll-out of flexible childcare opportunities may also make it easier for parents and carers, who at present are predominantly women, to participate and progress in the labour market.
- By providing more accessible homes we will give disabled people the security to participate fully in society and develop skills and careers, supported by transport systems which are accessible and social support systems which are robust. This will allow our economy to benefit fully from their skills and potential.
- By investing in education infrastructure and improving digital and transport connectivity between home and education facilities we may support reducing the attainment gap between more and less deprived areas, as well as supporting adults to access learning in order to re-enter the labour market or re-train when needed. This may in turn help to equip school leavers with the skills suitable for employment and progression, and enable workers to better navigate and prosper in a dynamic labour market.

In line with recommendations from the Infrastructure Commission for Scotland. we will develop a new, overarching assessment framework across all infrastructure types to support system-wide, long-term trade-offs and choices with a focus on the twin objectives of net zero emission and inclusive economic growth. This will take time to develop.

For this current draft Infrastructure Investment Plan, as recommended by the Infrastructure Commission for Scotland, we have used “the most appropriate methodology available” that prioritises, on a “no regrets” basis, the contribution to an inclusive net zero carbon economy. The Commission’s work also drew on a Fraser of Allander³ report exploring the relationship between infrastructure and inclusive economic growth, which concluded that a dashboard of indicators would be the best approach. The draft Infrastructure Investment Plan outlines the types of indicators that have been considered by the Scottish Government when assessing the potential benefits of infrastructure in this Plan. This offers an illustration, and basis for future work.

³ After comparing three different approaches, the FoA report endorses the use of a dashboard (akin to a streamlined version of the National Performance Framework) in measuring the impact of infrastructure investment on Inclusive Growth outcomes.

https://infrastructurecommission.scot/storage/234/Appendix_K.pdf

How we spend our money

The IIP will embed fairness and inclusion in our investments, seeking to ensure no-one is left behind. We will do this by investing in the right strategic projects for every part of Scotland to aid city and regional growth. Every project will or will have already undertaken both an Equality and Fairer Scotland impact assessment to ensure that the implementation of the project maximises all opportunities.

Case study: Investing to improve equality

City Region Growth Deals are currently delivering £5 billion of infrastructure investment into the Scottish economy which will help to sustain or develop 70,000 jobs. Tackling inequality is at the heart of this programme.

The funding agreement between Government and the local Partnerships includes a specific requirement to “explore opportunities to maximise the impact of the Programme to allow the benefits of growth to be shared by all and to advance overall equality of opportunity under the Equality Act 2010 including the new socio-economic duty that came into force in April 2018.”

All proposals are assessed at an early stage to identify the potential benefits and Partnerships are encouraged to further develop their plans to advance equality of opportunity. All full business cases must be accompanied by Equality and Fairer Scotland Impact Assessment and Benefit Realisation Plans which detail how equality gains will be captured and reported.

The IIP will support Scotland’s economic recovery from the COVID-19 pandemic. It sets out how we will build back better by focusing on the following shifts in our capital investment, to seek to address the economic, health and social impacts:

- **Investing in digital connectivity to help businesses and users wherever they live and work, and accelerating digital service provision, reducing the need to travel**
- **Supporting safe active travel and local, accessible public services in vibrant places**
- **Supporting green and blue spaces to provide access to nature**
- **Supporting positive social change such as new approaches to rehabilitation and reduced homelessness**
- **Whilst not all is infrastructure, we will invest in job-creation to preserve and generate employment to support economic recovery**

The IIP will provide certainty of a pipeline of major projects and programmes that will enable opportunities to protect and create good jobs and green jobs. We want to do this in line with our Fair Work principles. This requires a construction industry which is more representative of the diversity of the population. Achieving this outcome will be dependent on a number of factors, including a construction industry that is both well positioned to deliver and understands the wider social and economic wellbeing priorities

associated with that delivery. Before Spring 2021, we will develop and agree an accord between government and the construction industry which will support the Infrastructure Investment Plan to deliver better and fairer outcomes.

How we will know whether we are making a difference?

All of the major projects and programmes contained in the Infrastructure Investment Plan have either been fully Equality & Fairer Scotland Impact Assessed or will be as they are developed.

The Infrastructure Commission for Scotland recognised that the true benefits and impacts of infrastructure are very often seen over a long, often intergenerational horizon. The Commission recommended development of a long-term, overarching assessment framework across all infrastructure types to support system-wide, long-term trade-offs and choices. Scottish Ministers have accepted this recommendation although recognise it will take time to develop. The Infrastructure Investment Plan consultation seeks views on the ways in which we measure impacts. We will seek to ensure equalities are embedded in any new approach, informed by responses to the consultation. A key principle will be to ensure that this also supports progress in narrowing gaps in outcomes between disadvantaged and other groups.

The Infrastructure Commission also recommended a body should be given the responsibility by the Scottish Government to provide independent, long term, evidence-based advice to Scottish Ministers on investment decisions for the social, economic and natural infrastructure needs and priorities required to deliver an inclusive net zero carbon economy. The Scottish Government is considering this recommendation in conjunction with the findings of the Commission's Phase 2 report.

As we consult upon and finalise the Plan we seek to optimise the opportunities for our diverse communities, providing everyone with the opportunity to participate in, and contribute to, our economic and social renewal.

Declaration

I am satisfied with the Equality and Fairer Scotland Duty Statement that has been undertaken for the Infrastructure Investment Plan and give my authorisation for this statement to be published on the Scottish Government's website.

Name: Andrew Watson

Position: Director of Budget and Public Spending

Authorisation date: 15 September 2020