

THE INVESTMENT BLUEPRINT (DRAFT)

Introduction

Capital investments are often generational in their impact, creating and sustaining the infrastructure to support our communities for decades to come. Funding such investment also means a long-term commitment of significant public funds. It is crucial therefore that the Council invests in the right things at the right time and can demonstrate that its revenue and capital budget decisions deliver tangible benefits to our communities; supporting the design and delivery of innovative, sustainable services which better meet their needs and help deliver on their aspirations and ambitions, promoting economic growth and regeneration and supporting all of us on our journey to a net zero carbon future.

This Investment Blueprint is a key component of our wider Strategic Capital Investment Planning Framework. The Blueprint sets out the rationale and key drivers for change. It provides five overarching principles to inform our decision-making and help us to direct the investment of public money where it is most needed. These are, that our investment decisions must:-

- mitigate against the impact of climate change
- promote inclusive economic growth and a vibrant community
- promote equality and fairness
- support the delivery of sustainable public services through effective management of our assets
- promote and enhance digital inclusion

As part of the wider Strategic Capital Investment Planning Framework, the Investment Blueprint will help the Council to identify future investment priorities to allow us to take a more long-term approach to capital investment, beyond an annual consideration as part of the budget setting process. The framework allows us to identify priorities, risks, challenges and opportunities with a coherent and consistent mechanism for assessing investment initiatives, providing greater transparency and enabling better informed, risk-based decision-making at all levels within the organisation.

Recognising that the world around us is changing rapidly, our approach to capital investment must be flexible enough to adapt to meet new and emerging needs within our communities, make the best use of fast evolving technology and respond to any significant changes in legislation and national policy direction.

The Strategic Capital Investment Planning Framework comprises four core elements; this **Investment Blueprint**, a **30-year Plan**, a **6-year funded Delivery Programme** and the **Medium Term Financial Plan** and has been designed to facilitate a cohesive and flexible approach to investment planning and resourcing.

- This **Investment Blueprint sets** out the strategic rationale, key risks and challenges and some fundamental principles to help identify investment priorities. It is a living document which will be reviewed and refreshed as circumstances change to ensure that it best supports informed, risk-based decision making at any given time.
- The Blueprint will be used to shape and inform a **30-year Investment Plan** which will identify potential investment needs based on known or likely risks, demands, strategic priorities, legislative or policy requirements etc. alongside other proposals which are identified as political priorities at the time. To ensure continued flexibility and good governance, the Plan will be reviewed annually to ensure that proposals continue to meet the strategic priorities of the Council. Proposals set out within the 30-year investment plan will be subject to the Council's approved project governance framework, building in further opportunity to review, respond and adapt the Plan to respond to changing needs, circumstances and priorities as they emerge.
- Once proposals have been worked up to Outline Business Case stage and the required funding approved by Council, they will become funded projects on a **6-year rolling delivery programme** which will also be monitored and reviewed regularly in accordance with the approved project governance framework
- The **Medium-Term Financial Plan** seeks to provide a range of scenarios for key variables that are used in long-term budgeting and financial planning. It outlines options for managing the various challenges being developed as part of the investment planning process and the Revenue and Capital Budget process.

Context

Perth and Kinross is at the heart of Scotland's story with significant economic, environmental and social assets. We have a dispersed population of 152,000 people of whom approximately 50% live in and around Perth. The projected population in 10 years' time is only marginally greater with a gradual shift in distribution towards the Perth area but with an increase in the number of older people.

We do however face major challenges. Our economy is broad-based and diverse but with an over-dependence on lower paid and lower skilled jobs in sectors such as tourism, agriculture and hospitality meaning that our weekly wage levels are 9% below the Scottish average. Significant issues in relation to poverty, particularly in-work poverty, across the area have been identified and due to our geography and demography, a growing issue of social isolation in rural areas has highlighted a vital need for better transport and digital connectivity. The local economy has been impacted severely by a number of factors, not least the COVID-19 pandemic and radical innovation and great ambition, along with significant investment will be needed to regenerate the area.

In terms of the Council's infrastructure, we own and manage a large portfolio of physical and digital assets including 1,050 educational and operational properties, 2,400km of roads, 19,000 computers, a wide variety of vehicles and mechanical equipment and numerous parks and greenspace dispersed throughout the City of Perth and our many towns and communities. Our total gross capital budget to 2029 is approx. £640m and supports the delivery of a wide range of projects and programmes including housing new build, capital improvement and maintenance works, roads and infrastructure activities, and major investment in new and enabling capital projects. Given the value and scale of our capital portfolio and the long-lasting impact of our decisions, it is vital that we develop a long-term strategic approach to capital investment to ensure that we have the appropriate assets and infrastructure in place to make Perth and Kinross a better, greener place to live, learn, play, work and visit.

A clear vision and well-defined objectives will help ensure that investment is being directed where it is most needed. Together with our Community Planning Partners we share a common vision:

Creating a confident, ambitious and fairer Perth and Kinross, for all who live and work here.

To support the delivery of this vision, we have five well established, strategic objectives:

- **Giving every child the best start in life**
- **Developing educated, responsible and informed citizens**
- **Promoting a prosperous, inclusive and sustainable economy**
- **Supporting people to lead independent, healthy and active lives**
- **Creating a safe and sustainable place for future generations**

To support the delivery of these strategic objectives, we are developing an approach, the Perth and Kinross Offer (“The Offer”), which will transform the way we work with our communities, citizens, partners, businesses, employees and other stakeholders; co-creating sustainable and innovative services to deliver better outcomes for the people of Perth and Kinross.

Our Strategic Capital Investment Planning Framework, and in particular the Investment Blueprint, will be integral to the implementation of The Offer. It provides a responsive and flexible framework for identifying and prioritising areas where future investment is required and a consistent and coherent mechanism for assessing investment proposals and optimising the use of public assets and infrastructure across the area.

The structure of the Investment Blueprint focusses on each of the following five overarching principles. Our investment decisions must; -

- mitigate the impact of climate change
- promote inclusive economic growth and a vibrant economy
- promote equality and fairness
- support the delivery of sustainable public services through effective management of our assets
- promote and enhance digital inclusion

In relation to each of the overarching principles, the Blueprint sets out the current risks, challenges and ambitions at this point in time and high-level outputs which will support the achievement of the strategic outcomes associated with each of the principles.

Investment Blueprint				
Investment Principles to shape and inform investment decisions; building the sustainable infrastructure to co-create a better and greener place for people to live, learn, play, work and visit now and for generations to come.				
Investing to: Mitigate the impact of climate change	Investing to: Promote inclusive economic growth and a vibrant economy	Investing to: Promote equality and fairness	Investing to: Support Effective Asset Management	Investing to: Promote and enhance digital inclusion
<i>Decarbonising our assets</i>	<i>Delivering our ambitious Economic Wellbeing Plan</i>	<i>Providing access to affordable housing</i>	<i>Effectively managing our digital and physical infrastructure assets</i>	<i>Delivering High Speed Internet to Everyone</i>
<i>Maximising the efficiency of our property estate</i>	<i>Maximising Community Wealth Building.</i>	<i>Developing locality-based service delivery models: working with and within our communities.</i>	<i>Working together with Communities, businesses and partners to share assets and integrate services</i>	<i>Addressing 'Digital Poverty' Within Our Communities</i>
<i>Encouraging and facilitating Sustainable Transport and Active Travel</i>	<i>Realising tangible benefits from Smart Technology</i>	<i>Optimising the use of our physical and digital assets to improve access to services.</i>	<i>Improving current assets where possible instead of investing in new assets</i>	
<i>Sustainable procurement</i>			<i>Optimising the use of public assets; developing shared facilities rather than single use buildings.</i>	<i>Protecting the Integrity of our Digital Infrastructure</i>
				<i>Ensuring the Integrity of our Business-Critical Systems</i>

Principle: Our investments mitigate the impact of climate change

Our Ambition:

All Council investments will be aligned with the vision and plan for a net zero and climate resilient Perth and Kinross.

The Strategic Challenge

A climate emergency has been declared internationally and recognised by both the UK and Scottish Governments. Addressing this Climate Emergency is one of the biggest challenges, if not the biggest challenge that society faces. The next nine years to 2030 are a crucial window for urgent action to be taken in reducing emissions given the locked in emissions associated with investments made during this time. Under the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, Perth and Kinross Council has a legal duty to make Perth and Kinross net zero and climate resilient by 2045. The scale of this challenge cannot be underestimated and is made more difficult by the fact that the Council is directly responsible for only 3% of Perth and Kinross's overall CO2 emissions, but indirectly influences approximately 70% through policy and regulation, supply chains and projects.

Our investments will mitigate the impact of climate change

Steps to ensure our investments contribute positively to mitigating the impact of climate change and are aligned with a net zero future

We recognise we need to consider investing in the transformation of existing assets before we invest in new assets, as well as transforming how and where we work in order to support our journey to a net zero future.

1.	<div data-bbox="248 523 1926 635">Investing in the decarbonisation of our Property Estate We commit to investing in our property estate to work towards a net zero-carbon estate.</div> <div data-bbox="248 635 1926 1163">THE CHALLENGE All buildings to be net zero carbon by 2045 75% reduction in emissions from buildings by 2030. Council's domestic properties gaining EPC level of B or above by 2032. WE WILL:<ul style="list-style-type: none">• ensure, where possible, all new buildings will be built to the Passivhaus or similar standard.• assess all existing buildings and develop a programme for decarbonisation with activities such as external and internal wall insulation and conversion to non-carbon heating sources.• review the efficiency of buildings to ensure they have the appropriate facilities to encourage net zero carbon working.• offset the impact through the use of our greenspace assets, where it is proven that we are unable to reach a net zero-carbon building</div>
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2.	<p>Maximising the efficiency of our property estate We commit, where appropriate, to the rationalisation of our property estate to contribute to our net zero-carbon estate .</p> <p>THE CHALLENGE All buildings to be net zero carbon by 2045 A 75% reduction in emissions from buildings by 2030. Council's domestic properties gaining EPC level of B or above by 2032. A property estate comprising many different types of buildings of varying ages and conditions To aid the reduction of our carbon footprint by the appropriate rationalisation of our property estate.</p> <p>WE WILL:</p> <ul style="list-style-type: none"> • develop a property rationalisation toolkit to assist in identifying opportunities for property efficiencies. • work with communities, community planning and third sector partners, and external parties to share property assets. • work towards setting minimum occupancy standards for our buildings: where buildings are under-occupied, they will be subject to review to ensure we maintain the efficiency of the estate. • offset the impact, where it is proven that we are unable to reach a net zero-carbon building, we will aim to utilise our greenspace assets to assist in this process.
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3.	<p>Decarbonisation of our Operational Fleet We commit to transitioning all our operational fleet to be non-carbon based by 2035.</p>
	<p>THE CHALLENGE To transition our small vehicle fleet to non-carbon by 2025 including supporting infrastructure. To transition the remainder of our operational fleet to non-carbon by 2035 with supporting infrastructure.</p> <p>WE WILL:</p> <ul style="list-style-type: none"> • ensure all new additions to the Council's small fleet from 2025 will be non-carbon. • invest in supporting infrastructure to optimise the efficient use of these vehicles. • ensure all new additions to the Council's remaining fleet from 2030 will be non-carbon. • invest in supporting infrastructure to optimise the efficient use of these vehicles. • reduce our reliance on private vehicles for business use • ensure that where a suitable zero emissions vehicle does not yet exist, we will consider whether alternative procurement methods can be utilised to avoid locking into a carbon-based solution and offset the residual carbon (utilising our greenspace assets).
4.	<p>Encouraging and Supporting Sustainable Transport and Active Travel We commit to the reduction of Perth and Kinross's emissions through investment in sustainable transport and active travel.</p> <p>THE CHALLENGE To transition from our reliance on carbon-based transport to more sustainable methods and to encourage our communities and businesses to adopt active travel.</p> <p>WE WILL:</p> <ul style="list-style-type: none"> • work with partner organisations to invest in our sustainable transport infrastructure such as electric vehicle charging points. • work with partner organisations to support ongoing development and innovation in sustainable transport infrastructure such as the potential for hydrogen fuelled vehicles. • continue to seek funding for the delivery of the ambitious Perth, People, Place cycleway network. • work with partner organisations to continue to deliver on our active travel plans. • continue to identify and invest in our public transport network infrastructure including Park and Ride facilities • work with communities to develop the transport solutions they need.

5.	<div data-bbox="250 186 1933 303">Investing in Sustainable Procurement Wherever possible we will procure from suppliers who can demonstrate their commitment to addressing the climate emergency.</div> <div data-bbox="250 303 1933 606">THE CHALLENGE To ensure our procurement processes drive sustainable investment To ensure our funding is derived from an ethical source. WE WILL:<ul style="list-style-type: none">• align with industry best practice to establish sustainability targets for the delivery of our investment projects.• work with our suppliers to help them accelerate their transition to net zero carbon• review our procurement process to develop a more circular approach to project delivery.</div>
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Principle: Our investments will promote inclusive economic growth and a vibrant economy for Perth and Kinross

Our Ambition

To support economic growth by strategically investing in our economy in a manner that narrows the income inequality gap and addresses future challenges.

The Strategic Challenge

The Fraser of Allander Institute (Scottish Cities Outlook 2021) has identified several challenges the Scottish economy will face unless clear and decisive action is taken to boost productivity capture the benefits of technological change transition to net zero carbon invest in our places and tackle inequalities. Against these 5 challenges the perceived outlook for Perth city and the wider area, is not positive. Whilst our economy performs well in several key sectors, it is weaker compared with others in respect of higher paying, higher skilled jobs. The Fraser of Allander report also suggests around 29% of jobs across Perth and Kinross are at risk from rapid advances in automation, with the biggest reductions in retail; accommodation; food services; and manufacturing jobs. The Regional Economic Strategy and our ambitious Perth and Kinross Economic Wellbeing Plan set out the investment in people, business and place we believe is now required.

Our investments will promote inclusive economic growth and a vibrant economy for Perth and Kinross

Steps to ensure our investments promote inclusive economic growth and a vibrant economy for Perth and Kinross

We recognise that the Perth and Kinross economy faces significant challenges in adapting to a digital and data economy and a new trading environment. Our economic development investment choices are therefore critical to our economic recovery and growth

1.	<div>Investing in delivering our ambitious Economic Wellbeing Plan We commit to delivering the ambitious capital investments proposed in the Economic Wellbeing Plan to support long term sustainable growth.</div> <div>THE CHALLENGE Positioning Perth and Kinross as a competitive location for technology-driven jobs thereby helping to lift average weekly wages over time. Ensuring Perth and Kinross has a ready supply of serviced employment land and fit-for-purpose energy efficient commercial spaces by addressing long-term market failure, particularly to support new economy jobs. Repurposing town and city centres to become destinations of choice for a more balanced mix of work, retail, leisure and cultural activities. WE WILL:<ul style="list-style-type: none">• support capital investment in our own, and privately owned, vacant or under-utilised properties to ensure they are “right purposed” for the future, contributing to a sustainable economic vibrancy.• when necessary, invest in new business infrastructure directly or in partnership with the private sector.• seek to secure additional grant support from the Scottish and UK Governments over and above projects funded through the Tay Cities Deal.</div>
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2.	Investing to maximise Community Wealth Building We commit to work as an organisation and with our partners to maximise Community Wealth Building.
	THE CHALLENGE To maximise local employment and create larger and more diverse business base ensuring that wealth is locally owned and benefits local people. WE WILL: <ul style="list-style-type: none"> • use our spend to encourage and support a growing, diverse and resilient local business base and to support our net zero carbon ambitions. • support the regeneration and development of our communities by working with them to target investment in our land and assets. • invest locally and encourage regional and national institutions to invest in our communities. • support the creation and sustainability of a range of business models including SMEs, social enterprise, employee ownership, cooperatives, municipal activity and community enterprises.
3.	Realising the Benefits of Smart Technology THE CHALLENGE To ensure that we maximise the opportunities offered by smart technology. WE WILL: <ul style="list-style-type: none"> • continue to work with partner organisations to invest in smart technology such as street lighting sensors. • continue to invest in realising the opportunities presented by the data from smart technology.

Principle: Our investments will promote equality and fairness in Perth and Kinross

Our Ambition:

To work together with and within our communities to address inequalities and create a fairer Perth & Kinross for all.

The Strategic Challenge

To ensure that our investment decision making is fair and equitable and has maximum impact in terms of reducing inequalities across Perth and Kinross.

Our investments will promote equality and fairness in Perth and Kinross

Steps to ensure our investments contribute positively to promoting equality and fairness in Perth and Kinross

We recognise that we need to work differently, in closer partnership with our communities and public, private and third sector partners to effect real and sustainable change to address inequalities

1.	Investing to provide access to Affordable Housing We commit to delivering our ambitious Strategic Housing Investment Plan
	THE CHALLENGE To deliver good quality affordable housing of the right size, type and location to meet the housing needs of our communities. WE WILL: <ul style="list-style-type: none">• deliver our New Council House Build programme.• deliver our Buy Back scheme• deliver our Capital Housing Investment programme to ensure properties are of a high standard and reduce the impact of fuel poverty on communities• work with Health and Social Care partners to support the delivery of housing options that enable people to live independently at home• deliver our programme of major adaptations to enable vulnerable people to remain in their homes, reducing the need for specialist accommodation.

2.	<p>Investing in localities: working with and within our communities.</p> <p>-</p> <p>We commit to working with local communities to develop new and innovative models of service delivery designed to better meet their needs</p>
	<p>THE CHALLENGE</p> <p>To organise our assets and workforce to be more aligned with and responsive to the needs of our localities</p> <p>WE WILL:</p> <ul style="list-style-type: none"> • use data insight and analysis to align our investments with our new ways of working to deliver an integrated, flexible model of service delivery designed around people and place with a focus on enabling supportive and inclusive communities • foster Community empowerment and collaborative decision-making whereby communities are heard and empowered to make and influence investment decisions affecting their community.
3.	<p>Investing in physical and digital assets to improve access to services.</p> <p>We commit to ensuring equal access to services both physical and digital</p>
	<p>THE CHALLENGE</p> <p>To overcome the challenges of our rural geography and ensure everyone has equal and fair access to services, not determined by where they live or how connected they are</p> <p>WE WILL:</p> <ul style="list-style-type: none"> • address issues with data poverty by ensuring that everyone has access to online services through investment in digital connectivity as well as digital skills • continue to work with partner organisations to invest in supporting all our communities and caring for our more vulnerable citizens through shared premises, community hubs and new models of service delivery. • work with communities to develop the transport solutions they need. • invest in and enable community asset transfers to give greater control and influence to communities

Principle: Our investments will support the delivery of sustainable public services through effective management of our assets

Our Ambition:

Our digital and physical infrastructure assets can deliver the services our communities need in the way that they want them.

The Strategic Challenge

We have a large digital and physical infrastructure asset portfolio. Significant investment is required to manage these assets. We need to better understand the totality, suitability and condition of our asset base and assess this against our future requirements as determined by the longer-term strategic vision for our communities. In addition, we need to consider our asset base in the context of Community Asset Transfer, One Public Estate and hybrid working.

Our investments will support the delivery of sustainable public services through effective management of our assets

Steps to ensure we have effective and efficient management of our digital and physical infrastructure assets

We will embrace the principles of the Christie Commission and adhere to industry best practice in terms of how we manage our public assets.

1.	<p>We will continue to work to ensure our digital and physical infrastructure assets are effectively managed. We commit to continuing to apply best practice asset management principles to our digital and physical infrastructure assets.</p> <p>THE CHALLENGE To establish the condition of our assets To maintain all our digital and physical infrastructure assets to agreed levels.</p> <p>WE WILL:</p> <ul style="list-style-type: none">• continue to develop asset management strategies and plans – including agreed performance levels.• continue to assess and measure the condition of our assets• develop asset life cycle maintenance plans for our digital and physical infrastructure assets to better understand long term funding requirements
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2.	<p>Working with Communities, Public, Private and Third Sector partners to deliver better outcomes through integrated service provision and asset sharing.</p> <p>We commit to developing any partnership working opportunities associated with our investment proposals and to putting the principles of 'Place' (such as 20-minute neighbourhoods) at the heart of our investment decision making.</p>
	<p>THE CHALLENGE</p> <p>Our assets are currently used predominately by Council staff to deliver Council services. We need to rationalise our overall property estate to reduce costs and deliver more integrated ways of working with our communities and partners.</p> <p>WE WILL:</p> <ul style="list-style-type: none"> • utilise local place plan tools such as the Place Standard to better understand the assets available within each community, any gaps in provision and the outcomes our communities need and want. To support this approach, an 'Asset Sharing' protocol will be developed with communities and partners to realise the greatest benefit from our investments and assets. • invest in and enable community asset transfers to give greater control and influence to our communities.
3.	<p>We will enhance, re-purpose or maintain existing infrastructure wherever possible before developing options for new infrastructure.</p> <p>We commit to not investing in like-for-like replacement of existing assets nor to the construction of new, single organisation/purpose assets wherever possible: instead, our investment choices will favour the development of shared facilities. Furthermore, we commit to investing in new infrastructure only where it has been evidentially demonstrated this is the most appropriate investment choice.</p> <p>THE CHALLENGE</p> <p>To consider investment proposals holistically to maximise the return on investment</p> <p>WE WILL:</p> <ul style="list-style-type: none"> • work with all stakeholders to realise all potential benefits and opportunities of any investment proposal. • identify those buildings which can be effectively enhanced or re-purposed, in order to maximise the efficiency of our property estate, • assess all existing buildings to allow the development of a decarbonisation programme through activities such, external and internal wall insulation

Principle: Our investments will promote and enhance digital inclusion

Our Ambition:

That all our communities and businesses maximise the benefits afforded by digital inclusion.

The Challenge

To be a leading digital area, committed to driving maximum improvement in customer value and organisational change through technology.

Our Investments will promote and enhance digital inclusion

Steps to ensure we contribute to making Perth and Kinross Scotland's most digital council

We will continue to invest in digital infrastructure to create a One Council approach to developing our services and engagement with our citizens and communities. We will continue to address the challenges of our rural geography and ensure everyone has equal and fair access to services, not determined by where they live or how connected they are.

1.	Delivering High Speed Internet to Everyone THE CHALLENGE To ensure everyone has access to high-speed internet services WE WILL: <ul style="list-style-type: none">• continue working with partner organisations to invest in high-speed internet access for all our communities and businesses through activities such as the Local Full Fibre Networks programme.
2.	Addressing 'Digital Poverty' Within Our Communities THE CHALLENGE To ensure everyone has access to digital devices WE WILL: <ul style="list-style-type: none">• ensure digital devices are available to use for those who cannot afford them• work with our communities to invest in buildings and digital hardware and software to ensure that connectivity and devices are available within the general community for those who need them.
3.	Ensuring the Integrity of our Digital Infrastructure THE CHALLENGE To ensure that our digital estate is properly licenced and remains as secure as is possible. WE WILL: <ul style="list-style-type: none">• ensure that all our hardware and software is properly licenced.• ensure that our digital hardware and software is fit for purpose and as secure as possible.

4.	Ensuring the Integrity of our Business-Critical Systems THE CHALLENGE To ensure that our business-critical systems remain fit for purpose and resilient. WE WILL: <ul style="list-style-type: none">• ensure that all our business-critical systems are properly procured and licenced.• continue to invest in our business-critical systems to enable us to share data confidently and securely across the Council and, where appropriate, with partners.• invest in data and analytic improvements, tools and skills to make sure we can optimise value from our data to improve services.
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