

Agenda Item	5
Report No	HC/33/20

THE HIGHLAND COUNCIL

Committee: Highland Council

Date: 1st October 2020

Report Title: Learning Estate Improvement Programme and Capital Priorities

Report By: Chief Executive

1. Purpose/Executive Summary

- 1.1 This report updates on progress with the Tain 3-18 Campus project and seeks a commitment from Members to deliver the project in line with the Scottish Government's Learning Estate Improvement Programme (LEIP) revenue funding model and programme delivery expectations.
- 1.2 It also recommends that two projects are nominated for consideration by the Scottish Government for the second phase of the LEIP.
- 1.3 The report also seeks approval for the proposed approach to the medium-term requirements for Park Primary School in Invergordon while options for a long-term solution are considered.
- 1.4 Finally, the report seeks a commitment from Members for a replacement care facility to serve the Sutherland North Coast area and to agree to appraise potential funding options.

2. Recommendations

- 2.1 Members are asked to:
 - i. Agree that, following its formal inclusion in Phase 1 of the LEIP, the Tain 3-18 Campus project continues to be developed to meet the August 2024 completion date expected for all Phase 1 projects, with a commitment to fund the project from the capital programme and deliver it in line with the Scottish Government's outcomes-based revenue funding model, all as outlined in Section 5.
 - ii. Agree that Broadford Primary School is nominated as the Council's priority for consideration by the Scottish Government for inclusion in Phase 2 of the LEIP with Nairn Academy also nominated as the next priority, as outlined in Section 6.

- iii. Agree that capital funding is allocated from the School Estate Improvement budget heading to enable Park Primary School to return to the Park campus while the long-term options for a new build are considered, as outlined in Section 7.
- iv. Reaffirm the Council's commitment to a replacement care facility to serve the Sutherland North Coast area and agree that an options appraisal is carried out on the alternative capital or revenue funding approaches as outlined in Section 8, and brought back to the Council meeting on 29th October with recommendations to ensure delivery of this commitment as a matter of urgency.

3. Implications

- 3.1 **Resource:** The 5-year capital programme set in March 2018 covers the period 2018-19 to 2022-23. The construction phase for the Tain 3-18 campus project will continue until 2024/25, and further commitments to the Broadford, Nairn and Sutherland Care Home projects will also need to be incorporated into an extended capital programme. Given the challenging revenue and capital circumstances the Council is facing, Members will need to be aware that delivery of these projects will inevitably mean that other projects across the Council's asset base may not be affordable, or that revenue budget savings may need to be found to support the financing of the Council's share of the project costs.
- 3.2 **Legal:** The statutory consultation process for the new Tain 3-18 campus was concluded in 2019. Statutory consultations would not be required for either Broadford Primary or Nairn Academy, while a report on a proposal for a consultation on future provision in Invergordon will be taken to the Education Committee meeting in November.
- 3.3 **Community (Equality, Poverty, Rural and Island):** The recommendations in this report are consistent with the commitments made in the Council Programme to foster sustainable local communities and maximise the economic potential of the Highlands by linking our school estate, housing and economic strategies to address issues associated with fragile rural economies. Some of the existing school sites at Broadford and Tain may be developed for housing, while the Broadford project is potentially part of a wider development that would include a community funded building adjacent to the new school. Also, the Council's capital programme will make a significant contribution to the economic recovery across Highland communities over the coming years.
- 3.4 **Climate Change/Carbon Clever:** All new build school projects funded through the LEIP will be set an ambitious energy efficiency target as part of the outcomes-based revenue funding model.
- 3.5 **Risk:** The Highland Council in a paper to Council in June 2019 and a letter to Scottish Government in August 2019 highlighted a school estate legacy investment challenge in the region of £180–£200M. The report to Council in August 2019 stated that it is imperative (considering the size of the investment challenge facing the Council) that the opportunities afforded by the LEIP are grasped, and successful bid outcomes attained to reduce the school estate funding gap and deliver improved learning environments for Highland's children and young people.
- 3.6 **Gaelic:** The Tain 3-18 campus will have a Gaelic medium department. The opportunity for Gaelic medium to be delivered within a 3-18 years setting will fully support the ambitions as set out in Highland Council's Gaelic Language Plan. Broadford Primary School provides both English and Gaelic Medium education along with Early Learning and Childcare.

4. Learning Estate Improvement Programme – Background

- 4.1 This section summarises the key items from reports approved by Council to date on the approved school priorities, including a recap of what is meant by the terms “Bid-Ready” and “Shovel-Ready”.
- 4.2 The Council’s revised 5–year capital programme was approved in March 2018, and the covering report identified 11 priority school locations that would be considered for bids to future rounds of Scottish Government funding. A total of £25M was included in the programme to support any successful funding bids.
- 4.3 A report to Council in June 2019 updated on the funding position regarding the overall capital programme and some of the emerging pressure areas in relation to capital expenditure. The extract in italics below is from the report setting out the “Next Steps” on the development of these priorities. This clearly identified the considerable costs that would be involved in taking projects to “Shovel-Ready” status. The £250,000 of capital funding to move to “Bid-Ready” status referred to was approved as part of a separate report.

7.2 At this stage, there is no requirement to achieve “Shovel-Ready” status for these priorities. In fact, the timescale and costs of achieving this for all would be excessive and potentially abortive given the uncertainty around funding. To reach that status would involve considerable further work, ultimately taking proposals to fully developed design and tender stages, which is likely to cost several million pounds for all of the potential projects.

7.3 The intention therefore is to move forward on a “Bid-Ready” basis, which involves having clarity around the priorities, potential scope of solutions and, where considered appropriate, some further investigations and development of concept or outline proposals. This approach would require £250,000 of funding.

- 4.4 The Scottish Government subsequently wrote to all local authorities in July 2019 to update on the planned new LEIP. In response to this, the Council approved a report in August 2019 with the following recommendations.
1. That the proposed **Tain 3-18 Campus** project would be Highland Council's priority for consideration by the Scottish Government for inclusion in the initial phase of the programme (the Scottish Government subsequently confirmed in September 2019 that Tain would be included in Phase 1 of the LEIP).
 2. The second priority is to secure funding to provide a new campus at **Broadford** as the Highland Council recognises Broadford as a high priority in the next phase of school infrastructure investment and this will be reported to Council as part of the review of the capital programme.
 3. The Council will seek to secure funding to provide a replacement school for **Nairn Academy** through a bid to the further, larger, phase of investment from the LEIP in conjunction with the review of the capital programme.
- 4.5 **Appendix 1** provides an update on progress on all the agreed priorities and sets out the proposed next steps for each location. A further £150,000 of capital funding will be required to continue to develop these priorities during 2020/21 as proposed, and a recommendation to allocate this amount from the School Estate Improvement budget heading is included in a separate report to this meeting.

5. Tain 3-18 Campus

5.1 The Scottish Government's "Programme for Government" that was published in September stated that all the projects included in Phase 1 of the LEIP are expected to be complete for the start of the 2024/25 school session.

5.2 The timescale for each of the key stages to achieve completion of the Tain project by August 2024 is outlined below.

- **Stage 2 Design:** October 2020 to February 2021 (5 months)
- **Stages 3 & 4:** Design, Planning and Market Testing – March 2021 to February 2022 (12 months)
- **Financial Close:** March 2022 to mid-April 2022 (1.5 months)
- **Mobilisation:** Mid-April 2022 to mid-May 2022 (1 month)
- **Construction:** Mid-May 2022 to mid-June 2024 (25 months)
- **Client Move/Commissioning:** Mid-June 2024 to mid-August 2024 (2 months)
- **School Opening:** Start of 2024/25 session

5.3 As can be seen, full "Shovel-Ready" status would not be achieved until April 2022. A substantial amount of work will be required during the preceding design stages to ensure that the requirements of the revenue funding model are met.

5.4 The LEIP funding model will provide revenue funding on the achievement of the outcomes listed below. Regular updates on progress in meeting these outcomes will be provided as the project moves forward.

- **Condition:** Local authorities must provide evidence, through their annual returns that the facility is kept in condition A or B for a period of 25 years.
- **Energy Efficiency:** Authorities must provide evidence that the ambitious target of 67/kWh/m² per annum for core hour/facilities use of the facility is achieved.
- **Digitally Enabled Learning:** Authorities must provide evidence that the underlying facility infrastructure is capable of supporting 1Gbps.
- **Economic Growth:** The authority will require to collate and provide evidence that they have met the target for jobs supported as per the Construction Industry Training Board benchmarks published July 2017.

5.5 The Passivhaus design approach is considered to be the most likely way to achieve the required energy efficiency outcome. The construction cost metrics for the LEIP have been increased to take account of this requirement but there will be a learning curve for the Council throughout the design stages. Consideration is currently being given to developing a batch of smaller scale projects as Passivhaus pilots. This would allow some of the associated issues to be explored before Tain starts on site and potentially achieve some economies of scale.

5.6 **Appendix 2** identifies an estimated capital cost of £43M for the project based on the area and cost metrics for the LEIP. The cost build-up is based on the following assumptions.

- A provisional allowance has been made for abnormal costs that may be incurred (such as ground conditions) as is the usual practice for projects at this stage.
- There are several factors that contribute to general uncertainty at this time, such as the potential impact of the ongoing pandemic and its impact on the

construction industry and supply chain. The provisional contingency allowance has been increased to cover these factors.

6. Learning Estate Investment Programme – Phase 2

6.1 The Scottish Government has written to all local authorities setting out the following (a copy of the letter is included as **Appendix 3**).

- The strategic outcomes of the LEIP.
- An outline of the funding approach.
- A request that each local authority provide a brief update to the Scottish Government on the status of its current learning estate strategy and associated investment plans.
- Any priority project(s) they wish to put forward for consideration for Phase 2.

6.2 Further to the recommendations approved in August 2019, and given that Tain has been formally included in Phase 1 of the LEIP, it is recommended that Broadford Primary School is nominated as the Council's priority for consideration by the Scottish Government for inclusion in Phase 2 of the LEIP, along with Nairn Academy as the next priority. A commitment is also sought to provide the necessary capital funding for both projects through the extended capital programme, and again in line with the LEIP revenue funding model.

6.3 Neither of these projects would require a statutory consultation and all land required for these developments is owned by the Council. Initial pre-application advice has been sought from Planning for both projects and no significant areas of concern were highlighted.

6.4 The estimated capital costs for each project are included in **Appendices 4 and 5**. The cost build-ups are based on similar assumptions to those for Tain as Paragraph 5.6. Although the letter does not state the expected completion dates for the Phase 2 projects, it is assumed at this stage that it will be August 2025.

7. Park Primary School, Invergordon

7.1 Following the fire that destroyed the classroom block at Park Primary School in February, the primary classes are currently based at Invergordon Academy with the nursery relocated to South Lodge Primary.

7.2 Engagement with parents and other stakeholders about the long-term options for either a re-build on the Park site or a new school elsewhere in Invergordon has been ongoing since then. Parents and staff have been surveyed on these options and a report on a proposal for a statutory consultation will be taken to the Education Committee meeting in November.

7.3 Parents and staff have also been surveyed on the medium-term options of either remaining at the Academy or moving back to the Park site until a preferred long-term solution has been delivered. The result of the survey is that a large majority are in favour of returning to the Park site.

7.4 In order to facilitate a return to Park, the following works would have to be carried out.

- **Modular Units:** The relocation of three of the double classroom units at Merkinch Primary that had been bought for use as decant accommodation (these will start to be removed from Merkinch during the October holidays). However additional accommodation would have to be installed to cover other lost facilities, particularly the kitchen and dining accommodation. The full extent of the additional accommodation required, and the options for either hiring or purchasing, are currently being assessed.
- **Work to Existing Buildings:**
 Services: Return of biomass boiler, replacement plant and services connections.
 Nursery Block: Re-roofing.
 Main Building: Repairs and upgrades to fire alarms, security and emergency lighting systems; other improvements and fabric repairs to masonry and roof.

7.5 At this stage, the earliest completion date for all the necessary works required for a return to Park is estimated at April 2021. This is subject to there being no significant delays due to the ongoing effects of the pandemic or adverse weather conditions over the coming months, and that the necessary statutory approvals and procurement activities can be taken forward as planned. Stakeholders will be kept informed of progress and will be given early notice if any delays are encountered.

7.6 Discussions are continuing with the Council's insurers in relation to the details of the claim that will be submitted, and on the eligibility of the works required for the proposed return to Park. Full details of the capital implications will be reported to the next meeting of the Council later this month. Approval is sought in the meantime to agree to the proposed return to Park to allow the necessary preparatory work to continue, and that the required capital funding to support this proposal will be allocated from the School Estate Improvement budget heading.

8. North Coast Care Facility

8.1 Highland Council agreed in 2014 to support the principle of a new care facility for the North Coast area of Sutherland. This provided the opportunity to look at all the buildings and services in the area to explore how best to provide services that are sustainable, effective and efficient for the future.

8.2 There are two separate buildings at present, Melvich Care Home and Caladh Sona Care Home in Talmine, both of which are six-resident facilities. There are significant building condition issues at both that would have to be addressed in the coming years, as well as the following suitability issues.

- Challenges with staffing two facilities relatively close together, exacerbated by small and inefficient unit sizes.
- Not purpose built (converted sheltered housing with six beds).
- Caladh Sona does not meet Care Inspectorate standards on room sizes, continued registration is only acceptable on a short-term basis.
- Melvich has limited office and ancillary accommodation.
- Share a manager but otherwise units stand alone.

8.3 During 2015/16 a steering group, drawing together community representatives, staff, Members and other agencies, reviewed services in the area. The group recommended that a new single health and social care 'hub' facility should be in the Kyle of Tongue

area. This would offer residential and nursing care and improved co-ordination of care through the co-location of some staff and services.

- 8.4 The public consultation ran from July to October 2016 and provided a series of opportunities, including meetings, for members of the public, partner agencies, staff and service users to find out more about the proposals as well as make their views about them known. The review covered the area along the coast from Scourie in the west to Melvich in the east, including Altnaharra and Strath Halladale.
- 8.5 Council officials have been working closely with colleagues in NHS Highland on a feasibility study for two options; a 15-bed facility and a 9-bed facility with 6 assisted rooms. The plans are currently being amended to incorporate learning and experience gained on the management of Covid-19 in care homes to ensure that the new design, as far as possible, minimises the impact of this or any other infectious outbreak on residents and staff.
- 8.6 Initially the feasibility study was for a new unit located on Council owned land in Tongue. However, the adjacent landowner (Wildland) had expressed some views on the proposed design and had engaged architects to review it. Wildland subsequently offered to take forward another option for a different site (owned by Church of Scotland) and for the building to be built by Wildland and leased to NHS. This would be part of a larger hub development in Tongue, possibly including housing, community facilities and commercial units.
- 8.7 There is an annual budget allocation of £1M for Adult Services in our 5-year capital programme. The combined spend in 2018/19 and 2019/20 was £840K. Assuming that expenditure remains around this level for the next 3 years, that would leave approximately £2.5M to be allocated from the current programme, although there are some potential priority projects that are on hold until the care home project is resolved.
- 8.8 The cost of a new care facility would be significantly more than the remaining unallocated balance, so an additional funding allocation would need to be incorporated into the extended capital programme.
- 8.9 There are therefore several different funding options to be considered:
 1. A stand-alone capital project fully funded by the Council.
 2. A larger development as proposed by Wildland, with the new care home an integral element of that, and the Council making a capital contribution in respect of the equivalent capital cost of the stand-alone project in Option 1.
 3. As Option 2, but with the Council contribution being an annual revenue payment based on the equivalent capital cost.
- 8.10 It is proposed that the alternative capital and revenue funding options should be appraised once the Council, NHS Highland and other stakeholders have agreed on the preferred operating model for the new facility, and the financial costs compared over the life cycle of the building. However, it is recommended that the Council reaffirms its commitment to the project at this stage with full details of the alternative funding options to be brought back to the Council meeting on 29th October with recommendations to ensure delivery of this commitment as a matter of urgency.

Designation: Chief Executive

Date: 25th September 2020

Author: Robert Campbell, Estate Strategy Manager

Background Papers:

Appendix 1: Update on School Priorities

Appendix 2: Tain Campus Metric Build-Up

Appendix 3: Letter from Scottish Government regarding Phase 2 of LEIP

Appendix 4: Broadford Primary Metric Build-Up

Appendix 5: Nairn Academy Metric Build-Up

Report to Highland Council meeting on 7th March 2018 on Capital Programme 2018/19 to 2022/23

https://www.highland.gov.uk/download/meetings/id/73257/item_3_capital_programme_201819_to_202223

Report to Highland Council meeting on 27th June 2019 on Capital Programme Refresh - the Corporate Capital Programme and the Current Financial Context

https://www.highland.gov.uk/download/meetings/id/75478/item_14a_corporate_capital_programme_and_the_current_financial_context

Report to Highland Council meeting on 22nd August 2019 on Scottish Government New Schools Investment Programme

https://www.highland.gov.uk/download/meetings/id/75669/item_3_scottish_government_new_school_investment_programme

UPDATE ON SCHOOL PRIORITIES – AS AT 25/09/20

School(s)	Proposal/Options	Statutory Consultation Required?	Site/Location	Position as at August 2019	Status	Next Steps
Tain 3-18 Campus	Campus to incorporate Tain Royal Academy, merged Craighill/ Knockbreck Primary & St. Duthus	Yes – Complete	Craighill – Owned by HC	Agreed as the priority bid for the first phase of the Learning Estate Improvement Programme; SG subsequently confirmed inclusion in Phase 1	Pre-Planning application advice received; Stage 1 (Strategic Definition/ Preparation and Briefing) completed; Stage 2 (Concept Design) could be commenced subject to approval	As Section 5 of the report
Broadford Primary	Replacement school building with potential community wing and neighbouring housing development	No – Part of existing site and adjacent land	Adjacent land has been bought and land-banked for housing; can be swapped with existing school site	Agreed as the second priority to secure funding for a new campus as part of the review of the capital programme	Pre-Planning application advice received; Community group to resume consultation on Community Hub Wing	Nominate for Phase 2 of the LEIP
Nairn Academy	New build	No – Existing site	Build on school playing fields	Agreed to secure funding to provide a replacement school through a bid to the next phase of the LEIP	Pre-Planning application advice received; engagement with school and community postponed due to lockdown	Nominate for Phase 2 of the LEIP
St. Clement's School	New build	Yes – New site	Long list of potential sites in Dingwall now ready to share with parents	Agreed to engage with the Parent Council to review potential locations for a new school prior to a Statutory Consultation for a replacement facility	Several meetings with Parent Council representatives and Ward Members; Pre-Planning application advice received	Further engagement with stakeholders on outcome of potential site analysis

Inverness Schools	Options to address Primary and Secondary roll pressures across all 5 ASG's, including future Gaelic Medium provision	Yes – If new schools included in revised capital programme	Potential new primary schools required at Stratton and Tornagrain; potential new secondary school or further investment in existing schools	Agreed that capacity issues across Inverness to be assessed as part of a review across the City, prior to being considered as part of the review of the capital programme	Ongoing review of school roll forecasts, potential options and investment trigger points	School roll forecasts are being updated; extent and nature of engagement to be determined
Beaully Primary	Phased new build	No – Part of existing site and adjacent land	New build partly on existing, and on adjacent HC land	Combined HC/ELC funding approved for Phase 1 new build (June 2019)	Design work to commence after October Council meeting	Agree future use of redundant buildings/site (housing development?); options for Phase 2; consider use of Passivhaus
Dunvegan Primary	Phased new build	No – Existing site	Existing site	Combined HC/ELC funding approved for Phase 1 new build (June 2019)	Decision to proceed with Phase 1 on playing field following public meeting in November; meeting in June with stakeholders to agree masterplan approach for school, playing field and housing development	Continue discussions to acquire adjacent land and land-bank for housing; options for Phase 2; possible Gaelic funding bid; consider use of Passivhaus
Kiltearn Primary	Extension/ refurbishment of existing building	No – Existing site	Existing site	Combined HC/ELC funding approved (June 2019)	Design work to commence after October Council meeting	Continue with planned extension/refurbishment
Invergordon Schools	Review options following fire at Park Primary; status quo/relocation of Park/3-18 Campus at Academy (possibly including South Lodge Primary)	Yes, if Primary School(s) relocated	Existing 3 sites all in HC ownership; playing fields at Academy leased to clubs	Further engagement with Parent Councils (since overtaken by events)	Teams calls with parents and other stakeholders, and survey of parents have all taken place	Report to Education Committee meeting in November on Statutory Consultation
Alness Primary Schools	Possible rationalisation of primary school estate	Yes	Decision required on preferred number and location of schools	Further engagement with Parent Councils	No progress	Engagement with Ward Members and other stakeholders to discuss options

Fortrose Academy	Phased refurbishment/ rebuild of older part of campus	No – Existing site	Existing site	Further engagement with Parent Council	No progress	Update feasibility study and phasing options
Tarradale Primary	New build	Yes – if new site	New site not yet identified	Further engagement with Parent Council	No progress	Engagement with Ward Members and other stakeholders to discuss options

Tain 3-18 Campus - Gross Internal Floor Area								
	Element	Notes		Capacity	Metric (m2)	Area		
1.1	Academy	Based on Average Year Group Size in 80-100 Pupil Range		540	12.0	6,480		
1.2	Secondary ASN	Subject to outcome of ASN review		16	33.0	528		
1.3	Primary School	Full Planning Capacity based on upper limit of Teaching Entitlement range (18 Classrooms)		496	6.0	2,976		
1.4	Future Expansion	Omit 4 Primary classroom bays at 75m2 each				-300		
1.5	Primary ASN	Subject to outcome of ASN review		8	33.0	264		
1.6	Nursery	Capacity based on Care Inspectorate Registration		80	5.8	464		
1.7	St Duthus			24	33.0	792		
				Target GIFA (m2)		11,204		
Cost								
	Element	Area	Metric (£/m2)	Base Cost	Base Index		Forecast Index	Inflated Cost
2.1	Academy	7,008	3,120	21,864,960	4Q 2017	327	365	24,405,842
2.2	Primary School	2,940	3,120	9,172,800	4Q 2017	327	365	10,238,752
2.3	Nursery	464	3,000	1,392,000	2Q 2018	284	365	1,789,014
2.4	St Duthus	792	3,120	2,471,040	4Q 2017	327	365	2,758,194
		11,204			Base Target Cost			£39,191,803
Abnormal Costs								
3.1	Location Factor	Not applicable					0%	0
3.2	Contingency	Potential abnormal costs; possible further uplift for Passivhaus; increased market uncertainty					7.5%	2,939,385
3.3	Demolition	Academy and Craighill buildings only						659,639
3.4	Work to Existing Buildings	Not applicable						0
3.4	Off-Site Works	Potential improvements to road and path network (Safer Routes to School)						150,000
						Adjusted Target Cost		£42,940,827

Learning Directorate
Workforce, Infrastructure and Reform
Division



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Local Authority Chief Executives
CC: LA Directors of Finance / Directors of Education / COSLA officers

Sent by email on 15th September 2020

Dear Chief Executive

Learning Estate Investment Programme – Phase Two

In September 2019, the Deputy First Minister announced the publication of the new Learning Estate Strategy which was co-produced with local government and other strategic partners. This agreed the collective vision of “a Learning Estate which supports Excellence and Equity for all”.

At the same time, the Deputy First Minister also announced the first phase of projects to form part of the Learning Estate Investment Programme (LEIP). Alongside the announcement of the first phase of projects, there was a public commitment to announce the second phase of projects within a year.

Given the circumstances presented by COVID 19 a decision has been taken to delay this announcement until December 2020. This allows your authority further time to ensure the appropriate political/financial approvals are in place for any investment priority, if still required, while still providing a strong message to the construction industry regarding a future pipeline, which will be a key part of the overall economic recovery.

Over recent months significant work has been undertaken with COSLA and local government representative bodies to support the ongoing development of the LEIP and the Phase 1 projects.

This letter sets out the strategic outcomes of the LEIP, outlines the funding approach, and requests that each local authority provide a brief update to the Scottish Government on the status of its current learning estate strategy and associated investment plans, including any priority project(s) they wish to put forward for consideration as part of phase two.

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All local authorities will be eligible to receive funding through a second phase of the programme, with all local authority submissions being reviewed by a working group including Scottish Government, SFT, COSLA and local authority representatives. This group will review potential projects against criteria as defined in the flow chart at *Appendix i*. In line with all previous phases of the Schools for the Future programme and the first phase of the LEIP, project selection will rest with Scottish Ministers. The Scottish Futures Trust will continue to coordinate, facilitate and manage the delivery of the investment programme.

Strategic Outcomes

Consistent with the principles of the Learning Estate Strategy, Scottish Ministers are seeking to invest in projects which connect people, places and learning, deliver improved outcomes for all, and enable sustainable and inclusive economic growth.

In particular, investment will be focused on sustaining and improving the condition of the learning estate, establishing links across the learner journey where appropriate, and supporting sustainable estate planning and improved stewardship.

It is recognised that demographic changes can impact upon need across the learning estate. With that in mind, Scottish Ministers are open to considering projects which are responding to these demographic changes particularly where there is a clear linkage to sustainable and inclusive economic growth and / or there is an associated link to sustaining and improving the condition of the local authorities wider learning estate.

The investment programme is being designed to deliver high quality, suitable, sustainable, low carbon, digitally enabled learning environments. Through the development of the LEIP, alongside the first phase projects, the programme now has approved programme conditions and outcomes which align to these areas.

The national investment programme is intended to augment, not replace, local authorities' own investment plans. Scottish Ministers would anticipate that every local authority will continue to invest in its wider learning estate, in line with the significant local investment which has been undertaken in recent years.

Shared Funding Approach

All local authorities will be eligible to benefit from the new investment programme to sustain and improve the condition of their learning estate or respond to demographic changes outlined above. A project will not be eligible for funding on both a condition and demographic changes basis.

Each local authority must provide a commitment to deliver a new / refurbished facility that will achieve and maintain 'A' good or 'B' satisfactory category condition throughout a minimum of a 25-year period.



To support this investment the Scottish Government has developed, in collaboration with COSLA and local authority colleagues, an outcomes based funding model which will provide funding to local authorities on the achievement of agreed outcomes in relation to condition, energy efficiency, digital and economic growth. The premise of this funding will be on a 50:50 “like for like” basis to support the delivery of the outlined outcomes, as in line with the first phase of the LEIP.

The 50:50 funding approach will also be applied to those projects addressing demographic changes, including extensions and will apply to the specific learning facilities.

Request for Status Update

As noted earlier, the Scottish Government is seeking to announce a second phase of projects to be supported by the LEIP.

It is important that there is a comprehensive current understanding of local authorities’ own plans to support decision making.

It would be appreciated if you could provide a short status update setting out how your authority is developing or has developed its local learning estate strategy and associated investment plans. If the local authority has identified a priority project(s) for investment, that is supported with an approved financial and political commitment, please identify the project(s) in your update and outline how the proposal is responding to the strategic outcomes and phase two criteria outlined.

For any priority project(s) being put forward for consideration, at this stage, please include high level costs and programme.

Responses should be submitted by email or letter to myself at the Scottish Government by close of 13th October 2020 if this deadline causes significant issues then please get in touch. If you have any queries please contact me on 0131 244 3925, or Andy Dailly, Head of School Building, on 0131 244 7866 or Andrew.Dailly@gov.scot or Sarah Watters, COSLA on 0131 474 9329 or sarah@cosla.gov.uk

Andrew Drought
Deputy Director

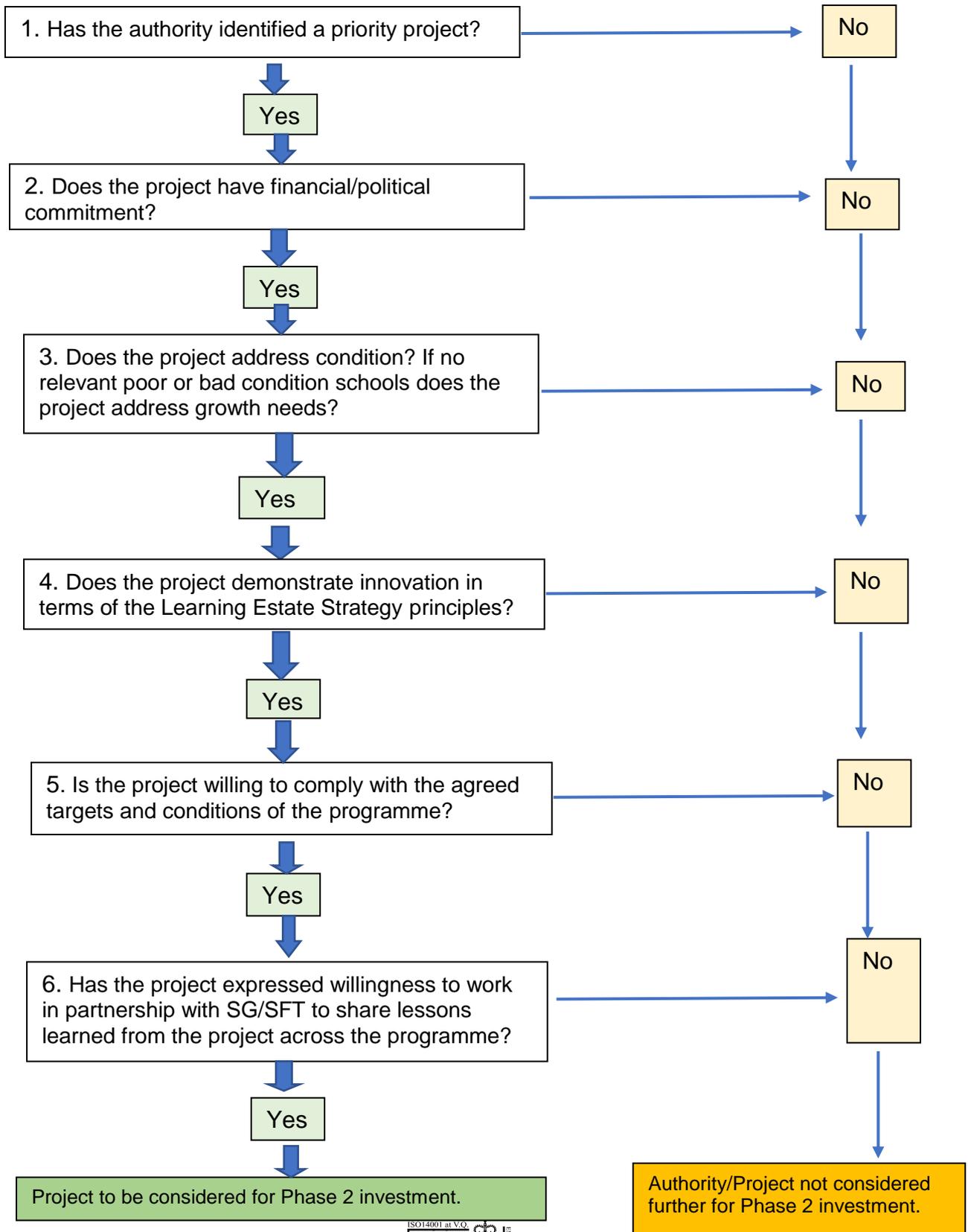
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Appendix i) – Phase 2 criteria flowchart



Broadford Primary - Gross Internal Floor Area								
	Element	Notes			Capacity	Metric (m2)	Area	
1.1	Primary School	Planning Capacity based on upper limit of Teaching Entitlement range (10 Classrooms)			279	7.5	2,093	
1.2	Future Expansion	Omit 4 Primary classroom bays at 75m2 each					-300	
1.3	Primary ASN	Subject to outcome of ASN review			4	33.0	132	
1.4	Nursery	Capacity based on Care Inspectorate Registration			40	5.8	232	
					Target GIFA (m2)		2,157	
Cost								
	Element	Area	Metric (£/m2)	Base Cost	Base Index		Forecast Index	Inflated Cost
2.1	Primary School	1,925	3,742	7,201,479	4Q 2017	327	385	8,478,806
2.2	Nursery	232	3,000	696,000	2Q 2018	284	385	943,521
		2,157				Base Target Cost		£9,422,327
Abnormal Costs								
3.1	Location Factor	Not applicable				10%	942,233	
3.2	Contingency	Potential abnormal costs; possible further uplift for Passivhaus; increased market uncertainty				7.5%	777,342	
3.3	Demolition	Not applicable (assumed to be part of housing project)					0	
3.4	Work to Existing Buildings	Not applicable					0	
3.4	Off-Site Works	Potential improvements to road and path network (Safer Routes to School)					50,000	
					Adjusted Target Cost		£11,191,901	

Nairn Academy - Gross Internal Floor Area								
	Element	Notes			Capacity	Metric (m2)	Area	
1.1	Academy	Based on Average Year Group Size in 120-140 Pupil Range			760	12.0	9,120	
1.2	Secondary ASN	Subject to outcome of ASN review			16	33.0	528	
					Target GIFA (m2)		9,648	
Cost								
	Element	Area	Metric (£/m2)	Base Cost	Base Index		Forecast Index	Inflated Cost
2.1	Academy	9,648	3,120	30,101,760	4Q 2017	327	375	34,520,367
		9,648				Base Target Cost		£34,520,367
Abnormal Costs								
3.1	Location Factor	Not applicable				0%	0	
3.2	Contingency	Potential abnormal costs				7.5%	2,589,028	
3.3	Demolition	Existing buildings - possibly retain changing pavilion					621,235	
3.4	Work to Existing Buildings	Not applicable					0	
3.4	Off-Site Works	Potential improvements to road and path network (Safer Routes to School)					100,000	
					Adjusted Target Cost		£37,830,629	