

SCOTTISH
FUTURES
TRUST

Corporate Plan 2019-2024



Scottish Futures Trust

Corporate Plan 2019-2024

Vision

World class infrastructure for the people of Scotland

Outcomes

1. We have a clear picture of Scotland's future economic and social infrastructure needs.
2. There is improved coherence, pace and placemaking across major private commercial, industrial and housing development.
3. Infrastructure investment is sustainable and affordable with an increased use of innovative funding and financing approaches.
4. Internationally mobile capital is drawn in to invest in projects and places across Scotland.
5. Programme and project procurement and delivery is effective, with highly skilled teams deployed where they are needed.
6. We have a vibrant, innovative construction industry with increased productivity delivering well designed, high-quality products and fair work.
7. Public asset condition and performance is improved through more effective whole-estate management and maintenance.
8. The public asset portfolio is effective and place-based, driving collaborative service transformation with underutilised public assets re-deployed to meet other policy objectives or divested to stimulate economic activity.
9. We have innovative technology-enabled construction, asset management and usage optimisation at a place, portfolio, and network level as well as for individual assets.
10. Infrastructure-related carbon dioxide and other greenhouse gas emissions are reduced, supporting Scotland's transition to a low carbon economy.

Roles



PLAN

Asset and place strategy development, especially where these span sectors or organisations and are set within a whole system place-based approach at a local, regional and national level



INNOVATE

Funding, financing and delivery innovation – to deliver addditionality of investment where users or government pays for infrastructure assets



DELIVER

Enabling private capital investment in places
Programme management across multiple deliverers
Procurement and delivery management



MANAGE

Managing complex commercial arrangements and contracts
Making efficient and effective use of existing assets

Driving understanding, improving uptake and making the most efficient and beneficial use of infrastructure technology.

Values

Bold

Collaborative

Dynamic

Ambitious



Introduction

High quality infrastructure underpins inclusive economic growth, sustainable communities and the effective provision of public services. In recognition of the importance of economic and social infrastructure to its purpose and outcomes, the Scottish Government established the Scottish Futures Trust (SFT) in 2008. SFT acts as an independent centre of expertise to deliver improvements in the public sector's planning, innovation, delivery and management of infrastructure, pursuing an overall vision of "World Class Infrastructure for the People of Scotland".

Over our first ten years of operation we have built partnerships with organisations across the public and private sectors and grown a team of specialist infrastructure professionals to innovate and deliver investment programmes across a wide range of infrastructure sectors. In social infrastructure, we have managed the Scotland's Schools for the Future programme, delivering 117 inspirational new schools for young people from Shetland to Dumfries. In housing, we have been an innovator in blending public and private financing to deliver affordable homes, with over 2,100 now occupied. In economic infrastructure, our Growth Accelerator approach was an enabler for the £1bn investment in Edinburgh's St. James Quarter, and rural connectivity is set to be improved through the 4G mobile infill programme being delivered by our team.

All of this has been delivered through both public and private financing, with over £3bn of finance raised from within Scotland, across the United Kingdom and European Union.

The next five years covered by this, SFT's third Corporate Plan, will see infrastructure delivery as a high priority, building on the National Infrastructure Mission to increase investment so that it will be £1.5bn per year higher in 2025-26 than in 2019-20.

Our team will work on the financing and delivery innovation required to make the most of this investment for inclusive economic growth and the transition to a digitally connected and low carbon economy. Across this public investment there will be an increased focus on improved outcomes for the construction and related industries which represent around 6% of Scotland's economy, and for the over 130,000 people who work in them.

Private investment in homes and in employment opportunities is essential for sustainable communities and the team will focus on enabling and improving investment, placemaking and development across Scotland. The team will also work with partners to manage assets and contracts effectively, making the best of Scotland's infrastructure assets and investments for the long term.

This 2019-24 Corporate Plan sets out the outcomes we are seeking to achieve through infrastructure investment in support of Scotland's National Performance Framework, the roles we fulfil working with others to deliver those outcomes, the characteristics of the organisation which will make us successful and how that success can be measured.

In common with the values established by our team, the outcomes are ambitious and will require bold action in collaboration with partners across the public and private sectors to deliver. The future is, as ever uncertain, and SFT's highly skilled people are optimistic, dynamic and well placed to take advantage of the many opportunities ahead to make the most of Scotland's infrastructure for inclusive economic growth and the transition to a low-carbon economy.

Ian Russell
Chairman

Peter Reekie
Chief Executive

Purpose

The aim established by Scottish Government for SFT is:

"to improve the efficiency and effectiveness of infrastructure investment and use in Scotland by working collaboratively with public bodies and industry, leading to better value for money and providing the opportunity to maximise the investment in the fabric of Scotland and hence contribute to the Scottish Government's overarching purpose to increase inclusive economic growth"

We have developed a vision and values to guide the team in working towards that aim:

VISION

World class infrastructure for the people of Scotland

VALUES

BOLD

Believing in what we do, with commitment and courage to enable successful outcomes

AMBITIOUS

Striving to excel and inspire by raising expectations

COLLABORATIVE

Sharing knowledge, experience and working in partnerships to achieve more for Scotland's communities

DYNAMIC

Accelerating positive outcomes by promoting innovation and being a catalyst for change

In order to deliver the aim, SFT works between policy and delivery across all sectors, geographies and stages of infrastructure life-cycle, collaborating with Scotland's public and private sectors to:



PLAN asset investment and management effectively across sectors and places – **doing the right thing**



INNOVATE in approaches to funding, financing and delivery – **maximising the things we can do**



DELIVER projects and programmes to drive life-cycle value and vibrant construction and related industries – **doing things well**



MANAGE existing assets, estates and contracts productively – **making the most of the things we have**

Outcomes

The Scottish Government has developed a National Performance Framework to describe the kind of Scotland it aims to create. The 11 outcomes in the framework underpin the Government's purpose, *"to create a more successful country with opportunities for all of Scotland to flourish through increased wellbeing, and sustainable and inclusive economic growth."*

Infrastructure forms the fabric of the economy and society and hence many of the national outcomes require a strong infrastructure backbone for their achievement. There is no single outcome for which infrastructure is the focus so SFT has developed a set of infrastructure outcomes which are supportive of the national outcomes in the framework.

Over this five-year corporate plan period, we will work with public and private sector partners to deliver these 10 infrastructure-led outcomes to underpin the aspiration of being a globally connected, low-carbon and inclusive economy, with decent and affordable homes for all Scotland's people with joined-up effective public services for sustainable communities:

1. We have a clear picture of Scotland's future economic and social infrastructure needs.
2. There is improved coherence, pace and placemaking across major private commercial, industrial and housing development.
3. Infrastructure investment is sustainable and affordable with an increased use of innovative funding and financing approaches.
4. Internationally mobile capital is drawn in to invest in projects and places across Scotland.
5. Programme and project procurement and delivery is effective, with highly skilled teams deployed where they are needed.
6. We have a vibrant, innovative construction industry with increased productivity delivering well designed, high-quality products and fair work.
7. Public asset condition and performance is improved through more effective whole-estate management and maintenance.
8. The public asset portfolio is effective and place-based, driving collaborative service transformation with underutilised public assets re-deployed to meet other policy objectives or divested to stimulate economic activity.
9. We have innovative technology-enabled construction, asset management and usage optimisation at a place, portfolio, and network level as well as for individual assets.
10. Infrastructure-related carbon dioxide and other greenhouse gas emissions are reduced, supporting Scotland's transition to a low carbon economy.

1 <https://nationalperformance.gov.scot/>

Contribution

The National Performance Framework is linked to the United Nations Sustainable Development Goals (SDGs), and one SDG in particular has an infrastructure focus: Goal 9 – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

SFT's infrastructure outcomes link directly to the National Performance Framework and the UN SDGs as shown in the table to the right:

SFT VISION	SFT OUTCOMES	PRIMARY NPF LINK	SECONDARY NPF LINK	UN SDG LINK
World class infrastructure for the people of Scotland	1. Clear picture of future infrastructure needs.	Economy	Communities	9. Industry, innovation & infrastructure
	2. Improved coherence, pace and placemaking across major development.			8. Decent work and economic growth
	3. Infrastructure investment is affordable with increased financing innovation.		Health	12. Responsible consumption and production
	5. Programme and project procurement and delivery is effective.			11. Sustainable cities and communities
	7. Public asset condition and performance is improved.		Education	10. Reduced inequalities
	8. Effective public assets driving transformation or re-deployed.			17. Strengthen the means of implementation
	9. Technology-enabled construction asset management and usage optimisation.		Culture	13. Climate action
	4. Internationally mobile capital is drawn in to invest.			
	6. Innovative construction industry with increased productivity, quality and fair work.		Economy	
	10. Infrastructure-related carbon dioxide emissions are reduced.			

Actions

SFT works across all public infrastructure sectors, all Scotland's regions, and all phases of asset life cycles. We undertake a range of key actions, working collaboratively with partners across the public and private sectors to deliver the infrastructure-led outcomes identified. These actions, detailed in our annual business plans based on current priorities and resources, can be summarised across the phases of infrastructure life cycle as:

PLAN



Asset and place strategy development

The development of assets and place strategies and investment priorities to meet policy objectives, especially where these span sectors or organisations and are set within a whole system place-based approach at a local, regional and national level.

INNOVATE



Funding, financing and delivery innovation

Infrastructure (social, economic and housing) is paid for either by government or other public-sector bodies from their budgets, or by customers – users, occupiers or private developers. Where customers pay, and government has a policy aspiration, SFT's role is to understand the underlying commercial position, develop, model, structure and test approaches to allow assets to be financed and delivered on a commercial basis potentially including incentivisation, regulatory, or other public-sector interventions. Where the public sector pays, SFT develops and implements innovative approaches to funding, public or private financing and delivery of infrastructure assets to deliver addditionality of investment capacity.

DELIVER



Enabling private capital investment in places

SFT's role is to coordinate activities across public and private sectors and assess investment viability. We match potential public sector interventions with public / private sector funding and financing approaches to make a place investable. We engage with investor, developer and other commercial markets to better understand deliverability constraints, and build on that understanding to deliver the actions required to unblock development and draw in capital investment.

DELIVER



Programme management across multiple deliverers

Management of programmes of investment in similar infrastructure assets delivered across multiple authorities to maximise value - including managing budget allocations, benchmarking, best practice sharing, programme level industry engagement, programme information gathering and reporting to improve outcomes for both public authority clients and the delivery industries.

Procurement and delivery management

Procurement strategy development, market testing, requirement briefing, commercial structuring, procurement, assurance and delivery, programme and project management of infrastructure acquisition where the scope / scale is outside the normal business of an authority or spans multiple authorities.

MANAGE



Managing complex commercial arrangements and contracts

Commercial management of complex partnership or contractual arrangements where the public sector has a stake or is the customer to maximise value and manage change by taking a role in governance, managing contracts or supporting others to manage contracts.

MANAGE



Efficient and effective use of existing assets

Driving the most cost effective, beneficial and environmentally efficient use of existing assets, principally land and buildings. This is especially across multiple organisations, geographies, sectors and asset classes, where changing the use of assets can catalyse changes in ways of working and improve outcomes. It includes the responsibility for asset stewardship to effectively maintain condition, suitability and performance over an asset life cycle. It also includes recycling assets for different policy objectives, potentially for economic activity and maximising pace and benefit received.

ALL STAGES

Infrastructure technology

Driving understanding, improving uptake and making the most efficient and beneficial use of technological innovation and data management in support of improving infrastructure delivery and performance.

Organisation

People

Our success lies with the team we have built. Recruited from both the public and private sectors, we have been able to attract and develop the finest talent in the infrastructure world drawing on a range of experienced people from a wide range of professions. The strength of the organisation lies in bringing all these infrastructure specialist skill sets together in a single place. They include architects, surveyors, low carbon and telecoms specialists, designers, economists, civil engineers, accountants, lawyers, project managers, commercial property professionals and financiers, all of whom are supported by a strong and professional corporate team.

SFT brings the following skills and attributes to its work:

- **Infrastructure expertise** – The team retains technical skills and understanding of infrastructure systems and economics, social infrastructure design, costing and briefing/development, housing and commercial property development, asset and facilities management, digital and low carbon infrastructure, space planning, programme and change management.
- **Commercial / financial acumen** – The team includes many senior individuals with 10-20+ years each of experience in infrastructure related debt and equity financing, financial advice and structuring across the public and private sectors, commercial deal structuring and legal documentation, transaction management, investment decision making and governance, corporate governance,

commercial contract understanding and management and approaches to dispute resolution.

- **Cross sectoral reach** – The team has a unique view across infrastructure sectors (economic and social, public and private). It also has a span across Scotland and has close relationships with the infrastructure and related teams in all local authorities and health boards and most public bodies along with many construction, infrastructure and related advisory businesses and professional bodies active in Scotland.
- **Public sector ethos and understanding** – Fundamentally SFT has a public sector ethos with a deep commercial understanding. The team brings an understanding of the breadth of policy objectives and the constraints and rules across the public sector combined with a strong commercial focus and financial / investment understanding.
- **Partnership building** – Because of SFT's position as a central body operating independently from Scottish Government, it can act as an impartial and trusted broker in the formation of partnerships between public organisations and between public and private organisations.

The organisation's size, structure and professional culture allows it to be flexible and nimble and it is these attributes that will remain important in allowing SFT to maintain focus and optimise the skills and expertise of its people.

Governance

SFT is a company, classified as a non-departmental public body, owned by Scottish Government and its activity is overseen by the Cabinet Secretary for Finance, Economy and Fair Work with whom the Board and chief executive meet regularly.

The Board consists of a non-executive chairman, five non-executive directors and the chief executive. The role of the Board is to lead SFT in the achievement of its aim of improving the efficiency and effectiveness of infrastructure investment and use in Scotland by working collaboratively with public bodies and industry, leading to better value for money and ultimately improved public services, while maintaining a clear focus on supporting long term inclusive and sustainable economic growth.

The Board publishes an annual Business Plan detailing the organisation's activities and use of resources for the coming year as well as an annual report covering financial and operational performance.

Funding

The majority of our work is grant funded by Scottish Government, with a further significant proportion of funding coming from returns on investments we hold in infrastructure projects.

Measuring Performance

SFT's performance will be measured over the period of the Corporate Plan by the extent to which the outcomes we have set out are achieved. The range of sectors and programmes SFT is engaged with make direct measurement of outcomes delivered by SFT challenging. We do not deliver any outcomes on our own, always working in collaboration with other public and private sector organisations across Scotland.

The pace at which outcomes are delivered, and the range of activities undertaken under the roles which SFT has the skills to take on set out in this plan depend on the funding we receive, and investment decisions made by others.

The table on the right sets out an initial set of indicators of our performance to be implemented over the Corporate Planning period. These will be refined based on annual business planning, and every year we will publish a report on the performance delivered with specific examples of where our interventions and actions have led to improved outcomes.

SFT VISION	SFT OUTCOMES	INDICATORS
World class infrastructure for the people of Scotland	Clear picture of future infrastructure needs.	Economy Indicators:
	Improved coherence, pace & placemaking across major development.	> Capital investment in private development
	Infrastructure investment is affordable with increased financing innovation.	> Value of innovative finance of public infrastructure
	Programme and project procurement and delivery is effective.	> Inward capital investment
	Public asset condition and performance is improved.	> Employment opportunities from new development and investment
	Effective public assets driving transformation or re-deployed.	Environment Indicators:
	Technology-enabled construction asset management and usage optimisation.	> Infrastructure related CO2 reduction
	Internationally mobile capital is drawn in to invest.	> Increased investment in energy efficiency
	Innovative construction industry with increased productivity, quality and fair work.	Construction Indicators:
	Infrastructure-related carbon dioxide emissions are reduced.	> Construction industry productivity
		> SME engagement
		> Reduced defects
		> Enhanced worker satisfaction
		Programme Indicators:
		> Enhanced organisational satisfaction with assets
		> Enhanced user benefit
		> Enhanced community impact

Scottish Futures Trust
1st Floor
11-15 Thistle Street
Edinburgh EH2 1DF

www.scottishfuturestrust.org.uk

