

In collaboration with



# Measuring and Valuing the Inclusive Growth Impact from Infrastructure Investment



Direct enquiries regarding this report should be submitted to:

Chris Kelly | EKOS Director

Email: <a href="mailto:chris.kelly@ekos.co.uk">chris.kelly@ekos.co.uk</a>

EKOS Limited, St. George's Studios, 93-97 St. George's Road, Glasgow, G3 6JA Reg 145099

www.ekos-consultants.co.uk







## 1 Executive Summary

Inclusive growth has been a growing area of policy focus for some years and, alongside achieving increased wellbeing of citizens and a just transition to net zero emissions, is currently one of the Scottish Government's core aims. As highlighted in the National Performance Framework (NPF), Scotland's Wellbeing Framework, the focus is on:

"creating a more successful country with opportunities for all of Scotland to flourish through increased wellbeing, and sustainable and inclusive economic growth."

**National Performance Framework** 

#### **Aims and Objectives**

The focus of the research is to enhance and improve the evidence base of how investment in infrastructure supports and helps deliver inclusive growth. Specifically, the research will:

- Improve how Scottish Future Trust (SFT) and partners evidence the contribution to
  inclusive growth in relation to infrastructure and recommend a suite of indicators and
  metrics that will enable a more consistent approach to appraising and prioritising
  resources.
- Provide recommendations on different approaches and suitable inclusive growth indicators and metrics to support the prioritisation of infrastructure being developed by Scottish Government's Infrastructure Investment Division (IID) for the next Infrastructure Investment Plan (IIP).

### **Understanding the Context**

The starting point for the research was to establish a working definition of both inclusive growth and infrastructure - both of which have been subject to varying degrees of interpretation and ambiguity in recent years. The Scottish Government definitions have been employed as follows:

**Inclusive Growth**: "Growth that combines increased prosperity with greater equity; that creates opportunities for all and distributes the dividends of increased prosperity fairly."



Figure 1: The Four Capitals - Defining Wellbeing



Research note: The research team would note that, while the focus of the study is inclusive growth, as outlined in the recently published Scotland's National Strategy for Economic Transformation (2022), wellbeing is an emerging policy priority. We have therefore sought to reflect the wider economic, social, and environmental dimensions encapsulated by wellbeing within the Evaluation Framework in terms of how inclusive growth contributes to the four capitals.

**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."

There are three core portfolios that comprise infrastructure: enabling infrastructure, the built environment, and natural infrastructure.

### Relationship between Infrastructure and Inclusive Growth

The precursor to the research was a study undertaken by the Fraser of Allander Institute in 2019 that concluded that the linkages and synergy between infrastructure and inclusive growth are more theoretical and do not have a strong supporting (quantitative or qualitative) evidence base.

To provide an update to the Fraser of Allander research and consider the new/emerging approaches, the study reviewed a broad spectrum of research, academic papers and work undertaken by practitioners from Scotland, the UK and internationally.



The purpose was to establish how other organisations have sought to evidence both the rationale for investing in infrastructure (in the context of inclusive growth) and measuring the contribution of infrastructure in delivering inclusive growth.

Our main observations from the desk-top review are:

- The theoretical link between inclusive growth and infrastructure is by-and-large strong, however, some areas of investment may be more amenable to evidencing the direct role with inclusive growth than others. For example, our understanding of how infrastructure can support economic growth is well established, but how infrastructure contributes to more intangible areas such as social and environmental outcomes is less well developed.
- Different approaches and interpretations of inclusive growth have resulted in competing definitions - there needs to be greater consensus on the parameters before any meaningful prioritisation or measurement framework can be developed. This is a fundamental first step before we can progress and start to develop our thinking on how to prioritise investment.
- Some researchers and practitioners view inclusive growth as an input in the design of
  "inclusive infrastructure", while others view it as an intended/aspirational outcome of
  infrastructure investment. Both are critical for inclusive growth to be embedded. Any
  new or revised approach to achieving inclusive growth should include a commitment
  to embed the appraisal and evaluation of investments into every stage of the project
  cycle.
- Viewing infrastructure through a more holistic lens is becoming ever more prevalent within mainstream policy, with initiatives such as the G20 Global Infrastructure Hub now viewing the development of 'inclusive infrastructures' as a priority.
- Decision makers need to understand and consider all the positive and negative spillover impacts resulting from infrastructure investment - thinking more holistically about people and place and integrating social and environmental considerations will lead to more informed decision-making and reduce failure demand. To some extent this is more about influencing cultures and behaviours as it is about the process.
- As Scotland develops its approach and thinking on wellbeing (and the evolving policy that guides the approach), further investment within social, human and natural infrastructure will be an important factor in achieving wellbeing outcomes.



For example, the international research has highlighted interesting relationships between infrastructure as an enabling capability that can support positive societal outcomes, including:

- o Breaking the feedback loop between poverty and mental health issues.
- o Developing social infrastructure that engenders trust in Government/public bodies.
- Utilising natural capital investment to support a diverse range of improvements within health outcomes, such as cardiovascular health, cortisol levels (indicators of stress) and obstetric outcomes, together with positive impacts on mental health and pro-social behaviours.

#### **Current Practice**

To inform the development of a new Evaluation Framework it is important to understand the current policy and practice with regards to investment prioritisation, appraisal, and measuring progress at a delivery and operational level across infrastructure programmes and projects.

We undertook a review (desk-top review and consultation with key stakeholders) to consider:

- A cross-section of policy documents and action plans related to infrastructure to better
  understand the stated objectives and intended outcomes from the delivery of different
  types of infrastructure, how they measure success in relation to delivering inclusive
  growth, and if there is consistency across the measures and indicators.
- The specific approaches to measurement and evaluation being undertaken through a
  wide range of infrastructure projects to identify good practice, gaps, and challenges.
   The programmes/projects for review are broadly categorised as:
  - o City-Region and Growth Deals.
  - o Major infrastructure programmes as identified in the IIP 2020/21 2025/26.
  - o Infrastructure projects where SFT has a key facilitation and/or delivery role.

From the research we would highlight the following key messages:

- While inclusive growth is often highlighted as a key objective of policy in Scotland it is
  unclear how this translates to actions and deliverables, and how (if at all) progress to
  delivering inclusive growth is being measured.
- The goals across different policy workstreams lack co-ordination and this has emerged as a key challenge in achieving inclusive growth. For example, Scotland's commitment to both environmental stability and inclusive growth requires many trade-offs (such as attempting to reduce fuel poverty whilst promoting the installation of expensive renewable technologies) which are not yet reflected in the policy guidance.



- Across Scotland there are areas of strength and good practice but also gaps and limitations in the way in which we prioritise and appraise programmes/projects and measure their progress. To some extent this has been driven by the legacy issues alluded to earlier with regards a lack of definition and guidance on inclusive growth.
- There are practical challenges with measuring inclusive growth where this is not an intended or explicit objective of the investment. Notably, in areas of social infrastructure investment such as education or health or environmental/ natural infrastructure where the linkages may be more indirect or casual. The tendency is to focus on the immediate short-term outputs (construction and Community Benefits) or discount inclusive growth from the measurement framework entirely. In addition, there is often a lack of clarity about how inclusive growth outcomes would be achieved.
- At an operational level, the reporting requirements of funders, availability of resources, and other external influences such as political pressure are significant drivers for the approaches adopted to both appraisal and measurement.
- There is emerging good practice from international comparators that, while the focus
  is on wellbeing and not specifically inclusive growth, they are adopting a more holistic
  approach to appraisal and measurement that goes beyond traditional economic
  metrics.
- Transformational changes linked to infrastructure investment will only become a reality if they are viewed in the context of a strategically coherent portfolio of policy initiatives i.e. investment should not be considered in isolation.
- A focus on promoting cultural and behavioural change and capitalising on Scotland's existing policy architecture will be as important to the success of inclusive growth outcomes as designing the framework.
- Given the complexity and fluidity of our socio-economic environment it is unrealistic to expect that a single framework (or a specific set of metrics) will provide all the answers.
- There is a role for public engagement/views to guide on inclusive growth priorities and identify which trade-offs are acceptable to achieve longer term ambitions.

### **Developing a New Approach**

The research has shown that, with regards to the linkages between inclusive growth and infrastructure, this is a dynamic and fluid relationship that continues to evolve.

Traditional approaches using definitions that centred on purely economic measures of growth (measured through macroeconomic indicators such as production and Gross Value Added - GVA) have started to adopt a more holistic approach and now include wider considerations such as the effect on society, people, and the environment. Indeed, some frameworks and countries have taken this further and the thinking and narrative on infrastructure/inclusive growth is now being embedded within the wellbeing economy agenda.



The research has also highlighted that infrastructure covers a broad range of activity with complementary and sometimes competing aims and objectives. The difficulty in attributing and measuring the effects of infrastructure stem from its predominant nature as an enabler within a much wider 'system' where different types of infrastructure will create interdependencies – both positive and negative.

Therefore, we have suggested a **principles-based framework and guide** that reflects good practice (from within Scotland and internationally) to influence the pre-appraisal stage and prioritisation of future infrastructure, as well as setting appropriate indicators and metrics to measure and track performance.

#### The Principles of Reframing our Approach to Reflect Need

We first need to understand what the need and specific challenges are in relation to inclusive growth that infrastructure investment could address. Once we understand the problem(s) that we are trying to address, then we can set objectives for what we want to achieve with the investment. When we have set objectives, then we can start to consider and set indicators and metrics for measuring progress and success.

Unless inclusive growth measurements are viewed, and included, as part of a new decision-making framework, infrastructure investment is unlikely to address or make limited progress to tackle the systemic issues and challenges faced by Scotland's people and communities.

Through the study we mapped the 11 national outcomes (and numerous indicators/measures) as outlined in the NPF and considered them through a different lens - framing them as "inclusive growth challenges". We have then set objectives that could make a meaningful contribution to our definition of inclusive growth and set out a dashboard of relevant indicators.

In effect, the research team sought to work backwards, or top down, to ensure a needs-based approach and link the inclusive growth challenges to appropriate indicators of progress.

#### The Principles of Pre-Appraisal and Prioritisation of Infrastructure Investment

To support the prioritisation of infrastructure investment, we would encourage decision-makers to think about the following:

Decision-makers and funders need to adapt the lens through which they view investment. Infrastructure investment is not simply a supply-led process focused on delivering inputs and activities. Instead, infrastructure should be viewed as a needs-led delivery mechanism and enabler of inclusive growth focused on delivering outcomes i.e. the overall change we want to achieve. Fundamentally, objectives that address the root cause of the challenge (not the observed outcome) need to be set.



- 2. Decision-makers and funders need to think broader and move away from a siloed project/programme mentality to one that considers the role of infrastructure within the wider 'system'. This could include engaging with other portfolio leads and stakeholders to better understand the mix of proposed activities at different thematic, sectoral, and spatial levels. This will help decision-makers to consider the interdependencies and the potential positive and negative effects on other investments and forms of capital (economic, social, human, environmental).
- 3. The overall long-term goal is sustainable, inclusive growth rather than absolute growth. As noted in Scotland's National Strategy for Economic Transformation (2022), the vision is to "create a society that is thriving across economic, social, and environmental dimensions, and that delivers prosperity for all Scotland's people and places...while respecting environmental limits". So, in practical terms, there may need to be trade-offs in the short to medium-term to achieve longer-term change.
- 4. Prioritisation of investment/programmes/projects should be informed by the outcomes that we are seeking to achieve (this may include some form of weighting to address policy priorities<sup>1</sup>) with a focus on people and places. In addition, any weighting should remain flexible so that changing priorities can be accommodated or where progress is made and/or focus needs redirected to other areas of activity.
- 5. Prioritisation should include a review of the 'project/programme' landscape at the local authority/ national level what is already there, and consider the short-, medium- and long-term needs.
- 6. Prioritisation should include a review of how infrastructure interacts across different thematic areas and sectors to inform decisions or trade-offs with regards to failure demand and maximising benefits and impacts.

To support the pre-appraisal and prioritisation stage and help decision-makers develop a more robust strategic case for intervention, it is recommended to adopt a 'gateway' approach whereby key stakeholders need to address/consider a series of key questions to inform how investment decisions are prioritised.

19

<sup>&</sup>lt;sup>1</sup> In this context, investment that helps mitigate against any negative spillover effects (for example, within an already disadvantaged area or group of people) should hold similar weighting to those investments that generate a measurable positive impact.



#### The Principles for Setting Metrics and Indicators to Measure Inclusive Growth

- 1. At an early stage, project leads should identify (with the use of empirical or other baseline evidence) the specific inclusive growth challenges with a focus on: People who are the intended beneficiaries; and Place what is the intended spatial impact of the project and what are the considerations. The next step is to set and agree a range of objectives linked to the inclusive growth challenges i.e. what do you want to achieve? The inclusive growth challenges are distinct and will be influenced by the intended beneficiaries and spatial impact of the infrastructure.
- 2. Identify the core and supplementary metrics and set clear targets for each, illustrating a 'where we want to go' approach (rather than comparing to historical positions).
- 3. Metrics and indicators to use relative as well as absolute measures of change and growth. For example, objectives could relate to growing overall economic output of a region (considered as GVA) as well as reducing the gap in median earnings of the lowest and highest earners (earnings being a component of GVA).
- 4. Identify the appropriate timescales for reflection and evaluation (recognising that some effects will be immediate and short-term, and others will have a longer lead-in time before change is evident) build in feedback loops and a learning cycle to inform future decisions and/or approaches to monitoring. In a practical sense, different types of infrastructure will also generate outcomes and impacts over differing timescales. For example, transport and other enabling infrastructure will likely have a more immediate effect when compared to some elements of the built environment like civic infrastructure.
- 5. The framework needs to recognise that not all infrastructure investment will have an explicit inclusive growth objective or intended outcome (e.g. it may be a secondary or unintended effect due to other activities across the logic chain). This suggests an element of contribution analysis is required and where linkages start to become indirect and casual then we need to consider different approaches to collecting and providing evidence, for example, engaging directly with beneficiaries or undertaking case studies.
- 6. Partners need to commit resources to tracking and reporting at the ex-ante, delivery and ex-post stage identify the point at which it is appropriate and proportionate to measure and attribute change to infrastructure.

#### Logic Model and Dashboard of Outcome and Impact Indicators

The logic model presents the high-level theory of change that illustrates how investment in infrastructure produces the intended outcomes and impacts, and the various intermediary stages. A summary of the outcome and impact indicator dashboard is also presented that identifies the expected contributions and relevant indicators, set against the four capitals.



Figure 1: Infrastructure and Inclusive Growth

#### **INFRASTRUCTURE & INCLUSIVE GROWTH - LOGIC MODEL**

#### Pre-appraisal Reframe the approach using the guiding principles of the Framework: Build in feedback loops for review and evaluation to inform future decision-making **Outcomes & Impacts** - What are the observed inclusive growth challenges? - What do you want to achieve? NPF Outcomes Employ systems thinking - Landscape mapping Contribution to longer term policy aspirations Inputs **Activities** Output **Economic Capital** Core indicators: Core indicators: Core Indicators: - Create sustainable jobs and fair Economy - Construction and supply chain - Capital and revenue/maintenance - Projects delivered - enabling infrastructure, built environment funding impacts - Increase economic output and and natural infrastructure - Community Benefits wealth/productivity Supplementary indicators: - Increase economic participation Fair Work and Business Skills and training Supplementary indicators: Supplementary indicators: - Reduce poverty and household - Deliverables linked to the specific - Service level outputs e.g. car nature of the investment e.g. journey times, number of Poverty teachers/students accommodated new/maintained roads (km), in new education facilities, hospital housing units delivered, cabling Social Capital laid/exchange connections (sqm), waiting times public services floorspace (sqm) Culture - Create good communities and neighbourhoods for people to live - Improve quality of local and public Communities services - Improve access to good quality International **Human Capital Human Rights** - Increase participation in education, training, and employment - Improve life expectancy and health Education outcomes - Reduce child poverty At every stage funders and decision makers should consider who and where are the intended beneficiaries (the people and places) in order to help deliver inclusive growth Health **Environmental Capital** Children and Young People - Promote and enable access to outdoor space - Promote decarbonisation and usage of energy from renewable Environment sources - Protect and enhance natural habitats, environments, and ecosystems







#### **Economic Capital**

Inclusive growth includes promoting prosperity and a fairer distribution of wealth within the economy through ensuring people and places have equitable and accessible opportunities for participation, trade, employment, and business growth.

- Create sustainable jobs and fair work.
- Increase economic output and wealth/productivity.
- Increase economic participation.
- Reduce poverty and household debt/costs.

**Table 1: Economic Capital - Inclusive Growth Outcome and Impact Indicators** 

Inclusive growth objective - what do we want to achieve?	Outcome indicators (Short-Medium Term)	Impact Indicators (Longer-term)	Economic Capital -System Indicators
More businesses are involved with exporting directly or can benefit via supply chain linkages. Specifically, to ensure that regions and places that are underrepresented have an opportunity to engage in exporting  Increase overall economic growth but with a focus on those regions and/or groups of	Number/percentage of Scottish business involved with exporting - directly and/or within the supply chain $ Value\left(f\right) to Scottish suppliers involved with exporting - directly and/or within the supply chain \\ Jobs created/safeguarded that pay the Real Living Wage $	Exports as % of GDP  Wages gap/variance	Household debt
people where the average output per employee is lower than the Scottish average	Jobs created/safeguarded that pay over 80% of the equivalised Scottish national (gross FT) average - £32,000  Relative and absolute change in GVA  Turnover created/safeguarded	Median wages (proxy for productivity) Average (GVA) output per employee	Investment in R&D (gross)  Distribution of wealth
Increase the % geographic coverage for superfast broadband in Scotland and with a focus on rural and less densely populated areas	% of residential dwellings that have access to fast internet download speeds (min 30mbps)  % of commercial premises that have access to fast internet download speeds (min 30mbps)	% of residential dwellings that are using fast internet (min 30mbps download speeds)  % of commercial premises that are using fast internet (min 30mbps download speeds)	





	Encourage more people from different	Business starts per 10,000 population	Employment rate
	backgrounds to start a business and grow		
	the overall rate of annual business births	Survival rates (%) of businesses at 1 and 3 years old	Economic activity rate
			Long term unemployment rate
ľ	Increase the total proportion of businesses	Businesses reported to be engaged in innovation	Average (GVA) output per employee
	that are innovation active - in sectors and		
	regions that are typically less engaged in	R&D jobs created/safeguarded	Business Expenditure on Research &
	innovation activity		Development (BERD)
	Increase the overall participation or employment rate in Scotland - targeting	Job density ratios	Employment rate
	specific groups of people and	Working age people claiming benefits (for those that are able	Economic activity rate
	regions/areas where the median average	and seeking to work)	200 norme delivity rate
	rate is notably below the Scottish average		Long term unemployment rate
		Jobs created/safeguarded that pay the Real Living Wage	
		Jobs created/safeguarded that pay over 80% of the	
		equivalised Scottish national (gross FT) average - £32,000 -	
		split by FT/PT	
		% of population that can access employment within 30-minute	
	Increase the absolute and relative	drive by private or public transport	Wantanakaniana
	proportion of people that earn the Real	Jobs created/safeguarded that pay the Real Living Wage	Wages gap/variance
	Living Wage with a focus on those groups	Jobs created/safeguarded that pay over 80% of the	Median wages
	that are disproportionately affected by low	equivalised Scottish national (gross FT) average - £32,000	
	pay and unsecure work	, i	
	The gender pay gap is a significant issue	Jobs created/safeguarded taken by females that pay the Real	Wages gap/variance - male/female
	and the aim is for median average wages of female employees to increase (at a %	Living Wage	Median wages - male/female
	greater rate) to help reduce the pay gap	Jobs created/safeguarded taken by females that pay over 80%	Median wages - male/lemale
	grouter rate, to help reduce the pay gap	of the equivalised Scottish national (gross FT) average -	
		£32,000	
	Reduce the overall level of	Proportion of homes meeting SHQS standards	The % living in private households with
	households/individuals in relative poverty		an equivalised income of less than 60%
	by reducing housing costs - with a focus on certain target groups	Number/percentage of households in fuel poverty	of the UK median after housing costs
	certain target groups	Housing affordability - median cost of new homes	
		· ·	
	Reduce the % of net income spent on	Proportion of homes meeting SHQS standards	The % living in private households with
	housing, food, fuel and achieve a	Niveshau/a avantana afhavahalda isafada asata	an equivalised income of less than 60%
	'minimum' per household/per person with a focus on the groups that are	Number/percentage of households in fuel poverty	of the UK median after housing costs
	disproportionately affected)	Housing affordability - median cost of new homes	
_			





#### **Social Capital**

Inclusive growth means that all people have access to good quality places and spaces where they have good quality housing, feel connected, safe, and have an effective voice in their community.

- Create good communities or neighbourhoods for people to live in.
- Improve quality of local and public services.
- Improve access to good quality housing.

Table 2: Social Capital - Inclusive Growth Outcome and Impact Indicators

Inclusive growth objectives - what do we want to achieve?	Outcome indicators (Short-Medium Term)	Impact Indicators (Longer-term)	Social Capital - System Indicators
Promote greater diversity and accessibility of local areas: with improved quality of facilities; wider range of activities; and improved quality and diversity of local areas	% of population that have access to community or civic facilities within a 20-minute drive or by public transport	% of residents that report their local community is a "good" place to live	
Increase awareness and accessibility of social services and activities such that they are holistic and interconnected. This can be supported by greater digital connectivity for these groups	% of population that have access to community or civic facility within a 20-minute drive or public transport  % of residential dwellings that have access to fast internet download speeds (min 30mbps)	% of service users who are fairly or very satisfied with the quality of local services (local health services, local schools, and public transport)	Trust in others  Trust in  Government
Build the capacity of communities to ensure all places and groups have the same access and opportunity to take relevant assets into community ownership	Assets in community ownership (private v community)	% of residents that report their local community is a "good" place to live	Diversity of land and asset ownership
Ensure all local areas and neighbourhoods are safe places to live for all people, particularly those who are at the greatest risk of being victims of crime	% of people that say they feel safe walking alone at night % of people that say their neighbourhood is safe No. of CCTV per capita % of people that say their neighbourhood is well lit	Crime rates	





Improve access to the outdoors and quality local green spaces through the repurposing of vacant/derelict land	HA of vacant or derelict land restored/reclaimed % of population within a 10-minute walk to greenspace	Number/percentage of residents accessing local greenspace at least once a week % of residents that perceived their local area has a "good" environmental quality
Increase accessibility to cultural events and places specifically targeted at those less likely to attend or visit	No. of cultural events  No. of (public/private/community) venues  % of population that have access to (public/private/community) venues within 20 minutes (private or public transport)	No. people attending a cultural event % of people who had never attended a cultural event before
Increase participation in cultural activities amongst those groups who are less likely to participate	No. of cultural events  No. of (public/private/community) venues  % of population that have access to (public/private/community) venues within 20 minutes (private or public transport)	No. people participating in a cultural event % of people who had never participated in a cultural event before
Increase the % of households that report they are satisfied with their housing in the SIMD top 20% most deprived communities is in line with the national average	SIMD Housing Rank Proportion of homes meeting SHQS standards Home ownership rates Housing stock Vacant/derelict homes	% of households who report being either "very satisfied" or "fairly satisfied" with their house or flat
All early learning and childcare services are rated as good or better	% population that have access to funded Early Learning and Childcare (ELC) within a 20-minute drive or by public transport	Rating of ELC facility
Greater involvement and engagement with all communities in design and operation of public services so that public services are accessible to and designed for all	% of population that have access to local services within a 20-minute drive or by public transport  Quality of community and public services assets - heat, light, public transport, etc  Age of community and public services assets  Level of investment in community and public services assets	% of residents who are fairly or very satisfied with the quality of local services (local health services, local schools, and public transport





Mange population growth (natural change and	Population change	Population	
net inward migration) in areas of Scotland currently suffering from depopulation		Dependency ratio	
		Net migration	



#### **Human Capital**

Inclusive growth means that people are healthy and skilled and have access to good quality education and healthcare provision, and greenspace/infrastructure.

- Increase participation in education, training, and employment.
- Improve life expectancy and health outcomes.
- Reduce child poverty.

Table 3: Human Capital - Inclusive Growth Outcome and Impact Indicators

Inclusive growth objectives - what do we want to achieve?	Outcome indicators (Short-Medium Term)	Impact Indicators (Longer-term)	Human Capital - System Indicators
Support a high level of educational attainment in all areas of Scotland, closing the gap between the most and least deprived areas	% population that have access to school, further or higher education facility within a 30-minute drive or by public transport  Asset condition of schools and other education institutions (A-D)	Educational attainment % with no recognised qualifications	Life overestency at
	% of population participating in education, training, or employment		Life expectancy at birth
Decrease the overall level/proportion of children with developmental concerns, specifically, closing the gap between low- and higher-income families	% population that have access to GP practice within a 20-minute drive or by public transport  GP practices and list sizes  Proportion of homes meeting SHQS standards  No. and/or % of households in fuel poverty  Housing affordability - median cost of new homes	% of children with a developmental concern  The % living in private households with an equivalised income of less than 60% of the UK median after housing costs	Premature mortality levels  Affordable housing stock  Household debt
Improve the proportion of the population reporting good mental health in all areas, with particular attention paid to the most deprived areas	% population that have access to GP practice within a 20-minute drive or by public transport  GP practices and list sizes  No. of people/ % of residents accessing local greenspace at least once a week	Self-reporting of good mental health or being "happy"  Average score on Warwick- Edinburgh Mental Wellbeing Scale	Distribution of wealth



A higher proportion of adults are a healthy weight in all parts of Scotland, with particular attention paid to closing the gap between the most and least deprived areas	% population that have access to shops that sell fresh produce (fruit and veg) within a 20-minute drive or by public transport % of population within a 10-minute walk to greenspace % of population within a 10-minute walk to dedicated walking and cycling infrastructure	Obesity levels/rates  No. of people/ % of residents accessing local greenspace at least once a week	
Increase levels of physical activity in all parts of Scotland, closing the gap between the most and least deprived areas.	% population that have access to sports/leisure facility within a 20-minute drive or by public transport % of population within a 10-minute walk to dedicated walking and cycling infrastructure	No. / % people meeting the daily or weekly physical activity/exercise recommendations	



#### **Environmental Capital**

Inclusive growth is about protecting and enhancing the natural environment and historic sites, promoting the use of green and blue space, and diversifying and increasing use of energy from renewable sources.

- Promote and enable access to outdoor space.
- Promote decarbonisation and usage of energy from renewable sources.
- Protect and enhance natural habitats, environments, and ecosystems.

**Table 4: Environmental Capital - Inclusive Growth Outcome and Impact Indicators** 

Inclusive growth objectives - what do we want to achieve?	Outcome indicators (Short-Medium Term)	Impact Indicators (Longer-term)	Environmental Capital - System Indicators
Ensure all people have access to outdoor space within a reasonable journey time - focus on those from target groups	% of population within a 10-minute walk to greenspace  HA of vacant or derelict land restored/reclaimed for public  greenspace	Number/percentage of residents accessing local greenspace at least once a week	
Maintain a high % protected nature sites found to be in favourable condition	Designations of Sites of Special Scientific Interest (SSSIs) and Natura 2000	% of natural features on protected nature sites which are in satisfactory condition	
Reduce the overall cost of energy for households and increase the % of energy consumption which comes from renewable energy sources	Number/ type of renewable assets/ renewable energy sites % of electrified heating systems (hydrogen and biomethane)	Energy generated from renewable sources	Material footprint  Ecological footprint
Increase recycling rates and reduce waste	No. of waste recycling facilities per capita  % population that have access to municipal waste recycling centres/facilities within a 20 minute drive  % of businesses demonstrating circular economy practices	Tonnes of waste going to landfill Recycling rates	Net greenhouse gas emissions
To reduce consumption and switch to alternative energy sources to reduce CO2 output	% of public transport fleet that is electric or hybrid % of housing that is energy efficient / zero emissions heating % of public sector buildings that are energy efficient	CO2 output Air quality	



Improved natural habitats - Coastal, Inland surface waters, Raised and blanket bogs, Grasslands, Heathland, Woodland and forest, Unvegetated or sparsely vegetated, Cultivated agricultural, Montane, and Artificial habitats	Ecological footprint  SEEA, Aichi Targets & SDG indicators depending on the specific requirements	Capacity of Scotland's terrestrial ecosystems (The Natural Capital Asset Index)  Water quality  Soil quality  Air quality	
Increase the % of biogeographic regions with acceptably low levels of contaminants - supporting, safeguarding and enhancing the marine environment	Marine designations marine equivalent material footprint	Levels of contaminants	