



INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE

AGENDA

1st Meeting, 2016 (Session 4)

Wednesday 6 January 2016

The Committee will meet at 10.00 am in the Adam Smith Room (CR5).

1. **Decision on taking business in private:** The Committee will decide whether to take item 4 in private.
2. **Draft Budget 2016-17:** The Committee will take evidence on the Scottish Government's Draft Budget 2016-17 from—

Keith Brown, Cabinet Secretary for Infrastructure, Investment and Cities, Mike Baxter, Director for Finance, Corporate and Analytical Services, and Andrew Watson, Deputy Director for Financial Strategy, Scottish Government;

and then from—

Margaret Burgess, Minister for Housing and Welfare, Bill Barron, Unit Head, Housing Support and Homelessness, Caroline Dicks, Unit Head, Affordable Housing Investment, Policy and Planning, Orlando Heijmer-Mason, Social Security Policy and Delivery Division, and Angus Macleod, Unit Head, Home Energy Efficiency Programmes for Scotland, Scottish Government.

3. **Petition PE1539:** The Committee will consider a petition by Anne Booth on Housing Associations to come under the Freedom of Information (Scotland) Act 2002.
4. **Inquiry into the circumstances surrounding the closure of the Forth Road Bridge:** The Committee will consider a list of candidates for the post of adviser in connection with its inquiry.
5. **Private Housing (Tenancies) (Scotland) Bill (in private):** The Committee will consider a draft Stage 1 report.

Steve Farrell
Clerk to the Infrastructure and Capital Investment Committee
Room T3.40
The Scottish Parliament
Edinburgh
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The papers for this meeting are as follows—

Agenda Item 2

Draft Budget 2016-17 cover note ICI/S4/16/1/1

PRIVATE PAPER ICI/S4/16/1/2 (P)

PRIVATE PAPER (to follow) ICI/S4/16/1/3

Agenda Item 3

Petition PE1539 Note from the Clerk ICI/S4/16/1/4

Agenda Item 4

PRIVATE PAPER (to follow) ICI/S4/16/1/5

Agenda Item 5

PRIVATE PAPER ICI/S4/16/1/6 (P)

Infrastructure and Capital Investment Committee

1st Meeting, 2016 (Session 4)

Wednesday 6 January 2016

Scottish Government Draft budget 2016-17

Introduction

1. On 16 December 2015 the Scottish Government published its Draft Budget 2016-17. The document can be found at the following link:

<http://www.gov.scot/Publications/2015/12/9056>

2. The Infrastructure and Capital Investment Committee has a duty to scrutinise the Scottish Government's annual draft budget on the various subjects which fall under its remit, specifically: housing; transport; capital investment; digital infrastructure and broadband; Scottish Water; and public procurement.

3. Following its scrutiny, the Committee will report any findings to the Finance Committee which will, in turn, report to the Parliament.

Infrastructure and Capital Investment Committee consideration

Previous work

4. In its [report on the draft budget 2015-16](#), the Committee made a recommendation that, to help inform the next Scottish Government Spending Review, a systematic review of the Scottish Government's infrastructure funding priorities was needed to help tackle climate change in light of the failure to meet annual targets to reduce greenhouse gas emissions.

5. In his response to the Committee's recommendation for a systematic review of funding priorities, the Cabinet Secretary for Infrastructure, Investment and Cities said:

"The Committee's report highlights a range of important issues. The Scottish Government will continue to take these into account in its budget setting, infrastructure investment and its approach to climate change. The Scottish Government will give further consideration to the Committee's recommendations as part of this year's budget process."

6. At its meeting on 24 June 2015 the Committee agreed to continue to focus its budget scrutiny on how the spending within the Committee's remit affects the Scottish Government's [national performance indicator on reducing Scotland's carbon footprint](#). In particular, what further action might be necessary going forward to help meet the Scottish Government's climate change targets?

Delay in publication

7. While the draft budget is usually published in October, the Cabinet Secretary for Finance, Constitution and Economy said in a [letter to the Finance Committee](#) that

the December publication was due to the later than expected announcement of the UK Government's Spending Review on 25 November 2015.

8. While this delay has limited the time available to the Infrastructure and Capital Investment Committee to scrutinise the Draft Budget 2016-17, it agreed that it still wished to fully consider its implications and report to the Finance Committee. It therefore decided to gather evidence in advance of the publication of the Draft Budget so that it would be in a better position to respond to the Finance Committee within a significantly constrained timescale.

Oral evidence

9. At its meeting on [25 November 2015](#) the Committee heard from a range of groups with a particular interest in mitigating climate change as well as an academic with a specific knowledge of carbon accounting.¹ Whilst the Draft Budget 2016-17 was not yet available, the session provided witnesses with an opportunity to comment on the outcomes of spending in 2015-16 and to suggest what more might need to be done, both in 2016-17 and beyond, to help reach the carbon emission targets.

Written evidence

10. The written submissions received from those giving evidence at the meeting on 25 November can be found at the following link:

<http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/94666.aspx>

Correspondence

11. The Committee has also written to the Cabinet Secretary for Finance, Constitution and Economy, John Swinney (please see the **Annexe**), in relation to his statement on 26 November 2015 informing Parliament of the Office for National Statistics' decision to classify the Aberdeen Western Peripheral Route project to the public sector and its subsequent implications for the Draft Budget 2016-17. The Deputy First Minister's response is also included in the Annexe.

Next steps

12. At its meeting on 6 January 2016 the Committee will hear from the Cabinet Secretary for Infrastructure, Investment and Cities, Keith Brown, and the Minister for Housing and Welfare, Margaret Burgess, in relation to their respective responsibilities for transport and housing.

13. The Committee will then consider and agree a report to the Finance Committee which is expected to publish its own report on the Draft Budget 2016-17 by the end of January 2016.

Andrew Proudfoot
Senior Assistant Clerk
December 2015

¹ Carbon Accounting is the quantification of the impact of an activity, product or organisation, in terms of additional greenhouse gases that are emitted into the atmosphere as a consequence. Source: <http://edinburghcentre.org/Carbon-Acc.html>

Annexe

**Letter from the Convener of the Infrastructure and Capital Investment
Committee to the Deputy First Minister and Cabinet Secretary for Finance,
Constitution and Economy**

European System of Accounts 2010 – Implications for capital projects

I refer to your statement on 26 November during which you informed the Parliament that the Office for National Statistics (ONS) has deemed that, in relation to the Aberdeen Western Peripheral Route (AWPR), the Special Purpose Vehicles (SPVs) that are in place to manage the project and the capital asset itself should be classified as public sector, rather than private sector.

I understand that the impact of this is that the capital value of the asset would count as conventional capital costs and would need to be accounted for at the time of construction in the Scottish Government's capital budget. You indicated when making your statement that the Scottish Government is in discussion with Her Majesty's Treasury on the consequential budgetary implications of the ONS decision and that you intend to reflect the outcomes of those discussions in the draft Budget when it is published in the next few days.

As you will appreciate, this is a matter of considerable interest to the Infrastructure and Capital Investment Committee. I would therefore request that, on publication of the draft Budget, the Committee is advised of how the Scottish Government intends to address this matter, if at all possible. The Committee would also wish to take the opportunity to question the Cabinet Secretary for Infrastructure, Investment and Cities on the potential implications for the AWPR project and other key infrastructure projects in Scotland when he appears to provide evidence on the draft Budget on 6 January.

I have copied this letter to the Cabinet Secretary for Infrastructure, Investment and Cities for information.

**Jim Eadie MSP
10 December 2015**

**Response from the Deputy First Minister and Cabinet Secretary for Finance,
Constitution and Economy**

Thank you for your letter of 10 December.

As I indicated in my statement of 26 November, it has become clear that a rapid reversal of the Office for National Statistics' (ONS) decision to classify the Aberdeen Western Peripheral Route (AWPR) project to the public sector will not be possible. This has no impact on the delivery of the project itself.

Given this position, the Draft Budget 2016-17 includes capital budget provision for the estimated construction costs of the Aberdeen Western Peripheral Route project

(£183m) and four NPD Health projects (£215 million), which could in future attract the same public sector classification.

Going forward, I have asked the Scottish Futures Trust to continue to review the implications of the ONS opinion on the AWPR and their more recent response to the revised model that has been developed for the Hub programme, which ONS have indicated would lead to a private sector classification for projects delivered through the model.

I will be happy to provide a further update to Parliament when I am in a position to do so.

John Swinney MSP
22 December 2015

Infrastructure and Capital Investment Committee

1st Meeting 2016 (Session 4), Wednesday 6 January 2016

PE1539

Introduction

1. This is the Committee's third consideration of petition PE1539:

[PE1539](#), lodged on 17 October 2014:

Calling on the Scottish Parliament to urge the Scottish Government to make an Order under Section 5 of the Freedom of Information (Scotland) Act 2002 to make all housing associations subject to the provisions of that Act. This will ensure that housing associations are more open, transparent and accountable to all their stakeholders, i.e. tenants and factored homeowners.

Petitioner: Anne Booth

Previous Committee consideration

2. The Committee last considered this petition at its meeting on 18 November. That meeting followed receipt of correspondence which confirmed that in recognition of the strong interest in the matter, the Scottish Government would formally consult the sector on extending FOISA to Registered Social Landlords (RSLs) in the future, with a view to extending the Act in tandem with complementary changes to the Scottish Social Housing Charter circa 2017.

3. At that meeting, the Committee agreed that as the Scottish Government has now agreed to formally consult on extending FOISA to include RSLs and to review the Scottish Social Housing Charter, it would seek the petitioner's views on whether it would be happy for the Committee to close the petition on that basis.

4. The petitioner's response is attached at Annexe A and in it; Ms Booth expresses a preference for the Committee to keep the petition open.

ICI Committee Next Steps

5. The Committee is invited to consider and agree whether it wishes to take any further action in relation to the petition. The following options are suggested:

- Should the Committee wish to keep the petition open, it could be carried over to Session 5 given the timings involved with the FOI consultation and Charter review. Under these circumstances, the Committee has the option to refer the petition back to the Public Petitions Committee who could reallocate the petition to a successor committee in the next Session.
- The Committee also has the option to close the petition should it consider that no further action is required.

Jason Nairn
Assistant Clerk
December 2015

Annexe A

Correspondence from the petitioner to the Clerk to the Infrastructure and Capital Investment Committee, dated 27 November

Thank you for your letter dated 19 November 2015.

After careful consideration of all the facts, including the discussion at the recent Committee meeting, I would like Petition 1539 to be kept open for a number of reasons.

Firstly, it is important for this Petition to be kept open because the Petition has not yet achieved Freedom of Information to cover all housing associations. I do acknowledge that the Scottish Government are having a consultation next year with the intention to cover all housing associations with FOISA. However, this is only a consultation, with no pre-determined outcome.

Secondly, it is important that all stakeholders, i.e. tenants and factored homeowners, are covered by a Section 5 Order. In other words, it is very important that ALL stakeholders have the right to information underpinned by Statute Law, namely, FOISA. To this end, I believe it is very important that this Petition stays with the Infrastructure and Capital Investment Committee and does not go back to the Public Petitions Committee.

I would be more than happy to give further evidence to your Committee on this Petition, as I believe this would be very beneficial to members of the Committee.

I trust this information is of value to you.

Yours sincerely

Ann Booth