

Infrastructure Investment Board 2018-19: Vision, Remit and Responsibilities

<p>Vision</p>	<p>The Infrastructure Investment Board (IIB) strengthens strategic direction, prioritisation and oversight to ensure coherent advice and aligned delivery of an effective, fiscally sustainable programme which maximises Ministers’ ambition for infrastructure investment.</p> <p>Infrastructure in Scotland is funded by user charges, regulatory regimes, private sector, UKG and local authorities as well as Scottish Government. IIB is concerned with the impact of overall investment on the economy; how best and by whom major and critical infrastructure is financed; as much as that infrastructure directly funded or financed by Scottish Government.</p> <p>Objectives as set out in the Infrastructure Investment Plan (IIP) are:</p> <ol style="list-style-type: none"> 1. delivering sustainable economic growth through increasing competitiveness and tackling inequality; 2. managing the transition to a more resource efficient, lower carbon economy; 3. supporting delivery of efficient and high quality public services; and 4. supporting employment and opportunity across Scotland.
<p>Definition of Infrastructure</p>	<p>Infrastructure includes economic and social aspects, defined as:</p> <p>“The physical and technical facilities, and fundamental systems necessary for the economy to function and to enable, sustain or enhance societal living conditions.</p> <p>These include the networks, connections and storage relating to 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; and public services such as emergency services and resilience.”</p>
<p>IIB Remit</p>	<p>Impactful Strategic Direction</p> <ul style="list-style-type: none"> • Advises on an appropriate infrastructure investment approach to respond to Brexit and secure Scotland’s competitive advantage. • Engages with global/ UK/ Scottish trends to support increased strategic coherence and the IIP re-refresh. • Develops Impact Assessment, Prioritisation and Decision-making to improve gateways to authorising commitments, and to increase Performance and National Outcomes . • Makes connections across investment programmes to maximise synergies and opportunities. <p>Financially Sustainable and Commercially Sound Programme</p> <ul style="list-style-type: none"> • Responds effectively to new fiscal and reserve powers.

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	<ul style="list-style-type: none"> • Reviews projected forward capital requirements against investment envelope, maximises sustainability and resilience with improved capital utilisation. • Reviews alternative financing models and sources of finance alongside their best application to portfolio programmes. <p>Delivery Risk</p> <ul style="list-style-type: none"> • Provides strategic oversight of the key risks to IIP delivery, including means and systems, and particularly relating to major projects and programmes. Major projects: <ul style="list-style-type: none"> ○ are delivered or create assets owned by SG or its funded agencies and NDPBs; and which ○ require spending over £50 million; or ○ are innovative or contentious (spending over £5 million). • IIB drives improved SG capacity and capability. <p>Strong, Aligned Governance</p> <ul style="list-style-type: none"> • Strengthens cohesive Ministerial action through the right, agreed roles and accountabilities. • Improves the rhythm of advice to add value to fiscal, strategic policy and project investment decisions and announcements. • Increases peer communication, challenge and support. • Improves risk management and exploitation of opportunities.
<p>Membership</p>	<p>Members of the IIB are:</p> <ul style="list-style-type: none"> • Alyson Stafford, DG Scottish Exchequer; • Liz Ditchburn, DG Economy; • Gordon Wales, Chief Financial Officer; • Ainslie McLaughlin, Director Procurement and Commercial; • Peter Reekie, Chief Executive, Scottish Futures Trust; • Lesley Fraser, Director for Housing and Social Justice; • Gary Gillespie, Chief Economic Adviser; • John McNairney, Chief Planner; • Roy Brannen, Chief Executive, Transport Scotland; • Rachel Gwyon, Deputy Director, Infrastructure and Investment; and • Hugh McKay, SG non-executive director. <p>By invitation, special advice might be sought from CEA member Professor Mariana Mazzucato (Professor in the Economics of Innovation and Public Value, University College London).</p>
<p>Proposed Areas for Improvement 2018-19</p>	<p>Considering Public Audit and Post-legislative Committee recommendations and Fiscal Framework, IIB will focus on:</p> <ul style="list-style-type: none"> • fiscal sustainability and utilisation of capital; • line of sight from strategic investment to Outcomes; • prioritisation processes, cohesion, challenge and decision-

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	<p>making;</p> <ul style="list-style-type: none"> oversight of delivery risk; and oversight of refresh of the Infrastructure Investment Plan and its integration with National Planning Framework 4.
Governance	<p>IIB is part of the SG corporate governance architecture and reports to the Exchequer Committee and Economy Board. It adds value to key areas of Ministerial advice. It may consult and take account of other Governing and Advisory Bodies:</p> <ul style="list-style-type: none"> Council of Economic Advisers; FiSAB; Enterprise and Skills Strategic Board; and Relevant Audit and Assurance Groups.
Proposed Measures of IIB effectiveness	<ul style="list-style-type: none"> Maximises relevant National Outcomes and an improving trend in related indicators. Maximises capital utilisation within investment envelope. Offers performance management oversight.
Organisation and Timeline	<p>IIB will meet quarterly for around 3 hours. Meetings are anticipated end May, late August, October and February.</p> <p>One NXD member and one additional non-DG Scottish Exchequer Board member will be required in addition to the Chair for a quorate meeting. If DG Exchequer is not available, another member may substitute as Chair by prior agreement.</p> <p>The annual rhythm should support strategic issues in the early part of each financial year e.g. to support Budget preparations. The second half might focus on delivery risk and performance.</p>
Infrastructure Funding and Finance	<p>SG receives CDEL and Financial Transactions from HM Treasury, each calculated as Barnett consequentials of UK investment.</p> <p>SG can borrow up to £450m p.a. capital, within an overall £3bn cap. SG can make payments up to £700m into the Scotland Reserve, separated between resource and capital. Capital reserve funds may only be used to fund capital spending, up to £100 million p.a.</p>
Key Infrastructure Public Reporting	<ul style="list-style-type: none"> Infrastructure Investment Plan Annual Progress Report (April). MTFS (Medium Term Financial Strategy) – Within 4 weeks of UK Spring Statement (May/June). New National Performance Framework and Scotland Performs published (June). Major Projects Reports to Parliament, PAPLS - (October/March). Programme for Government (September). Scottish draft Budget (November/ December). SFT Corporate Plan, Business Plan and Annual Reports.

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	<ul style="list-style-type: none">• SNIB Implementation Plan and consultation exercises.
Relevant Reviews and Scrutiny	<ul style="list-style-type: none">• Budget Process Review Group.• Finance 2020.• Audit Scotland reports.• Executive Team Governance review.• Gateway Reviews.
Secretariat	<p>This will be provide by the IIU. Specifically:</p> <ul style="list-style-type: none">• commissions and prepares papers for Board meetings;• supports a strategic approach to infrastructure;• coordinates inputs and liaises with key boards, programmes and projects;• records decisions, learning, actions and follow-up;• generates, tracks and reports management information; and• reports to Corporate Board standards.

Infrastructure & Investment Division
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