

# Scottish Government's Draft Budget 2018-19

## Institution of Civil Engineers (ICE)

### Introduction

The Institution of Civil Engineers (ICE) Scotland appreciates the opportunity to contribute to the Economy, Jobs and Fair Work Committee's considerations regarding the future prioritisation of infrastructure investment in Scotland. This follows a Committee briefing from a Fellow of the ICE, on behalf of another organisation. The following brief summarises ICE work on related issues and upcoming projects, which we hope will be of assistance to the Committee.

ICE Scotland is a professional membership and qualifying body. Our 8500 members design, build and maintain Scotland's infrastructure. ICE is a politically neutral public benefit organisation, with 91,000 members world-wide, which provides expert professional advice to the UK and Devolved Nations governments.

### Relevant ICE policy & projects

Over the past three years ICE has produced a number of policy outputs which may be of use in informing the Committee's considerations on issues pertaining to infrastructure prioritisation.

### ***National Infrastructure Needs Assessment***

ICE, along with a number of other organisations including SCDI, produced a UK-wide National Infrastructure Needs Assessment (NNA)<sup>1</sup>. This explored the UK's future infrastructure needs (to 2050) in the context of emerging megatrends.<sup>2</sup> The NNA was published in October 2016, and has since been adopted by the National Infrastructure Commission (NIC) to inform its ongoing National Infrastructure Assessment (NIA) for which the interim report<sup>3</sup> was recently published.

The NNA set out a number of key points and recommendations:

- A long-term strategic approach to infrastructure provision for the UK
- Government should commit to stable policies for infrastructure that transcend political cycles, particularly for energy
- The UK's future infrastructure needs are intertwined – transport needs energy, housing needs transport, energy and water
- Technological innovation means people are used to paying for infrastructure services in different ways and funding models should evolve accordingly
- Innovation and training are key to reducing the costs of building and operating infrastructure

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<sup>1</sup> ICE (2016) *National Needs Assessment*. <https://www.ice.org.uk/media-and-policy/policy/national-needs-assessment-a-vision-for-uk-infrastr>

<sup>2</sup> Climate change, technology change, aging and growing population, urbanisation.

<sup>3</sup> NIC (2017) *Congestion, Capacity & Carbon*. [https://www.nic.org.uk/wp-content/uploads/Congestion-Capacity-Carbon\\_-\\_Priorities-for-national-infrastructure.pdf](https://www.nic.org.uk/wp-content/uploads/Congestion-Capacity-Carbon_-_Priorities-for-national-infrastructure.pdf)

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While the recommendations are primarily aimed at UK Government, the focus the interdependencies between different areas of infrastructure are relevant to future investment decisions in Scotland.

### **National Infrastructure Commission**

ICE actively advocated for the creation of the UK NIC. The UK Government's initial decision to decline the creation of a NIC was what prompted ICE to undertake its NNA project. The NNA was later adopted by the NIC to inform its NIA.

ICE Scotland, along with a number of other Scottish stakeholder organisations<sup>4</sup>, have highlighted the potential benefits of an independent Scottish National Infrastructure Commission in prioritising future infrastructure spend.<sup>5</sup>

We suggest that a Scottish National Infrastructure Commission should be:

- a politically neutral body with cross-party support
- able to take the long-view, beyond political cycles
- able to focus on create an evidence-base to support informed decision making, taking into account different levels of governance and decision making
- able to take a cross-sectoral view, considering the intersections and interdependencies between infrastructure areas, and inform infrastructure investment prioritisation decisions
- In the context of the development of a Scottish Investment Bank, a Scottish Infrastructure Commission could work with the Bank to inform how it develops and prioritises its infrastructure investment approach.

ICE Scotland supports the Scottish Government's strategic objectives and national outcomes. However, tensions exist between several of these objectives and outcomes, and how we respond to global megatrends, and we believe a Scottish National Infrastructure Commission could be instrumental in developing long-term infrastructure investment prioritisation.

However, in its response to the Independent Review of Planning, which recommended the consideration of a Scottish Infrastructure Commission, the Scottish Government declined the Review's recommendation.<sup>6</sup>

### **State of the Nation 2018: Infrastructure Investment**

ICE's flagship policy output, the *State of the Nation* series, is published annually. Our report planned for next year is around future infrastructure investment. This is due to be published

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<sup>5</sup> <https://www.ice.org.uk/getattachment/media-and-policy/policy/manfiesto-for-infrastructure-scotland-2016/ICE-Scotland-Manifesto-Infrastructure.pdf.aspx>

<sup>6</sup> <http://www.gov.scot/Topics/Built-Environment/planning/Review-of-Planning/documents>

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In June 2018, and will consist of a report for Scotland, and a separate report for England, Wales and Northern Ireland.

Both reports are at a very early stage, but scoping work has begun to set an initial direction of travel. From the output of desk research and a scoping workshop infrastructure investment prioritisation is a core theme. We would be happy to give a briefing to the Committee around this work when it is more developed if this would be helpful.

If further more detailed briefing on any of the points or reports discussed in this briefing would be beneficial to the Committee's considerations we would be happy to assist.

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