



Appendix H

System Wide Prioritisation

PHASE 2: DELIVERY FINDINGS REPORT

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In the work presented in Section 1 of the main Phase 2 Report the Commission has identified that it is critical to embed an outcome based decision-making structure which operates at a cross-infrastructure level, incorporating both spatial and sector needs, completed prior to budget allocations, to ensure infrastructure spending focuses on the overall outcomes that Scotland is aiming to achieve, an inclusive net zero carbon economy. This approach would support the implementation of the findings of the Commission Phase 1 Reportⁱ that identified an increased need for system wide thinking, and a defined approach to cross sector trade-offs required to deliver an outcomes-based approach to public sector decision making.

Within this Appendix we provide more detail, with a particular focus on some of the activities which we believe could be adopted that would build on infrastructure prioritisation and decision-making work already undertaken within the Scottish Government.

Figure 1 in the Main Report (duplicated overleaf for ease of reference) illustrates how independent long-term advice and the Scottish Government would interact and complement each other to provide the infrastructure decision-making process necessary to achieve the outcome of an inclusive net zero carbon economy. More detail on the Scottish Government led activities is provided in the table overleaf.

This table provides a summary of the various functional activities that may be required to enable the process of analysis and decision making

that has been set out in our Phase 1 Report to be completed. It is based on an understanding of existing practise and incorporates changes that may be required to address the specific recommendations and system wide interdependencies. We recognise that a number of the activities highlighted below are already carried out by the Scottish Government. However, the whole system and integrated methodology which would be applied is an overall new practise. Only the baseline needs assessment in 4, and the detailed integrated assessment at 5 are new in scope; other activities will require a refresh of procedures to achieve the desired whole system approach outcomes.

The activities have also been “allocated” or shared across functional areas, namely “Portfolios/spatial”, “Exchequer” or “Outcomes”. Of these areas “Outcomes” does not currently explicitly exist as a standalone functional area but is identified as a potential grouping of existing activity in order to enable an outcome-based system wide approach. A reference is also provided, where applicable, to the relevant Phase 1 or Phase 2 Report recommendation.

It is not the Commission’s intention to second-guess how the Scottish Government should manage and organise itself, but more to provide an illustration of the type of activities and potential changes that could be required to deliver on the Phase 1 vision. The system wide prioritisation procedure should be read in conjunction with the Phase 1 Report findings and recommendations.

	Lead function	Other function	Relevant ICS recommendation
1. High-level Outcomes Measurement, which builds upon the existing Scottish Government National Performance Framework ⁱⁱ and identifies the infrastructure specific outcome measurements that will contribute to an inclusive net zero carbon economy.	Outcomes	Exchequer, Portfolio/Spatial	Phase 1 Recommendation 2
2. A cross Infrastructure Analytical Methodology , aligned across portfolios; to be developed building on existing approaches that have principally been developed at a portfolio level to date. This will enable system wide infrastructure investment decisions to be prioritised on the basis of their contribution to inclusive net zero carbon economy outcomes.	Outcomes	Exchequer, Portfolio/Spatial	Phase 1 Recommendation 2
3. A cross infrastructure Outcome Based Assessment Framework to draw together the analytical methodology, and baseline needs assessments, establishing the process by which the portfolio and spatial assessment will be undertaken, providing a cross infrastructure assessment to inform investment prioritisation.	Outcomes	Exchequer, Portfolio/Spatial	Phase 1 Recommendation 2
4. A cross infrastructure Baseline Needs Assessment , establishing longer term cross portfolio needs, and identifying the changes required over time, based on outcome scenarios, conducted at the spatial levels of national, regional and local. This would also need to align with the land use planning approach outlined on recommendation 4 of the Phase 2 Report, as well as the housing and industrial needs/strategies identified in recommendation 5 of the Phase 1 Report.	Outcomes	Exchequer, Portfolio/Spatial	Phase 1 Recommendation 3
5. Portfolio, Spatial and Integrated Outcome Based Assessments , undertaking detailed analysis to establish the project and programme needs and the requirements to achieve these. The integrated assessment will include synergies and trade-offs to achieve the outcomes. Where necessary this would need to incorporate assessments with relevant public bodies responsible for asset planning and management (e.g. Health Boards, Local Authorities etc).	Outcomes Portfolios/ Spatial		Phase 2 Recommendation 2
6. A defined budgetary envelope over a defined period, within which cross infrastructure prioritisation can be developed.	Exchequer	Portfolio/ Spatial	n/a

ii Scottish Government; National Performance Framework; website accessed May 2020:
<https://nationalperformance.gov.scot/>

	Lead function	Other function	Relevant ICS recommendation
7. An Affordability Assessment and cross infrastructure Prioritisation Assessment , working within the budgetary envelope to establish the affordability of those projects and programmes within the outcome-based assessments and prioritising spending accordingly. It is highly probable that there will be a need for iteration between activities 5, 6 and 7.	Exchequer	Outcomes Portfolio/Spatial	Phase 2 Recommendation 2
8. A 5-year Infrastructure Investment Plan to provide a pipeline of work, taken at a project and programme level. The pipeline element should be refreshed annually to provide an ongoing pipeline to aid with resource planning and skills development for the construction industry.	Exchequer	Outcomes Portfolio/Spatial	Phase 1 Recommendation 4
9. A Monitoring and Evaluation Framework to inform and create a culture of continuous improvement for infrastructure decision making.	Outcomes Exchequer	Portfolio/Spatial	Phase 1 Recommendation 2
10. A Public Engagement Programme , which is a robust, structured and inclusive engagement process, integrated into the assessment and decision-making programmes.	Outcomes	Portfolio/Spatial Exchequer	Phase 1 Recommendation 22

Figure 1: Integrated prioritisation and strategy

