

The Infrastructure
Investment Plan
2021-22 to 2025-26
SEA Post Adoption
Statement



Scottish Government
Riaghaltas na h-Alba
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1. Background

- 1.1.1 In 2018, the First Minister announced a National Infrastructure Mission to increase Scotland's annual infrastructure investment so that it reaches internationally competitive levels by the end of the next Parliament. To support delivery of the National Infrastructure Mission, Scottish Ministers established an independent Infrastructure Commission for Scotland.
- 1.1.2 The Infrastructure Commission for Scotland has since published two reports: A "Blueprint for Scotland" (January 2020)¹ and Phase 2 Delivery Findings Report (July 2020)².
- 1.1.3 Given the breadth and depth of the Commission's recommendations, during autumn 2020 the Scottish Government consulted on a draft version of the Infrastructure Investment Plan (hereafter IIP) to explore questions relating to certain aspects of infrastructure planning such as our definition of infrastructure, the priority we place on maintaining existing assets and how best to assess the full range of outcomes that infrastructure can deliver. In doing so, the Draft IIP aimed to set out a clear vision for our future infrastructure - to support and enable an inclusive net zero emissions economy.
- 1.1.4 The development of the Draft IIP was subject to Strategic Environmental Assessment (SEA) and a consultation on both the draft Plan and accompanying SEA Environmental Report ran from 24 September to 19 November 2020.
- 1.1.5 The consultation sought views on the way the Scottish Government plans to implement the Infrastructure Commission's recommendations in the following areas:
- The inclusion of natural infrastructure.
 - How we prioritise - the common investment hierarchy approach.
 - How we best assess the impact of proposed infrastructure.
 - How we best assess the carbon impact of future Plans
- Views were also invited on the SEA Environmental Report.
- 1.1.6 The consultation attracted 147 responses from a wide range of interested groups and individuals. The Scottish Government has reflected upon this feedback and incorporated changes into the final IIP where appropriate. The majority of respondents were in favour of the approach set out in the Draft IIP, and the consultation gathered a rich source of information and views that will inform the development of the work that will be undertaken to improve the approach and develop the next Plan in five years.

¹ https://infrastructurecommission.scot/storage/281/Phase1_FullReport.pdf

² [Print \(infrastructurecommission.scot\)](https://infrastructurecommission.scot)

2. The Strategic Environmental Assessment Process

- 2.1.1 The Environmental Assessment (Scotland) Act 2005 (the ‘2005 Act’) requires public bodies in Scotland to carry out SEAs on their plans, programmes and strategies as they develop, to identify any significant effects they may have on the environment. It ensures that environmental considerations are taken into account. SEA also aims to build in mitigation measures, to avoid or minimise any potentially significant adverse effects on the environment, and look for opportunities to enhance a plan’s environmental performance.
- 2.1.2 The SEA process began with the production of a joint Screening and Scoping Report which was issued to the SEA Gateway in June 2020. The SEA process continued to progress in parallel with the development of the draft Strategy and an Environmental Report documenting the findings of the assessment was produced in September 2020. Following consultation on the draft Plan and associated Environmental Report, an independent analysis of consultation responses received was carried out. A copy of the analysis report can be accessed online at [Analysis of Responses to Consultation on the Draft Infrastructure Investment Plan 2021-22 to 2025-26 - gov.scot \(www.gov.scot\)](https://www.gov.scot/analysis-of-responses-to-consultation-on-the-draft-infrastructure-investment-plan-2021-22-to-2025-26)
- 2.1.3 This SEA Post Adoption Statement concludes the SEA process and outlines how the findings of the SEA and the views of the consultees have been taken into account in finalised the IIP.
- 2.1.4 Section 18(3) of the Environmental Assessment (Scotland) Act 2005 sets out the information that should be included in the Post Adoption Statement. This can be summarised as:
- how the environmental considerations have been integrated into the plan, programme, or strategy;
 - how the Environmental Report has been taken into account;
 - how the opinions of consultees have been taken into account;
 - the reasons for choosing the strategy as adopted, in light of the other reasonable alternatives considered; and
 - the measures to be taken to monitor the significant environmental effects of the implementation of the plan, programme or strategy.

2.2. The assessment approach

- 2.2.1 The assessment of the draft Plan was undertaken in three stages:

Stage one - considered the likely significant environmental impacts of the three draft key themes ‘Enabling the transition to net zero emissions and environmental sustainability; Driving inclusive economic growth; and, Building resilient and sustainable places and communities, and draft infrastructure investment hierarchy’.

Stage two - expanded on the findings from Stage one to consider the potential impacts of the draft Plan as whole, including the interrelationship between the draft core strategic outcomes and draft hierarchy.

Stage three – explored the potential for in-combination and cumulative impacts of the draft Plan in the context of the wide range of objectives, ambitions and requirements set out in wider policy. The SEA also set out recommendations, for mitigation and enhancement where appropriate.

3. Integration of Environmental Considerations into the Plan

- 3.1.1 This section explains how key environmental considerations were identified and how these were taken into account in the finalised plan.
- 3.1.2 From the outset, the preparation of the environmental baseline for the SEA helped to frontload environmental considerations into the draft Plan. Subsequent consultation with the SEA Consultation Authorities assisted in highlighting key environmental issues for further consideration.
- 3.1.3 Protecting and enhancing our stocks of natural capital is recognised as a priority in the National Performance Framework and Scotland’s Economic Strategy – as well as being relevant to delivery of the UN Sustainable Development Goals – which were all important frameworks for guiding the development of the IIP.
- 3.1.4 Alongside those guiding principles, the Infrastructure Commission for Scotland was appointed by Scottish Ministers to provide independent advice that would support delivery of the Scottish Government’s commitment to a National Infrastructure Mission. The advice would inform and shape the 2021-22 to 2025-26 IIP. The Commission was operationally independent of the Scottish Government, however, the overarching objectives from Scottish Ministers included managing the transition to a more resource efficient, lower carbon economy.
- 3.1.5 The Commission’s Phase 1 Key Findings report called on the Scottish Government to tackle the dual challenges of a climate emergency and creating an inclusive growth economy. It identified 8 thematic areas with 23 recommendations aimed at the Scottish public sector, as well as infrastructure regulators, operators and users.
- 3.1.6 Following these recommendations the Scottish Government set out a long term vision for infrastructure:
- Our infrastructure supports Scotland’s resilience and enables inclusive, net zero and sustainable growth.***
- 3.1.7 This vision is underpinned by 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.
- 3.1.8 The Commission’s recommendations helped shape a new approach to infrastructure investment, as set out in the Draft IIP, with the following elements being proposed:
- Expand our infrastructure definition to include Natural Infrastructure.

- Introduce a new investment hierarchy framework to prioritise making the most of existing infrastructure ahead of building new assets.
 - Commit to developing new methods of appraisal and prioritisation to ensure they match long-term goals.
 - Commit to preparing a cross-sector infrastructure needs assessment to inform the next Infrastructure Investment Plan.
 - Commit to developing a broader approach to public engagement in forward infrastructure plans.
- 3.1.9 The Commission's Phase 2 report contained 11 recommendations which can be grouped into three themes, relating to:
- prioritising an inclusive net zero carbon economy and a long-term approach to infrastructure strategy;
 - how best to optimise the impact of infrastructure in enabling sustainable places; and
 - delivering a thriving construction sector through enhancing the interaction between the public sector and industry.
- 3.1.10 The Scottish Government did not respond to the Phase 2 recommendations in the draft plan but confirmed once it had been finalised that the Scottish Government has considered those recommendations and is supportive of the broad themes. Some areas require further consideration.
- 3.1.11 A proposed approach to implementing the Commission's recommendations was set out in Draft and through consultation the Scottish Government specifically sought views on:
- The inclusion of natural infrastructure.
 - How we prioritise - the Common Investment Hierarchy approach.
 - How we best assess the impact of proposed infrastructure.
 - How we best assess the carbon impact of future Plans.
 - The Strategic Environmental Assessment Environmental Report
- 3.1.12 Views gathered through the consultation process, whilst broadly supportive, enabled further changes to be made ahead of finalising the plan. This included further changes to the wording of the infrastructure definition and amending some of the wording in the investment hierarchy to further strengthen the link to our long-term goals of achieving a net zero inclusive economy and to incorporate natural infrastructure.

4. How the Environmental Report has been taken into account

4.1. The assessment findings

- 4.1.1 The assessment identified that, overall, significant benefits were likely to arise for climatic factors, air quality, water, population and human health, biodiversity, cultural heritage and material assets.
- 4.1.2 Significant benefits for climatic factors and material assets were expected to arise, in particular through the focus given to maximising the use of existing assets and ensuring these are effectively used. This would reduce the need for new build infrastructure over time and in turn reduce the associated energy requirements (embodied energy). Support given to natural infrastructure, such as woodland creation and peatland restoration, and to the continued decarbonisation of the heat and transport networks, were also considered likely to give rise to significant positive impacts for climatic factors through climate change mitigation and adaptation. Making the best use of existing infrastructure assets can also help reduce pressure on natural resources, and the focus given to natural infrastructure can lead to multiple benefits including for biodiversity.
- 4.1.3 By supporting actions that increase resilience and adaptation to the impacts of climate change, e.g. flood management measures, the assessment found that the draft Plan can lead to positive effects for climatic factors, population and human health, cultural heritage and material assets. Particular benefits were considered likely to arise where this leads to the increased use of natural infrastructure. For example, the “green” and “blue” features of the natural and built environment, and the range of services they provide are widely recognised as an essential part of successful places.
- 4.1.4 The assessment found that where a focus is given to building resilient and sustainable places and communities based on local need, this can lead to positive impacts for population and human health, for example by improving access to goods and services such as employment and health care. Benefits will be fully realised where assets can be repurposed or reused in a way that best meets a broad range of user needs, and in particular where consideration is given to reducing current barriers to accessibility or in addressing current health inequalities. Benefits for climatic factors, air quality and population and human health should also arise from a reduced need to travel. For example, through the support given in the draft Plan to co-location of services, to active travel and to digital infrastructure, which is itself likely to play a key role in how good and services are accessed and delivered in the future.
- 4.1.5 Finally, the assessment found that there is the potential for both positive and negative impacts to arise where new or upgraded infrastructure development is required to deliver the draft Plan, including from construction and operation at a local level. Construction impacts may be short-term and temporary, however impacts from land use change, such as the loss of soil and habitats, can be long-term and permanent. Development can also lead to negative landscape and visual impacts and can adversely affect the setting of cultural

heritage. This has the potential to lead to mixed effects for soil and landscape. The likely significance of these impacts will be influenced by a number of factors, for example infrastructure requirements may be greater for new technologies due to a lack of existing infrastructure. The siting and design of individual projects can also affect the significance of potential impacts at the local level. As previously discussed, positive impacts can arise from natural infrastructure. Finally, potential benefits, including at local level, should arise from the development and expansion of new and existing technologies. For example, increased digitisation and new low carbon technologies can lead to innovation in how goods and services are accessed and can support decarbonisation.

4.2. SEA Recommendations

- 4.2.1 The SEA supported the focus given in the draft Plan to maximising the use of existing assets ahead of new builds and recommended that a focus is given to maintaining assets at greatest risk or which deliver lifeline services, and to the re-use of infrastructure in areas of greatest need.
- 4.2.2 The SEA supported the proposal to change the Scottish Government's definition of infrastructure to include natural infrastructure, and recommended that the use of nature-based solutions is maximised wherever possible.
- 4.2.3 The SEA supported proposals to develop a new, system wide infrastructure assessment and prioritisation framework as this was considered likely to maximise the positive impacts identified in the assessment.
- 4.2.4 The focus in the draft Plan towards a placed based approach to infrastructure investment was also welcomed.

4.3. The finalised plan

- 4.3.1 Following the public consultation, the views received on the proposals set out in the draft IIP were broadly positive. In particular, support for our proposal to have the widest definition of infrastructure in UK – and many parts of the world – by including natural infrastructure, was overwhelming.
- 4.3.2 The IIP was updated and finalised, taking into account the findings of the Environmental Report and the views expressed during the consultation. This confirmed the introduction of the following elements:
 - Expanded our infrastructure definition to include Natural Infrastructure.
 - Introduced a new investment hierarchy framework to prioritise making the most of existing infrastructure ahead of building new assets.
 - Committed to developing new methods of appraisal and prioritisation to ensure they match long-term goals.
 - Committed to preparing a cross-sector infrastructure needs assessment to inform the next Infrastructure Investment Plan.
 - Committed to developing a broader approach to public engagement in forward infrastructure plans.

5. How the opinions expressed have been taken into account

5.1. The responses received

- 5.1.1 A total of 147 consultation responses were received, including 48 Campaign Responses linked to the A96 Action Group. The consultation attracted responses from across a wide range of infrastructure thematic areas, including: Construction and Built Environment, Natural Environment and Climate Change, Travel and Transport, Local Government, Energy, Telecoms, Water and Waste, Business and Enterprise, and Health, Education and Public Services.
- 5.1.2 The 48 Campaign Responses are clusters of two sets of identical responses:
- Standard Campaign Response 1 – 40 responses.
 - Standard Campaign Response 2 – eight responses.
- 5.1.3 One consultation response from each of Campaign 1 and Campaign 2 were included in the overall analysis of consultation responses, therefore a total of 101 consultation responses were included.

5.2. Comments on the Draft IIP

- 5.2.1 **The inclusion of Natural Infrastructure:** The Draft IIP proposed a revised infrastructure definition to include references to natural infrastructure to reflect the role this plays in: a) the infrastructure system and the benefit it generates to the economy and society; and b) tackling climate change and other challenges e.g. biodiversity loss.
- 5.2.2 There was almost unanimous support for the inclusion of natural infrastructure in the proposed definition of infrastructure. The vast majority of consultation respondents, both individuals and organisations, expressed support.
- 5.2.3 A small proportion of respondents are “unsure” regarding the proposal to include natural infrastructure in the definition of infrastructure. A few respondents who noted agreement went on to specify aspects which they felt could be clarified, improved and/or strengthened.
- 5.2.4 A majority of consultation respondents agreed with the wording proposed for the revised definition of infrastructure within the Draft IIP. A relatively large proportion of consultation respondents either did not agree with the proposed wording or are unsure. A common theme across the consultation responses was that the Draft IIP could define more clearly what is meant by the various terms used in its proposed definition. Other respondents identified thematic infrastructure areas they felt were missing from the proposed (often related to the respondents’ specific area of interest). Green and blue infrastructure and natural assets, in its broadest sense, were the aspects most mentioned as missing from the proposed definition of infrastructure within the Draft IIP.

5.2.5 **Scottish Government response:** The IIP as finalised sets out the following definition of infrastructure:

“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 that supply ecosystem services and public services such as emergency services and resilience.”

5.2.6 The IIP as finalised provides more clarity on what we mean by Natural Infrastructure and references the International Institute for Sustainable Development (IISD) definition. It also recognises that investment in nature-based solutions builds resilience and delivers multiple benefits. For example, enhancing nature reserves and protected areas boosts biodiversity and can also increase recreational and tourism value. Improving landscapes and open space in housing encourages outdoor activity, delivers passive cooling and provides sustainable drainage. Planting trees and restoring peatland increases carbon storage. The IIP also highlights that our natural infrastructure can contribute a great deal to quality of place and wellbeing by supporting sustainable everyday living and strengthening community resilience. The finalised IIP further clarifies how this concept is already being integrated into existing infrastructure programmes such as housing and regeneration, flood, water and drainage management, and active travel.

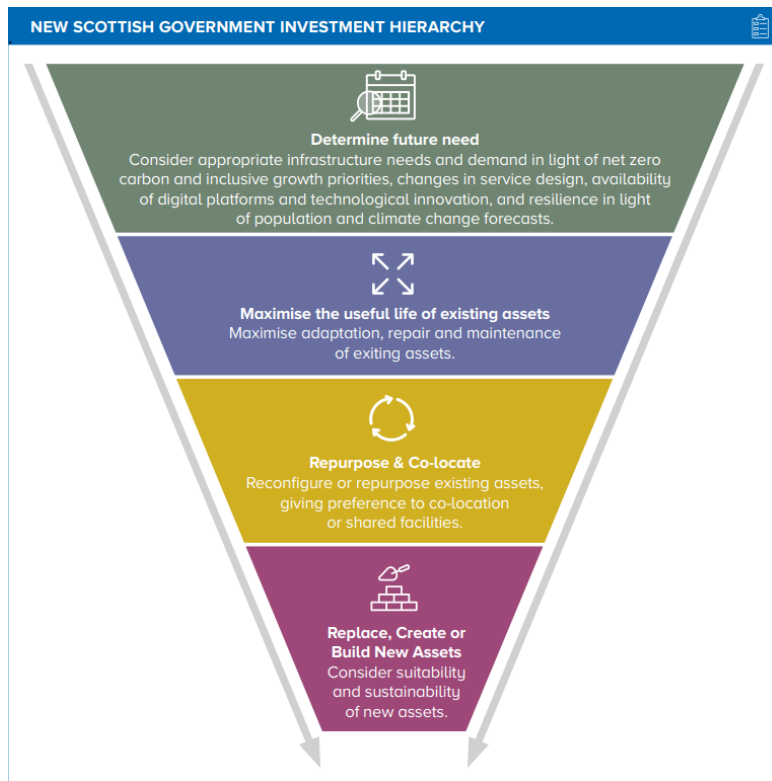
5.2.7 The inclusion of natural infrastructure in our revised definition, creates a more holistic view of the entirety of Scotland’s infrastructure assets and recognises the wider contribution natural capital can have towards creating sustainable, attractive places to live and improve wellbeing; generating economic growth and also reducing carbon emissions. As we progress the development of our prioritisation framework, we will incorporate the latest data and techniques in evaluating the benefits of investing in natural assets and nature-based solutions, drawing on our growing evidence base (which includes our Natural Capital Accounts).

5.2.8 **Prioritisation – A Common Investment Hierarchy:** The Scottish Government has accepted the Infrastructure Commission’s suggestion to develop an “investment hierarchy” which prioritises maintaining and enhancing existing assets over new build.

5.2.9 The proposed new hierarchy would aid planning and decision-making and drive future investment choices. The Draft IIP set out 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 and co-locate.
4. Replace or new build.

- 5.2.10 A majority of respondents agreed with the steps proposed, with almost one-fifth of respondents disagreeing, and a similar proportion being unsure.
- 5.2.11 Some respondents considered the hierarchy could be strengthened, with a range of suggestions made. Some also considered the graphical depiction and visualisation of the Common Investment Hierarchy as presented in the Draft IIP was too “rigid”, “strict”, or conveyed an overly “simplistic” message. There were also a variety of comments around language, terminology and wording. In particular, there was a perceived lack in emphasis or a lack of explicit reference across each step of the Common Investment Hierarchy to:
- consideration of natural infrastructure and assets;
 - a route map to achieving net zero emissions by 2045;
 - circular economy approaches;
 - engagement and co-production.
- 5.2.12 Another key theme that was concerning the Common Investment Hierarchy was a request for further/additional guidance and greater clarity, for example how it is expected to be applied and implemented in practice and on the parameters to be applied to each stage, as well as on the level at which it was to be applied (e.g. national, regional or local or major project level).
- 5.2.13 There was particularly strong feedback on the importance of the Draft IIP providing a precise definition/criteria for “future need”, and on extent to which certain types of projects (e.g. repurpose or redevelopment) will be prioritised over new build projects. While there was broad agreement that all options should be considered, many respondents provided examples of where repurposing or redevelopment might not be the “best option”, “right option” or the “most appropriate course of action”. As such, strong support was expressed for sufficient “flexibility” to be built into the Common Investment Hierarchy from the outset, and for it to be “adaptable” to accommodate a more “pragmatic” approach to ensure consideration of all potential options.
- 5.2.14 Finally, there were various comments raising the question of “whole life costs”. The main point raised was that the methodology should be based on whole life cycle carbon and guard against carbon leakage – “Investments should be based on lifecycle outputs rather than inputs to support the country’s net zero ambitions”. There is a request for greater clarity and additional guidance within the Draft IIP on how this issue is to be considered and assessed within the Common Investment Hierarchy.
- 5.2.15 **Scottish Government response:** The finalised IIP recognises that addressing the climate emergency, promoting circular economy approaches and increasing sustainability, requires us to prioritise the assets and materials we already have. It also clarifies that an investment hierarchy does not preclude new assets. Rather it is an approach to planning and decision-making which would consider future needs, including use of digital platforms and technology, and the suitability of existing assets. A new common approach across the Scottish Government will be introduced that will support the coherence of decision-making and provide guidance for public organisations.



- 5.2.16 The hierarchy will be incorporated into future infrastructure investment as part of a wider asset management approach to business case development and the decision-making process. Further guidance on application will be developed in partnership with Scottish Futures Trust.
- 5.2.17 The IIP is clear that the hierarchy alone will not solely determine which projects will be funded. However, it should help to reinforce positive behaviours around maximising the benefits from maintaining our existing assets where appropriate to do so. This should take into account asset obsolescence and poor condition, while ensuring we are reflective of local infrastructure needs, such as the different level of existing infrastructure in rural and island communities when compared to towns and cities. The hierarchy is also closely linked to the impact assessment and prioritisation framework and its development will be an iterative process which will be developed as part of the future route-map for the infrastructure investment decision framework.
- 5.2.18 **Assessing Impact of Proposed Infrastructure:** The Infrastructure Commission for Scotland recommended a new assessment framework is developed, in advance of the next IIP, to inform decisions about future infrastructure investment so that it best achieves desired outcomes.
- 5.2.19 In looking to develop a new approach, the Scottish Government proposed that this is likely to take the form of a suite or dashboard of indicators to allow for a range of factors to be taken into account in any assessment, balancing potential trade-offs.
- 5.2.20 There was wide-ranging support for a dashboard of indicators approach to be adopted and a majority of consultation respondents supported the proposed approach (circa 70%).

- 5.2.21 There were, however, a variety of comments that ask for more detail or greater clarity, and/or provided suggestions for how a dashboard approach could be improved.
- 5.2.22 A handful of respondents responded that they do not agree with the proposal to use a dashboard of indicators, with a variety of reasons cited.
- 5.2.23 Views were also invited on what outcomes (and/or indicators) should be included in developing a common assessment framework for prioritising infrastructure investment. Respondents were invited to consider how any of the suggested factors might:
- 5.2.24 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).
- 5.2.25 Help address inequality, including for protected characteristic groups, and socioeconomic disadvantage.
- 5.2.26 There was broad support for the three proposed themes of the common assessment framework. There was also broad acknowledgement that “data quality, relevance and availability is critical” in terms of supporting a consistent approach to comparing investment propositions and to inform decision-making. A wider set of comments highlighted that any framework for prioritising infrastructure investment would need to take cognisance of a range of issues, factors or considerations, including for example equality and environmental impact assessments.
- 5.2.27 Finally, views were invited on existing tools or methodologies the Scottish Government could draw on or adopt in developing its framework. A majority of consultation respondents made specific reference to existing tools or methodologies, with no universal or unanimous view provided on this, rather consultation respondents provide a long list of different existing tools or methodologies that may be of use to the Scottish Government (50+). A large proportion appear to have a particular focus on natural infrastructure and assets (circa half).
- 5.2.28 The feedback points to a number of existing outcome frameworks, including those at a Scotland level and those that are infrastructure specific that could be used and further built upon. Albeit there is recognition that the evidence base is perhaps less well developed in Scotland for natural infrastructure.
- 5.2.29 **Scottish Government response:** In recognition of the support received from the majority of consultation respondents (70%) the finalised IIP sets out that a framework using a dashboard of indicators will be developed. It will link to National Performance Outcomes and Sustainable Development Goals, ensuring a holistic assessment can be made of impact and outcomes. The finalised IIP recognises the framework would need to include a clear, transparent and consistent set of indicators to inform decision-making and help consider trade-offs and understand the wider impact of investments.
- 5.2.30 The views expressed in the consultation responses will help inform the key considerations in this process, such as:

- If and how indicators will be weighted;
- How it will inform trade-offs;
- What data will be used and will it be of sufficient quality, relevance and readily available;
- How it will interact with the Common Investment Hierarchy described above;
- Ensuring alignment with other key policies, including recognising equality, fairer Scotland and island communities impacts;
- Use of qualitative and quantitative measures;
- Ensuring it is comprehensive;
- Taking account of regional variations; and
- Building in mechanisms to collect further data to inform future improvements. In progressing this work, we will ensure it is aligned with wider work, e.g. on the National Performance Framework and the Wellbeing Economy Framework, to ensure a consistent approach is shared across Scottish Government decision-making frameworks

This will be developed in advance of the next IIP in 2025 and is outlined in a Routemap of a programme of improvements over the next 5 years, outlined in the finalised IIP.

- 5.2.31 **Assessing Greenhouse Gas Emissions Impact:** 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.
- 5.2.32 Almost three-quarters of respondents supported plans to develop a new approach to assessing the contribution made by infrastructure investment to Scotland’s emissions targets. One-fifth of respondents were unsure about the planned approach, and relatively few respondents did not support the proposed approach, with a wide range of detailed comments provided.
- 5.2.33 **Scottish Government response:** The Draft IIP acknowledged that developing a new methodology to assess the contribution made by the infrastructure investment plan to the emissions targets would take time. This was accepted and proposals to develop a new approach broadly supported by respondents to the consultation. It will form part of a programme of improvements that will be undertaken in advance of the next IIP in 2025. This will also support the next Climate Change Plan. We will report on the development of our approach as part of the annual reporting on the Infrastructure Investment Plan.
- 5.2.34 The most recent analysis of Budget 2021-22 estimates that 36.9% of the capital budget for the next financial year can be classed as Low Carbon and

8.5% in the High Carbon category. While it is not directly comparable, a high level analysis of the profile of the Infrastructure Investment Plan has shown that it reflects a similar share of Low Carbon investment to Budget 2021-22.

5.2.35 **Wider points:** A number of wider points were raised, including on:

- Infrastructure Projects Identified in the Draft IPP
- Impact of, and Response to, COVID-19
- Job Creation and Investment in Skills and Training
- Current Tax System

5.2.36 **SG response:** The finalised IIP highlights that the 2020 Programme for Government launched our National Mission for Jobs and we have committed to a wide range of actions to support the economic recovery from the COVID-19 pandemic through our Economic Recovery Implementation Plan. Infrastructure investment will be key to their success.

5.2.37 The finalised IIP offers the market confidence in a robust pipeline of work that will help stimulate Scotland's economy. Annually, around 45,000 construction and maintenance jobs will be supported through the total capital investment of the next five years. It is also good for green jobs and stimulating a low carbon economic recovery.

5.2.38 The IIP is focussed on delivering good outcomes for Scotland. It focuses, in particular, on the transition to net zero emissions, driving inclusive economic growth and building resilient and sustainable places. The vision set out in the IIP can provide huge opportunities for Scotland's people by harnessing opportunities and is improving resilience to future challenges. The IIP sets out how the approach to investment will drive innovation, create good, sustainable jobs and support a just and fair transition and wellbeing outcomes.

5.3. Comments on the Environmental Report

5.3.1 The Environmental Report was issued for consultation alongside the Draft IIP, and views were invited on the Environmental Report.

5.3.2 **The accuracy and scope of the environmental baseline set out in the Environmental Report:**

5.3.3 Almost half of consultation respondents did not respond to this question, or noted that they had no comment to make. Where comments are provided, there were a variety of comments which state that respondents are “generally content”. Several responses “welcomed” the document’s acknowledgement of the importance and significance of the climate emergency, its “awareness of transitioning to Net Zero” and “the identification of biodiversity as a baseline asset for Scotland, including the links made to climate change adaptation”. As noted earlier, the new Common Investment Hierarchy is welcomed given its stronger focus on climate change. There was also broad recognition that the environmental baseline is a “high-level policy position and that there are limitations around providing a detailed assessment” at this stage. Conversely, some considered the environmental baseline to be “very generic” or that it “lacks detail”, or that it “does not set out Scotland-specific indicators”.

5.3.4 In some cases, further details or suggestions were provided for how the environmental baseline could be further improved and developed. There were a few specific points on the appropriateness of certain datasets within the baseline and suggested alternatives.

5.3.5 Finally, there was some specific feedback on the narrative within the Environmental Report on consideration of “reasonable alternatives”, including from the three statutory consultees. While there is some acknowledgment that the narrative has been informed by the Infrastructure Commission for Scotland’s findings, the main points or concerns raised were:

- The position outlined in the Environmental Report is said to limit the range of options that can be considered (e.g. scope, nature, and scale) as well as limit decision-making. On the one hand, some note that “do nothing” or business as usual should be considered as a reasonable alternative. On the other, some report that a “fundamental change in focus of the draft Plan” should be considered with regards to meeting Net Zero targets specifically.
- With regards to the Draft IIP, points are also raised regarding a lack of transparency and clarity on how the Scottish Government has taken on board the Common Investment Hierarchy to inform decision-making for the current round of national projects outlined in the Draft IIP, and that it is also not clear how an assessment of environmental impacts have been considered.

5.3.6 **Scottish Government response:** Where comments relate to additional sources of information these comments have been noted and will be taken into account in future SEAs where relevant. This additional information is

helpful, and we are satisfied that it does not alter the findings of the assessment as set out in the Environmental Report.

- 5.3.7 Consideration was given to the pipeline projects at a strategic level, including potential environmental effects that could arise from types of projects likely to be required to meet the draft key outcomes of the draft Plan, including giving consideration to the cumulative impacts of the draft Plan as a whole. For example, the use of natural assets including peatland restoration and natural solutions to flood management, was considered when assessing the proposed inclusion of natural infrastructure within the definition of infrastructure and enabling the transition to net zero emissions and environmental sustainability. It was also recognised that there could be mixed impacts on some environmental topics from some infrastructure requirements needed to facilitate this transition, particularly with regard new technologies where little infrastructure currently exists.
- 5.3.8 **Views on the predicted environmental effects of the Draft IIP:** A similarly large proportion of consultation respondents did not answer this question, or noted they had no comment to make. Where comments are provided, there are a relatively high proportion that provide some positive feedback on the predicted environmental effects set out in the Environmental Report.
- 5.3.9 Some respondents acknowledged or welcomed specific references within this section of the Environmental Report, whilst many of these respondents go on to caveat positive feedback with additional points of note/concern or provide suggestions for how the predicted environmental effects could be further developed or improved.
- 5.3.10 A key theme, including from two statutory consultees (Historic Environment Scotland and NatureScot), is that looking at the component parts of the Common Investment Hierarchy in isolation has the potential to under value the wider cumulative environmental effects/consequences of the hierarchy. Linked to this, are wider comments that emphasis competing objectives across the three themes in the Common Investment Hierarchy. There are considered to be discrepancies between achieving and delivering against the three themes (e.g. some impacts can be contradictory rather than complementary). This aligns to wider feedback in support of adopting a “unified” or “systems-wide” approach to infrastructure strategy, planning, investment and prioritisation.
- 5.3.11 There are also a number of comments that highlight infrastructure projects of all types will have both positive and negative environmental impacts, and that these need to be considered fully.
- 5.3.12 Another common theme was natural infrastructure, with wide support expressed for this and nature-based solutions to be embedded in the Draft IIP. However, feedback included that the benefits and impacts of natural infrastructure projects had not been sufficiently captured in the Draft IIP/Environmental Report, alongside a lack of clarity with regard how these benefits/impacts will be appraised and measured.
- 5.3.13 There was unanimous support expressed for the Draft IIP vision that places inclusive net zero carbon economy at the core. However, there are various

comments that note that this position appears to be at odds to the “significant commitments to investment in grey infrastructure contained in the Draft IIP” or to the many “high carbon infrastructure projects” in the Draft IIP.

- 5.3.14 There is also some feedback that the predicted environmental effects of the Draft IIP as set out in the Environmental Report are “inaccurate” or “lack credibility” as a result. Both Campaign Responses are among the consultation responses that consider the Draft IIP to be at odds with Scottish Government policy, and suggest that there should be a greater focus on the transition to Net Zero (and more detail on how this is expected to be achieved).
- 5.3.15 **Scottish Government response:** We note the overall comments received on the assessment findings, and remain of the view that the SEA has provided an appropriate and proportionate means of exploring potential impacts. The assessment gave consideration to natural infrastructure and the benefits that can be attained from this, and this was reported where relevant throughout the Environmental Report. The assessment also recommended that the use of nature-based solutions is maximised wherever possible, due the multiple benefits that could arise from taking this approach. As noted previously, the SEA was undertaken in stages, with the initial stage of the assessment giving consideration to individual components, including each of the draft key themes of ‘Enabling the transition to net zero emissions and environmental sustainability; Driving inclusive economic growth; and, Building resilient and sustainable places and communities, and draft infrastructure investment hierarchy’. The latter stages of the assessment however gave consideration to the possible impacts of the Draft IIP as a whole, including where synergies or competing objects could arise to assess the potential for cumulative impacts. For example, it was noted that making best use of existing infrastructure, as set out in the draft Infrastructure Investment Hierarchy, could benefit all three draft key themes, whilst consideration would need to be given to ensure that measure which set out with regard economic growth were in alignment with transition towards net zero economy.
- 5.3.16 **Views on the proposals for mitigating, enhancing and monitoring the environmental effects set out in the Environmental Report:** Almost half of consultation respondents did not answer this question or said that they had no comment to make. There were also a mix of comments that provide positive feedback on the proposals and/or request greater clarity or detail.
- 5.3.17 Similarly to previous consultation questions, there are many comments which “welcome” the proposals and recommendations.
- 5.3.18 In the main, the proposals are considered to:
- Be a sensible approach.
 - Represent a more efficient and effective use of resources.
 - Support consistency in reporting practices at all levels.
 - Fit well with a joined-up and “systems-wide” approach to place-based infrastructure planning.
- 5.3.19 Data availability is, however, noted as crucial. As are aspects such as having established/agreed/consistent outcome indicators, and a clear environmental baseline to monitor improvements against.

- 5.3.20 There were a few comments that allude to the need for “plan-specific monitoring” to determine “what the actual impacts have been”.
- 5.3.21 There was also a consensus that monitoring and reporting on environmental effects is an essential part of the process, and it should be built into the IIP from the outset.
- 5.3.22 There were also some requests for more detail to be provided. Finally, the Campaign Responses are among the relatively few consultation respondents to note that the proposals for mitigating, enhancing and monitoring the environmental effects set out in the Environmental Report are either “disappointing”, “inadequate” or “do not go far enough”.
- 5.3.23 Statutory consultees also express disappointment with the proposals and missed opportunities, as considered below:
- Historic Environment Scotland note that the assessment presented has not picked up a number of potential positive effects for the historic environment as a result of the plan.
 - SEPA highlight the importance of mitigation and enhancement proposals being embedded in the finalised plan and the need to consider strategic as well as local level mitigation. It notes disappointment that the focus of the Environmental Report is largely on mitigation delivered through existing consenting mechanisms and strategic level mitigation could help to ensure that environmental considerations are addressed upfront rather than at the end delivery stage.
- 5.3.24 **Scottish Government response:** We note the comments received on mitigation, enhancement and monitoring. Further information on the finalised arrangements for monitoring are set out in section 7 of this report. Opportunities for enhancement were identified where relevant throughout the assessment process, including at individual stages of the assessment and in giving consideration to cumulative impacts. This also included where multiple benefits could arise, such as the re-use of historic assets to support transition to a net zero economy and their key role in sustainable placemaking.

6. Reasons for selecting the Infrastructure Investment Plan as adopted

- 6.1.1 The 2005 Act requires that the Scottish Government identify, describe and evaluate the likely significant effects on the environment of any reasonable alternatives to the draft Strategy, taking into account its objectives and geographical scope.
- 6.1.2 The draft Plan set out a strategic direction and a coherent approach to infrastructure delivery within three key themes, which were viewed as interlinked and of equal importance to delivering the draft Plan. Given the wider policy context and legislative landscape and the supporting role infrastructure plays in the delivery of multiple outcomes, it remains our view that a “do nothing” scenario or a change in focus of the draft Plan are not “reasonable alternatives”. The draft Plan was also directly informed by the Phase 1 findings of the Infrastructure Commission Scotland.
- 6.1.3 Taking into account the findings of the SEA and all of the comments received, including in response to the Draft IIP and the associated SEA environmental report, the finalised IIP has incorporated changes in this Plan where appropriate. The majority of respondents to the consultation were in favour of the approach set out in the Draft Plan, and we gathered a rich source of information and views that will inform the development of the work that will be undertaken to improve our approach and develop the next Plan in five years.

7. Monitoring

- 7.1.1 Section 19 of the 2005 Environmental Assessment (Scotland) Act requires the Responsible Authority to monitor the significant environmental impacts arising as a result of the implementation of a plan, programme or strategy. The purpose of this monitoring is to identify any unforeseen adverse effects at an early stage and to enable appropriate remedial action to be taken.
- 7.1.2 A number of existing monitoring and reporting arrangements currently exist to provide accountability and transparency on the status and delivery of projects set out in the Infrastructure Investment Plan, in particular, the annual report on the implementation of the IIP will continue, as well as six-monthly reports on the delivery of major projects and programmes. As discussed above, we will be developing a new carbon assessment methodology and overarching infrastructure investment appraisal and prioritisation framework and will consider how to effectively incorporate environmental sustainability considerations into this framework.
- 7.1.3 There are also a wide range of existing programmes in place at the national and local level that monitor environmental status and assess performance against established environmental indicators. Many of these are also of relevance to the Plan. These include monitoring that is undertaken to measure progress towards the 11 key outcomes set out in Scotland's National Performance Framework. This includes outcomes that relate to inclusive, empowered, resilient and safe communities, the protection and enhancement of the environment, a skilled and well-educated workforce, and promotion of an inclusive and sustainable economy.
- 7.1.4 The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 amends the Climate Change (Scotland) Act 2009 and taken together set out a number of reporting and monitoring requirements with regards to Green House Gas emissions, including the requirement to lay regular "Climate Change Plans" in Parliament setting out proposals and policies for meeting emissions reductions targets and a provision to base progress on actual emissions from all sectors of the Scottish economy. Annual monitoring and reporting of Scotland's overall Greenhouse Gas emission abatement is also undertaken by the Committee on Climate Change. This process involves reporting emissions trends and performance against these targets at both the sectoral and national levels.
- 7.1.5 In addition to Climate Change Plans, the collation of data on greenhouse gas emissions is also considered in a number of relevant plans and as part of the Scottish Government statistics series. The Climate Change (Scotland) Act 2009 includes a statutory framework for monitoring progress on adaptation. Under this framework, the Scottish Government reports annually to the Scottish Parliament on progress to its current Adaptation Programme. This will provide an opportunity to ensure that annual reporting on progress and

implementation is evidentially supported. Statutory annual reporting on progress to the Programme as a whole happens each May³.

- 7.1.6 Monitoring is also likely to be supported by a number of sector specific programmes, for example, in relation to transport, water, flood risk management, education, health, digital, energy and housing and in relation to National Planning Framework 3. For example, the National Transport Strategy is supported by the development of a Delivery Plan and accompanying monitoring and evaluation framework. This will include assessment against the four priorities of the strategy, one of which is to Take Climate Action. Transport Scotland also publish annual statistics⁴ on a range of issues relative to environmental factors, such as, use of active travel and transport emissions.
- 7.1.7 Biodiversity reporting is undertaken both nationally and locally via a number of mechanisms, including via the State of Nature Scotland⁵ reports and the requirement for public bodies to report every three years to demonstrate compliance with the biodiversity duty, including reporting on progress towards Scotland's Biodiversity Strategy.
- 7.1.8 Requirements to produce Flood Risk Management Strategies set out the predicted risk of flooding in Scotland, which includes consideration of surface water flooding and increased coastal erosion. Additionally, projects such as Dynamic Coast have been developed to assess coastal change and identify assets at risk. Monitoring and reporting of air quality currently takes place at monitoring sites throughout Scotland and in some instances, includes real time monitoring data⁶. Key performance indicators aligned to Cleaner Air for Scotland: The Road to a Healthier Future⁷ are also monitored.

³ [Scottish Climate Change Adaptation Programme: progress report 2020 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/scottish-climate-change-adaptation-programme-progress-report-2020/pages/1-to-3.aspx)

⁴ Transport Scotland (2019) Scottish Transport Statistics [online] Available at: <https://www.transport.gov.scot/publication/scottish-transport-statistics-no-37-2018-edition/>

⁵ The State of Nature Scotland 2019. The State of Nature partnership [online] <https://www.nature.scot/state-nature-scotland-report-2019>

⁶ Air Quality in Scotland (2019) Air Quality in Scotland: Latest pollution map [online] Available at: <http://www.scottishairquality.scot/>

⁷ The Scottish Government (2015) Cleaner Air for Scotland: The Road to a Healthier Future [online] Available at: <http://www.gov.scot/Resource/0048/00488493.pdf>