

19 November 2020

Comments by Scottish Property Federation on draft Infrastructure Investment Plan

Questions

1a Do you support the inclusion of natural infrastructure in our definition of infrastructure?

Yes

1b Do you agree with the wording proposed for the revised definition?

Yes

1c. If you do not agree with the proposed wording of the definition of infrastructure, please provide your suggested changes and additional material to support your answers [200 word limit].:

The new definition is comprehensive and as such can be applied for most societal, economic and policy requirements. We see the definition as supporting and consistent with the intentions of the next National Planning Framework (4), due to be considered by the next Scottish Parliament.

2a Do you agree that the steps proposed in the common investment hierarchy are the right ones?

Yes

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 property industry has emphasised the importance of placemaking for some time now. We believe this principle is set at the heart of the draft IIP and is supported by the proposed hierarchy. We agree that investment in existing infrastructure under the draft IIP definition, will clearly be an important element of renewing and delivering sustainable places. This includes making best use of blue and green infrastructure, working with natural infrastructure or creating/adapting man made blue and green infrastructure as required, for example to adapt to flooding concerns. The SPF has consistently supported an infrastructure led approach to development planning and therefore we agree with much of the IIP's proposed aims and objectives. We remain concerned at the lack of a central co-ordinating authority that could guide the delivery of new infrastructure across different (and conflicting) regulators, communities, and local authority areas. We agree that it is right to place the identification of needs as the priority although this is frequently contentious, especially in the residential sector. The hierarchy will also need to be adaptable. For example, there are early signs that previous behaviour regarding residential and commercial occupation of property may be less focussed on core city centres than it has been in recent years, due to the sudden impact of the COVID-19 pandemic. We support the reuse and renewal of existing infrastructure and buildings where feasible. Indeed, many of our members have successfully regenerated older buildings and places into modern use and beneficial occupation. We are concerned however that the draft IIP

hierarchy, if applied inflexibly, might lead to an unwillingness for authorities to be seen to support new development. How this is reconciled will be interesting to see. Regeneration of older buildings is often complex and uncertain, although it can bring major community benefits. Our members who engage in the regeneration of existing buildings held by either public, or private investors, have noted that due to lack of maintenance of these buildings, the investment required to return a building to modern use can be prohibitive and thus the opportunity for re-purposing the building is unviable and lost. There may therefore be a need to place greater weight on allocating sufficient resources to maintain a building even if it is not in use, with a view to its return to effective occupation. Above all it is important to avoid an inflexible approach to our infrastructure priorities. Sometimes it may be better to make additional or new investment in developments the priority, rather than seek to perpetuate uneconomic investment in existing buildings that may not be easily adapted to modern requirements. There will inevitably also be competing policy demands. For example, there could be a possible conflict between the provision of affordable homes and the provision of green space, as green space provision will reduce the number of properties that can be built on a particular site. In turn, this will affect the relevant development appraisal and could impact on the viability of a project.

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. Please provide the reasons for your response.:

Yes, we agree that there needs to be an holistic assessment of infrastructure investment and how it will influence the successful attainment of building sustainable places, transform to net-zero carbon emissions and support an inclusive economy. The indicators will need to be varied - housing needs and demand, including longer term healthcare provision; data needs and demand; changes in air travel and tourism, educational and utility requirements. Average distances travelled for shops, work and active travel would also be a metric that will inform this and future infrastructure investment plans. The success or otherwise of recurring investment in places and infrastructure should also been as an indicator. These indicators should be similar to those employed to assess the implementation of the National Planning Framework 4, to be agreed early in the next parliamentary term.

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

The themes of the infrastructure investment plan aim to support a future Scotland that will blend an improved quality of life with a productive and sustainable economy. These key outcomes will sustain livelihoods, be inclusive and support public revenues to reinvest in infrastructure and services. Several the key characteristics for assessment will have cross-cutting impacts with varying implications. For example, the concept of 15-20 minute neighbourhoods has been an evident theme in our memberships' recent discussions with key local authority leaders. And if our towns/urban centres can successfully achieve these 15-20 minute neighbourhoods, this has the potential to support the aims of greater inclusion and town centre renewal. Yet if the towns do become more self-supporting in this manner, there could be consequences for the core city centre economies which will then need to be addressed. Ultimately the common assessment framework will need to take a balanced view of the net benefit of more infrastructure investment being delivered at a local level that will fit with the three pillars of net zero emissions, inclusive economic growth and environmental sustainability. The infrastructure investment plan will need to adapt its analysis to address different priorities. One such example that has been identified by our members is the issue of providing sufficient grid capacity to meet the increase in demand for electricity. This must be

viewed as an early challenge for infrastructure investment, as without enough electricity capacity much of the wider vision for sustainable places, homes and transport will fail to be delivered. The common assessment framework will need to recognise this requirement and should establish an early indication of the anticipated uplift in demand for electricity. This will be needed to inform both the private sector and the public authorities as to how Scotland will set about delivering that target and by when. On a related point we are also aware from the earlier work of the Infrastructure Commission (as recognised in this IIP) that there is significant interest in establishing more direct international data links in Scotland, as well as Scottish data storage capacity. The energy required for these forms of infrastructure are very significant and although the IIP does refer to energy efficient based data capacity there may well be a trade-off between the need for data capacity and a potentially negative increase from this source in energy usage and possibly wider GHG as facilities are established. The assessment needs to be able to reconcile such short-term environmental costs with other policy outcomes.

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? Please explain your answer:

To support our comments under Question 3b, we would expect the government to draw on data and methodologies from the energy generation companies, to provide an estimate of anticipated new demand on the electricity grid as greater dependency on the network is mapped out for the IIP.

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

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

We do agree that a new perspective should be considered for estimating the overall impact of new infrastructure investment to GHG. For example, a new local school or hospital may 'cost' in terms of emissions caused by new construction activities (and financial investment). But this new local infrastructure will also save emissions in the long term through avoiding people being forced to travel long distances by car to send children to school or for hospital visits. As well as quality of life there is the possibility of significant GHG savings through these forms of localism, but there may need to be an initial investment in new social infrastructure in order to make localism a reality.

5a What are your views on the accuracy and scope of the environmental baseline set out in the Environmental Report? Please explain your answer: The SEA provides a detailed and insightful baseline, with particular emphasis on the need to improve the existing built environment to improve places and to support sustainable use of the built environment. Although the analysis is strong on considering total GHG in Scotland, the baseline might be supported through providing a measure of the total consumption of electricity at this time, which can then be benchmarked against the development of the IIP. As mentioned in our answer to question 3b, the IIP is likely to require significant increases in electricity demand and it will be important to measure how the Grid copes with supporting this demand, and from what sources, over the course of the next Parliament.

5b What are your views on the predicted environmental effects of the Infrastructure Investment Plan as set out in the Environmental Report? Please explain your answer: Although we agree with a great deal of the predictions made in the SEA, we feel the negative effects associated with new development are made at times without due balance. New development may in fact be needed to achieve sustainable places. It may be that placing new developments around settlements that have grown around edge of town locations is required, rather than seeking to build in areas that cannot

sustain demand. And it could be that changes in commuter/consumer behaviour mean that towns outside of cities need to be invested in, as people seek living and working lifestyles that are not city centric as has become attractive in recent years. If more localism is required, this may need more local health and educational facilities necessary to achieve the Place Principle. At times, the SEA does not, in our view, recognise the possibilities of new development for achieving many of the aims of the IIP.

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

No comments.