

SCOTTISH  
FUTURES  
TRUST

# BUSINESS PLAN 24/25





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01

# SCOTTISH FUTURES TRUST

## FOREWORD

**In just over 20 years time, Scotland plans to be net zero. With that goal we are witnessing an acceleration of the new types of infrastructure that are needed to support Scotland's low carbon ambitions which is opening up new opportunities for investors and those working in the construction sector.**

Building upon our existing net zero work in preparing the ground for large-scale private sector investment in heat networks and attracting further investment in electric-vehicle charging infrastructure, this year we have established a new workstream dedicated to infrastructure for the hydrogen economy.

Delivering this work requires a unique blend of technical and commercial expertise and the need for new and different financing and delivery partnerships between the public and private sectors. Developing and implementing structures to address policy ambition, consumer protection and viable investment are at the very heart of what we do best.

### Investment themes

The big investment themes across the public sector remain; delivering more affordable housing, the transition of the public estate to net zero emissions and enabling the transformation of public service delivery. These drivers will continue and our teams will carry on pushing forward the development of progressive asset strategies and innovation in funding, financing, digitalisation and delivery that our partners know are needed during these challenging times.

We see attracting investment and securing development in places across Scotland as central to creating resilient and thriving communities. An increasing number of our stakeholders see investment in housing as essential for the economy and there are various infrastructure needs which underpin the priorities for Scotland as set out in Scottish Government's National Planning Framework 4. Our teams will continue to work with partners from the islands to the borders and across Scotland's cities to broker the collaborations needed to make limited public budgets go further to enable development and make the most of public sector land and assets.

### New opportunities

Combined, all these activities will create new opportunities for the construction sector. But these opportunities will be different from the past. We will see increased digitalisation and the implementation of modern methods of construction together with significant increases in civil engineering work to support the energy transition and the retrofit work needed to meet climate change and net zero requirements for all Scotland's existing buildings. The industry has already embraced the need to transform and to become a career of choice for young people. We will continue to support and implement initiatives developed by the Construction Leadership Forum in its Transformation Action Plan to create a thriving construction industry of the future.

All this activity and more is to happen during the final year of our 2019-24 Corporate Plan. We are hugely optimistic about the positive impact that strategically planned, innovatively financed, expertly delivered and well maintained infrastructure will have on improving outcomes for people and places across Scotland.

We are immensely proud of our contribution to making Scotland's infrastructure better, and as we thank our outgoing Chair Ian Russell for his leadership over the last seven years, we welcome Joe Philipsz as SFT's new Chair as we develop our next Corporate Plan for 2025-30.

Looking to the future, this businesses plan reflects our overall approach to infrastructure – to ensure we are doing the right things, and working to make sure we are doing things right. For the year ahead, we again are very much looking forward to working with our many partners towards our vision of

**“World class infrastructure for the people of Scotland”.**

**Peter Reekie**  
Chief Executive

# 02

## OUR WORK

**We were established by the Scottish Government as a centre of infrastructure expertise where we work closely with public and private sector partners to maximise the benefits coming from their infrastructure projects.**

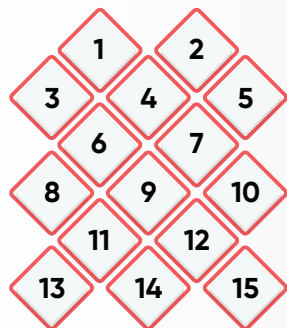
Operating across 15 interconnected but diverse infrastructure workstreams, we gain a comprehensive understanding of the wide-ranging infrastructure priorities and requirements of our partners.

In 2020, the *Infrastructure Commission for Scotland* presented Scottish Government with a 30-year infrastructure strategy. It stressed all future investment should be focussed on delivering infrastructure which is inclusive, place-based and contributes to a net zero carbon economy.

And when Scottish Government published its *2021-26 Infrastructure Investment Plan* it set out those three themes outlining that future infrastructure investment would be prioritised where positive outcomes would be created over more than one of the three themes.

### Organisational Outcomes

World class infrastructure for the people of Scotland



**15**  
Workstreams of Activity



**10**  
Infrastructure Outcomes

### National Outcomes

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



**3**  
National Infrastructure Priorities



**11**  
National Outcomes

### International Outcomes

End poverty, protect the planet and ensure all people enjoy peace and prosperity.



**17**  
Sustainable Development Goals



## 02

## OUR WORK

We have embraced those themes and have taken them to be our own corporate priorities where our work is focused to:

- **Enable the transition to net zero emissions** – focus on leading the way with coordinated decarbonisation of public sector assets to catalyse necessary industry transition
- **Drive inclusive economic growth** – focus on delivering additionality of investment and accelerating appropriate development activity in current economic context
- **Build resilient and sustainable places** – focus on showing leadership in the shift to collaborative and place-based ways of working

In 2018 and in support of the 17 Sustainable Development Goals established by the United Nations Member States, Scottish Government outlined a set of long-term outcomes in its National Performance Framework, aiming to cultivate a more successful nation with opportunities for everyone to prosper through improved well-being and sustainable, inclusive economic growth.

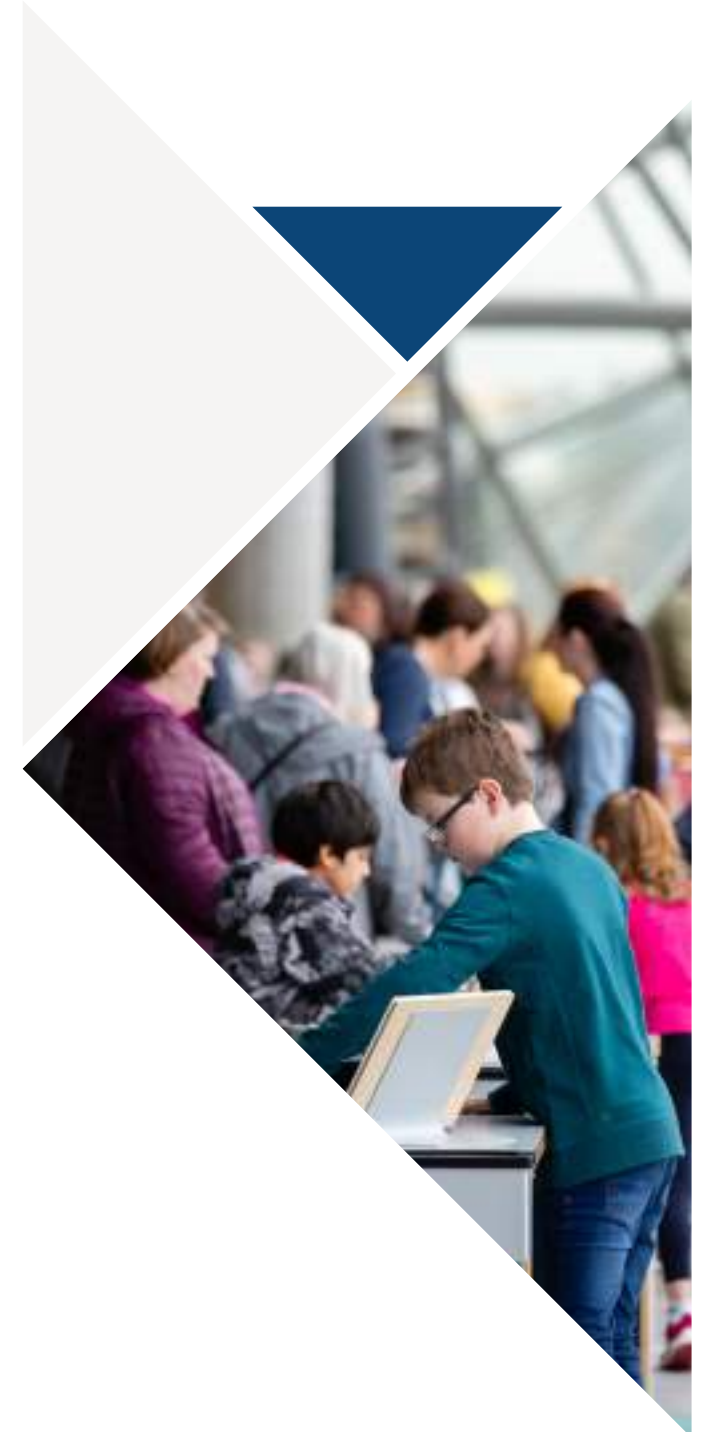
Recognising the pivotal role infrastructure plays in achieving those objectives, we developed our 2019–2024 Corporate Plan with the following ten infrastructure-related outcomes:

1. A clear picture of future infrastructure needs
2. Improved coherence, pace and placemaking across major developments
3. Infrastructure investment is affordable with increased financing innovation
4. Internationally mobile capital is drawn in to invest
5. Programme and project procurement and delivery is effective
6. Innovative construction industry with increased productivity, quality and fair work
7. Public asset condition and performance is improved
8. Effective public assets driving transformation or re-deployed
9. Technology-enabled construction, asset management and usage optimisation
10. Infrastructure-related carbon dioxide emissions are reduced

And in working towards those ten outcomes, we have set ourselves a vision of **World Class Infrastructure for the People of Scotland**, and everyone across the business shares four strong values:

- **Dynamic** – Accelerating positive outcomes by promoting innovation and being a catalyst for change
- **Bold** – Believing in what we do, with commitment and courage to enable successful outcomes
- **Collaborative** – Sharing knowledge, experience and working in partnerships to achieve more for Scotland's communities
- **Ambitious** – Striving to excel and inspire by raising expectations

For the year ahead, we will be engaging with our many shareholders and stakeholders to prepare our new 2025–2030 Corporate Plan to reflect the ever-changing infrastructure landscape we work across and to set out our priorities aimed at maximising the positive outcomes from Scotland's infrastructure.





# 03

## OUR PEOPLE

**To deliver our wide and varied infrastructure programmes, we employ a diverse team of experts which includes architects, surveyors, specialists in net zero and telecoms, designers, economists, engineers, accountants, lawyers, project managers, commercial property experts, and financiers.**

Our Corporate Services team plays a crucial role as the backbone of the organisation. The team provides dedicated support covering finance, legal and procurement, human resources, information technology, communications, in addition to office management and administration to ensure the smooth running of the entire organisation.

We are a limited company, operating as a non-departmental public body owned by Scottish Government. Our sponsor Minister is the Deputy First Minister, Shona Robison.

We are directed by an experienced Board made up of our recently appointed non-executive chair Joe Philipsz, six non-executive directors and our chief executive.

The Board also oversees SFT Investments, the company that manages the financial interests we have in the five hub companies as well as the 41 associated project companies and affordable housing partnerships.





## 03

OUR  
PEOPLE

Providing strategic oversight and driving our work forward, we are led and managed by a five-strong Leadership Team:

01

**Peter Reekie**

Chief Executive

Peter leads SFT's work encompassing long-term strategy development across infrastructure sectors, structuring and managing multi-billion-pound investment programmes and making the best use of existing assets in the transition net a net zero economy.



01



02

02

**Kerry Alexander**

Director, Infrastructure Finance and Programmes

Kerry is responsible for the following workstreams:

- Digital Connectivity
- Innovative Finance
- Learning Estate
- Net Zero Buildings
- Net Zero Transport
- Operational Contract Management

03

**Colin Proctor**

Director, Construction Industry and Delivery

Colin is responsible for the following workstreams:

- hub Programme
- Improving Project Delivery
- Infrastructure Technology

04

**Tony Rose**

Director, Strategy, Place and Economy

Tony is responsible for the following workstreams:

- Asset Strategy and Workplace
- Infrastructure Strategy
- Net Zero Hydrogen
- Place, Housing and Economic Investment
- Real Estate

05

**Caroline Whyteside**

Director, Corporate Services and Investments

Caroline is responsible for the following teams:

- Corporate Services (Finance, Legal and Procurement, Human Resources, Information Technology, Communications and Office Management)
- SFT Investments (SFTi)



03



04



05

## 04

## OUR WORKSTREAMS

The following pages set out the work we will carry out in 2024-25 to deliver on the infrastructure outcomes and priorities we have identified. For each of our workstreams we set out the context and purpose, along with detail of the activity that we will be undertaking during the year in collaboration with our public and private sector partners.

The energy transition away from fossil fuels has massive infrastructure implications and presents economic as well as environmental opportunities for Scotland. Hydrogen is widely recognised to be an important component of a net-zero energy future, at an early stage of development.

In recognising its strategic importance, we are taking forward a new infrastructure workstream – Net Zero Hydrogen – where our skills and expertise are being used to support Scottish Government’s Hydrogen Programme to attract private investment into Scotland’s green hydrogen sector.

Each workstream has a focus on delivering inclusive economic growth, enabling the transition to net zero emissions and environmental sustainability, and building resilient sustainable places right across Scotland and are grouped as follows:

**If you would like to know more about any aspect of the work highlighted in our Business Plan, please get in touch via [mailbox@scottishfuturestrust.org.uk](mailto:mailbox@scottishfuturestrust.org.uk)**

WORKSTREAM	FOCUS
<b>Infrastructure Strategy</b> <b>Asset Strategy and Workplace</b>	Looking to the future to understand needs and develop long-term infrastructure and asset strategies aligned with national, local and service priorities.
<b>Innovative Finance</b> <b>Digital Connectivity</b> <b>Net Zero Buildings</b> <b>Net Zero Hydrogen</b> <b>Net Zero Transport</b> <b>Place, Housing and Economic Investment</b>	Taking policy into delivery. Preparing and structuring programmes of delivery including innovating in approaches to funding and financing, brokering collaborative arrangements and guiding place-based approaches.
<b>Learning Estate</b> <b>hub Programme</b> <b>Improving Project Delivery</b> <b>Infrastructure Technology</b>	Managing the delivery of investment programmes across multiple organisations to improve the market interface and continuously improve outcomes.
<b>Real Estate</b> <b>Operational Contract Management</b> <b>SFT Investments</b>	Making the most of existing assets for commercial and national outcomes, repurposing where required.



# 04

## ASSET STRATEGY AND WORKPLACE

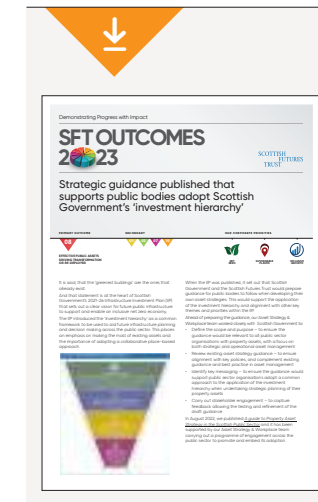
### Supporting the public sector on their 'one public sector' approach to improving service delivery

Our Asset Strategy and Workplace team continues to support Scottish Government deliver its asset strategy ambitions as set out in its *2021/26 Infrastructure Investment Plan*.



For the year ahead the workstream will focus on the following activities:

- Promote a strategic approach to asset planning across the public sector. This will reflect key themes within the *Asset Strategy guidance* and ensure alignment with the Single Scottish Estate programme as appropriate. SFT's collective expertise across complementary workstreams will be leveraged to maximise the value of this work
- Provide strategic support to Scottish Government's Workplace Division and Property & Construction Division with a focus on the Single Scottish Estate programme
- Promote collaboration and sharing space across local authorities and the Emergency Services to enable a more effective, efficient, and greener public sector estate
- The *New Frontiers for Smarter Working* programme will continue with its guidance and co-ordination role of engagement across the wider public sector





# 04

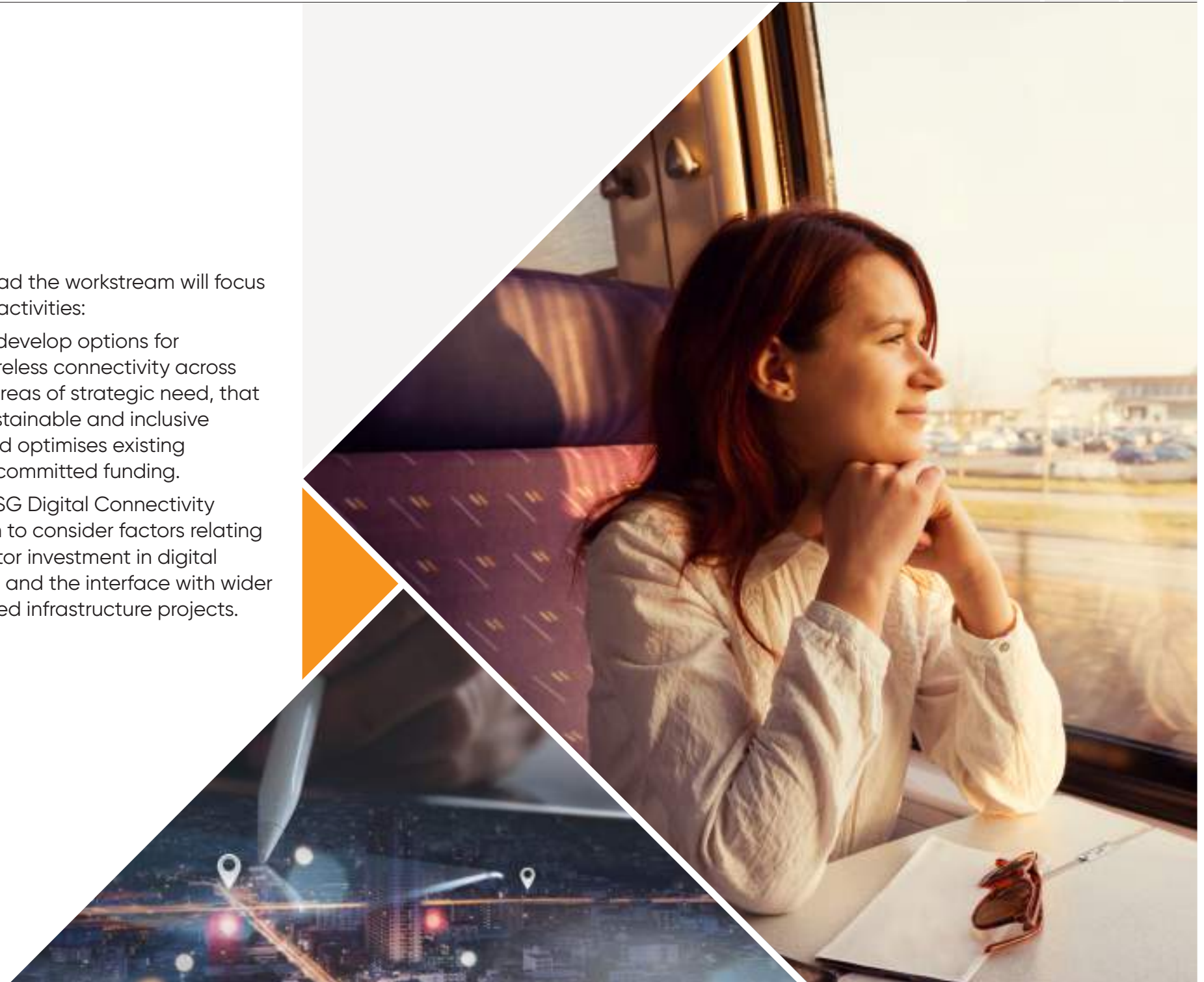
## DIGITAL CONNECTIVITY

**Exploring new technologies to deliver better digital connectivity to stimulate economic growth, social inclusion and reduce carbon emissions**

There is activity being carried out by parties across the private and public sector to deliver fibre and 4G/5G mobile connectivity through to 2027. We will continue to support the efficient and holistic delivery of this activity, but will also look to the future.

For the year ahead the workstream will focus on the following activities:

- Identify and develop options for extending wireless connectivity across Scotland in areas of strategic need, that facilitates sustainable and inclusive outcomes and optimises existing investment/ committed funding.
- Support the SG Digital Connectivity Division team to consider factors relating to public sector investment in digital infrastructure and the interface with wider publicly funded infrastructure projects.





# 04

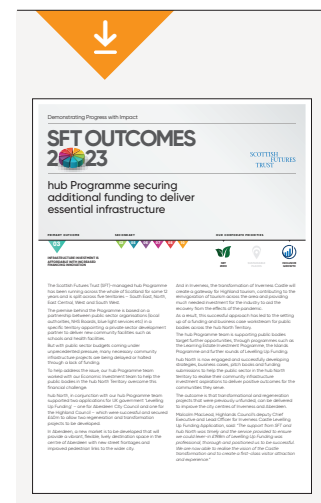
## HUB PROGRAMME

### Delivering community infrastructure projects across Scotland

Through this workstream we undertake the role of programme management for the hub programme, enabling delivery of the pipeline of projects, supporting the public sector on improving project delivery activities, and enhancing the operation of the organisational arrangements.

For the year ahead the workstream will focus on the following activities:

- Continue to manage the programme level operation of hub, including assurance, performance and shared learning
- Support enhanced engagement across the hub Territory Partnering Boards
- Support public bodies with their deployment of project delivery improvement activities
- Increase capture of project level information to support programme management and improvement activities



# 04

## IMPROVING PROJECT DELIVERY

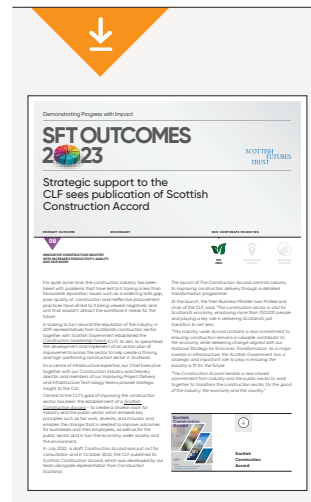
### Helping the public sector improve delivery of projects

Our Improving Project Delivery workstream is focused on improving outcomes for the construction industry as well as delivering improved infrastructure that contributes to resilient sustainable places, and an inclusive, net zero economy.

For the year ahead the workstream will focus on the following activities:

- Progress with partners the work on developing and implementing initiatives to improve briefing and evaluation, setting up projects for success, and the enhanced role of consultancy to improve outcomes
- Provide leadership and support for the Construction Accord Transformation Action Plan
- Work with partners to support the implementation of the Construction Quality Improvement Collaborative

- Continue to support partners in the south-east regional housing collaborative to develop new approaches for the delivery of new homes focussing on the increased use of off-site construction, and explore opportunities with others
- Maintain and develop data and insights support in key areas for improving project delivery, including the Construction Industry Pipeline Forecast Tool, and the Community Infrastructure Cost and Carbon Benchmark Database





## 04

## INFRASTRUCTURE STRATEGY

### Supporting the public sector on Scotland's long-term strategic infrastructure needs

Building on the secretariat work we delivered for the *Infrastructure Commission for Scotland*, we have a focus and a breadth of knowledge and understanding on Scotland's long-term infrastructure policy and planning. In the coming year, our work will remain focussed on implementing Scottish Government's route map to a more transparent and evidence-based Infrastructure Investment Plan.

In addition, efforts will continue in support of Scotland's *National Planning Framework 4* and its delivery programme. We will work with delivery partners including Scottish Government's Place, Planning and Infrastructure Advisory Group to address barriers and facilitate delivery.

For the year ahead the workstream will focus on the following activities:

- Support the establishment of a systematic evidence-based approach to national infrastructure investment decision-making
- Continue our collaborative study on the role of infrastructure to achieve inclusive growth outcomes
- Support effective cross-sectoral collaboration, to facilitate improved outcomes and drive integrated planning, place and infrastructure policy delivery





# 04

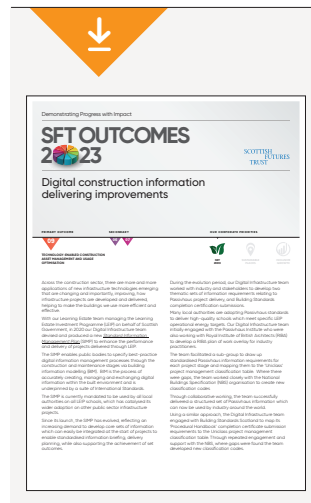
## INFRASTRUCTURE TECHNOLOGY

### Maximising opportunities for digital change in project delivery and asset performance

Our Infrastructure Technology workstream will continue to enhance the platform and capability for digital change across Scotland’s construction sector, whilst supporting a wide range of improvements in programme and project delivery. They will also lead the development of capabilities in ‘digital twin’ technologies to enable a more efficient use of our existing infrastructure and meet our net zero targets through digital and data-led insights.

For the year ahead the workstream will focus on the following activities:

- Maintain leadership and continue to provide support to implementation and scaling of digital and data-led strategies and solutions within the planning, design, and construction stages of projects
- Maintain leadership and continue to provide support to implementation and scaling of digital and data led strategies and solutions to support asset performance and analytics





## 04

## INNOVATIVE FINANCE

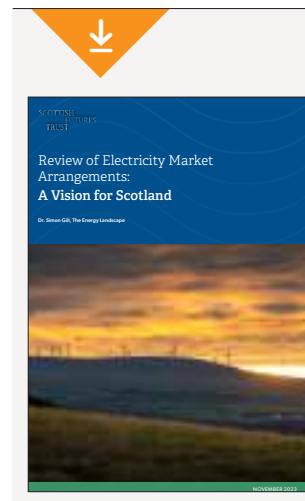
### Designing and developing financing structures that accelerate the transition to a net zero carbon economy

The Innovative Finance team seeks to draw in additional private sector investment into Scotland's expanding infrastructure landscape in order to accelerate the move to a net zero carbon economy.

Scottish Government policies which are driving decarbonisation require some new types of infrastructure. Opening up private investment into these areas can require significant effort to both stimulate supply and the demand for these new assets, with part of this work to clarify the complementary role for public grant and other government interventions.

For the year ahead the workstream will focus on the following activities:

- Develop and support long term innovative funding and financing models to mobilise greater private capital towards priority areas of additional infrastructure especially those to support the transition to net zero
- Provide ongoing commercial support on revenue funding mechanisms and reporting on revenue funded public infrastructure projects



# 04

## LEARNING ESTATE

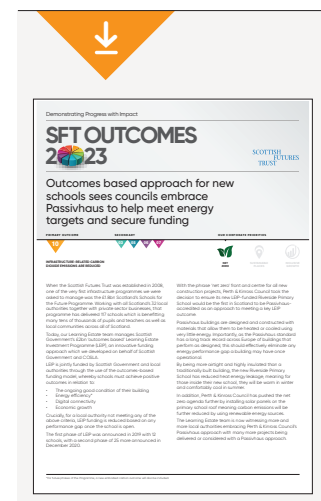
### Supporting and managing investment in Scotland's learning estate

Working with the Scottish Government, local authorities and industry, our focus is on the development and delivery of Scottish Government's £2bn Learning Estate Investment Programme (LEIP) which is providing new and redeveloped learning environments for pupils, teachers and communities across Scotland.

We will continue to provide strategic input and infrastructure expertise to support the development of the wider learning estate.

For the year ahead the workstream will focus on the following activities:

- Manage the delivery of the Learning Estate Investment Programme, by embedding programme processes, initiatives, and outcomes-based funding across all project stages
- Work with local authorities and delivery partners to support the design and technical development and delivery of the Learning Estate Investment Programme
- Monitor the delivery of the remaining infrastructure aspects of the 1,140 early learning and childcare expansion programme
- Support the delivery of infrastructure to facilitate the expansion of the Free School Meals programme





# 04

## NET ZERO BUILDINGS

### Working with partners on the decarbonisation of buildings

We are committed to working with the public and private sectors on the decarbonisation of Scotland's buildings.

This work is underpinned by *Scottish Government's Heat in Buildings Strategy* and the recent proposals for a Heat in Buildings Bill, which are key driver for both delivering clean heat and ensuring our buildings consume less energy. Working towards that goal, we will continue to seek to create an environment where Scotland can attract the scale of investment needed for clean heating systems such as heat networks and heat pumps.

For the year ahead the workstream will focus on the following activities:

- Working with Scottish Government, public bodies and broader stakeholders, develop commercial models which can scale up and accelerate the decarbonisation of buildings
- Provide support to the deployment of heat networks in Scotland, as part of the Heat Networks Support Unit
- Use infrastructure delivery expertise to support Scottish Government as it progresses Heat in Buildings regulation
- Continue to support Scottish Government in its ambition to have public sector buildings using clean heating systems by the end of 2038 whilst encouraging the adoption of the *Net Zero Public Sector Buildings Standard* for new and existing buildings





## 04

## NET ZERO HYDROGEN

### Accelerating the move to net zero by supporting the production, transport and storage of green hydrogen

Globally the low carbon hydrogen sector is still in its infancy, so the role of government is substantial in establishing the market conditions for private investment.

Our newly established Net Zero Hydrogen team is supporting Scottish Government's Hydrogen Programme by deepening market insight and enabling public sector action to stimulate private investment across green hydrogen production, transport and storage, domestic offtake and export.

This work aligns closely with our corporate priority of accelerating the transition to a net zero carbon economy.

For the year ahead the workstream will focus on the following activities:

- Support investment into green hydrogen production in Scotland
- Support investment into enabling infrastructure in Scotland for hydrogen including transport and storage
- Support the development of significant offtake markets for green hydrogen

**H<sub>2</sub>**  
*Hydrogen*



# 04

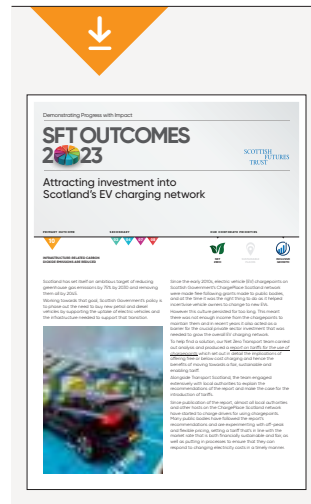
## NET ZERO TRANSPORT

### Developing approaches for the financing and delivery of electric vehicle charging infrastructure

Surface transport is a significant source of carbon dioxide emissions. Our Net Zero Transport team has been working with Transport Scotland for a number of years to accelerate investment in the public Electric Vehicle (EV) charging network to reduce these emissions.

For the year ahead the workstream will focus on the following activities:

- Support the programme management and delivery of the EV Infrastructure Fund
- Support accelerated standalone private investment in EV public network for cars and vans





# 04

## OPERATIONAL CONTRACT MANAGEMENT

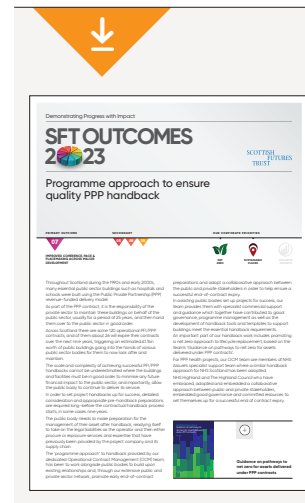
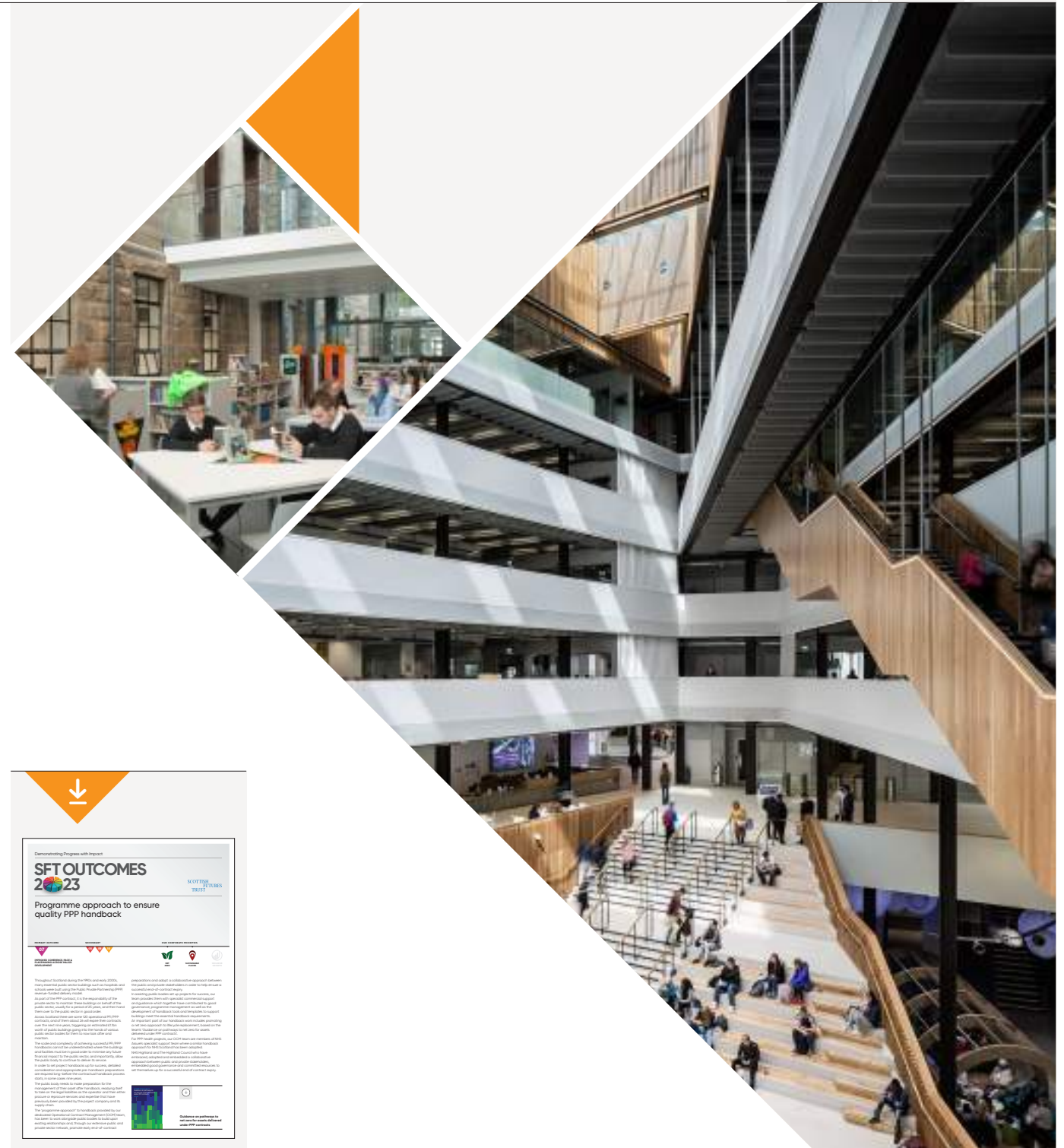
**Supporting public bodies identify where increased value and savings can be secured**

Our Operational Contract Management team provides the public sector with additional commercial, technical and management expertise in the running of their Public Private Partnership (PPP) buildings.

This work includes supporting seven PPP collaborative groups across Scotland and more widely, providing specific guidance on key operational issues, briefing on specialist technical and contractual matters and sharing best practice.

For the year ahead the workstream will focus on the following activities:

- Continue the implementation of the programme approach to the handback of Public Private Partnership projects including ongoing project support
- Adopt a systematic approach to the delivery of a Net Zero transition within Scotland's PPP/PFI sector and help engender a step change in attitudes towards energy use in the built PPP/PFI environment
- Maintain operational contract management support for education and health projects to continue efficient and effective management of PPP assets to support service delivery





# 04

## PLACE, HOUSING AND ECONOMIC INVESTMENT

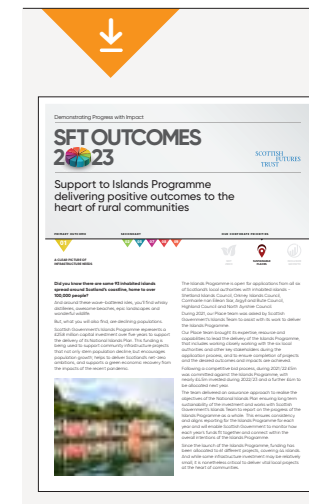
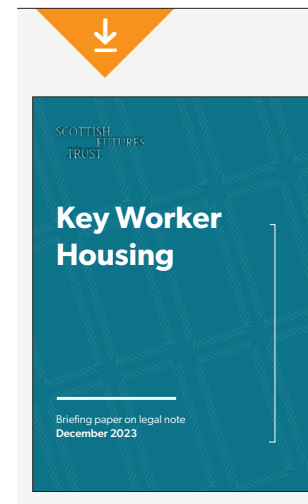
### Attracting investment to deliver more housing and supporting public bodies with place-based approaches

The last few years have redefined the relationships we have with the places and environments in which we live and work. This has been underpinned by the strength and capabilities of our communities and businesses and we will build upon those relationships to deliver integrated investment and development opportunities.

For the year ahead the workstream will focus on the following activities:

- Continue our Place based programmes and investment activity with key partners across the public, private and third sectors including a focus on delivering Place-based economic opportunities, improving Place 'intelligence' and coordination of the Islands Programme
- Support a number of strategic initiatives which strengthen places and contribute to the local and national economic growth, including support for the Sottish Government's Carbon Neutral Islands initiative

- Continue to explore and/or advance the development of new approaches for the delivery of homes of different types and tenures reflecting local needs and the use of different funding and financing options
- Continue to provide support to SFT Investments including the transition of the National Housing Trust (NHT) portfolio through operations of the existing NHT Limited Liability Partnerships and the related exit process, and operation of the two existing Housing Delivery Partnerships





# 04

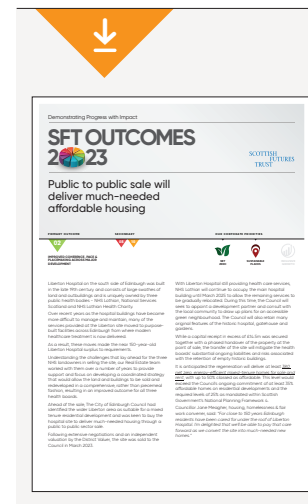
## REAL ESTATE

### Developing strategies for the sale and reuse of surplus public sector buildings and land to secure improved outcomes to the public sector

The Real Estate team will continue to work with public sector partners on short, medium, and longer-term strategies for the sale and reuse of surplus public sector building and land. This work will focus on assets already identified as surplus and on rationalisation options that are in-keeping with the principles of Scottish Government policies such as its Infrastructure Investment Plan and the National Planning Framework 4 (NPF4).

For the year ahead the workload will focus on the following activities:

- Engage with public sector bodies to assist with identification of opportunities and establishing strategies to secure best value and wider outcomes from the acquisition, disposal, and repurposing of real estate assets
- Provide real estate support to facilitate and implement projects and initiatives in collaboration with public and private sector stakeholders





## 04

## SFT INVESTMENTS

### Investing in infrastructure companies, assets, and projects across Scotland

SFT Investments (SFTi) is a wholly owned subsidiary of SFT and the business which manages the investments we have made in the hub and National Housing Trust (NHT) programmes.

SFTi has financial investments and board representation in the five hub companies (hubCos) and the 41 revenue-funded, design, build, finance, and maintain (DBFM) education and health care projects developed through the hub programme. The hubCos continue to develop and deliver new community infrastructure projects for their public sector partners, whilst all the DBFM projects are part way through their 25-year operations period.

Through the NHT programme and Housing Delivery Partnerships (HDPs), SFTi also holds investments in various housing Limited Liability Partnerships (LLPs).

For the year ahead the workload will focus on the following activities:

- Manage the portfolio of DBFM investments ensuring that the best interests of the company and its stakeholders are supported and, as far as possible, base case target returns are delivered to SFTi. In addition, support DBFM companies in their steps to ensure that facilities continue to be maintained to a high standard and encourage the move to net zero carbon where possible promoting sharing of learning across the DBFM portfolio
- Protect SFTi's investment in the five hub companies by supporting the hub companies in the delivery of best in class community infrastructure



# 05

## OUR BUDGET

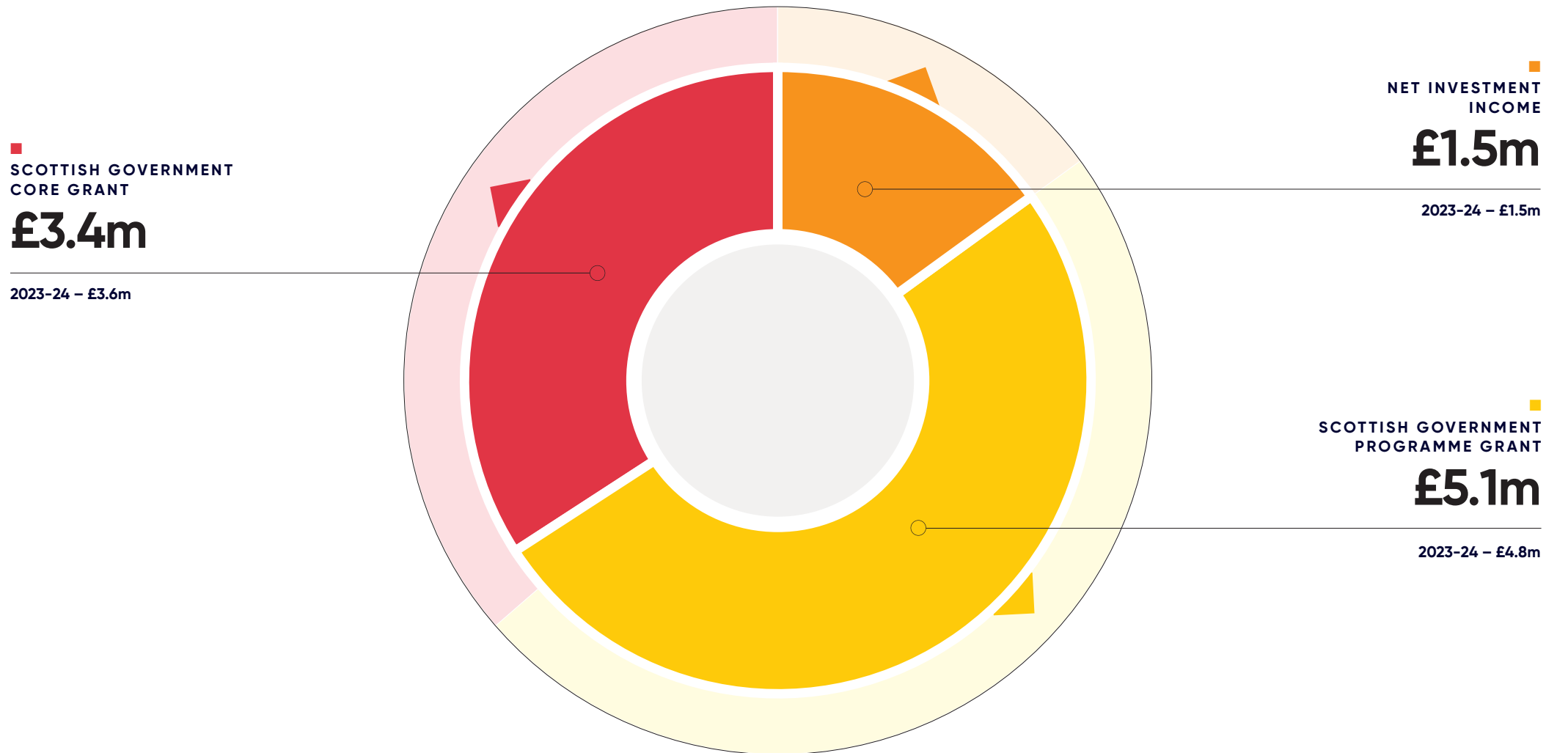
Our operational budget for 2024/25 is £10m and comes from the following sources:

Our budget incorporates a number of operational efficiencies, one of which is our recent move to a more efficient, public sector owned office and is home to a number of other small public and third sector organisations.

### £10m

2024-25 OPERATIONAL BUDGET

2023-24 – £9.9m



SCOTTISH GOVERNMENT CORE GRANT  
**£3.4m**

2023-24 – £3.6m

NET INVESTMENT INCOME  
**£1.5m**

2023-24 – £1.5m

SCOTTISH GOVERNMENT PROGRAMME GRANT  
**£5.1m**

2023-24 – £4.8m



SCOTTISH  
FUTURES  
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