

Learning Estate Investment Programme Outcomes Based Funding Model Briefing Document

Introduction

This paper is an update to the Outcomes Based Funding Model Briefing Document that was agreed by COSLA Leaders in March 2020. It has been updated to reflect the additional requirements for Phase 3 of the Learning Estate Investment Programme (LEIP). This takes cognisance of initial lessons learned from Phase 1 & 2 and continues to drive forward ambitions in relation to net zero, healthy learning environments and digital connectivity.

The March 2020 paper is still relevant for the phase 1 & 2 projects, as the terms and conditions, outcomes and metrics that were agreed for those phases will still be applied to those projects.

Background

The Scottish Government (SG) has an ambition of expanding opportunities for everyone in Scotland to succeed. Lifelong learning is a key strategic vision to help children, young people and learners of all ages reach their full potential. The buildings and spaces used to facilitate learning play a vital role in supporting this ambition. Since 2007, the Scottish Government and local authorities have invested around £5bn improving Scotland's learning estate. In September 2019, Scottish Government & COSLA published the new Learning Estate Strategy and the first phase of projects to benefit from the £2 billion Learning Estate Investment Programme (LEIP) were announced.

Following its management of the £1.8bn Scotland's Schools for the Future (SSF) programme, the Scottish Futures Trust (SFT) was asked to develop an outcomes-based approach that would support the delivery of the LEIP. The approach, which was collaboratively developed, has been approved by COSLA, SG and local authority representative bodies, with SG funding dependent on achieving outcomes in line with these key strategic objectives:

- New learning environments are built to a high quality and are well maintained over the long term
- Ambitious energy efficiency targets are achieved over the long term and contribute to net-zero commitments
- The investment supports digitally enabled learning and advancements in technology
- The investment creates new jobs and enables inclusive economic growth
- Ambitious embodied carbon targets are achieved in the development and construction phase of the project that contribute to net-zero commitments

The Infrastructure Investment Plan sets out a clear vision for future infrastructure. Underpinning this vision are three themes: enabling net zero emissions and environmental sustainability; driving inclusive economic growth; and building resilient and sustainable

places. The LEIP and the outcomes it has set align to the Scottish Government priorities for investment as outlined in the Infrastructure Investment Plan.

The funding for LEIP will be supported by future Scottish Government revenue commitments and will be measured within the self-imposed limit that total revenue funded investment will not exceed 5% of the total annual budget available.

This briefing document sets out a summary of the funding model, outlines the outcomes to be achieved, and explains the funding mechanism including the measurement and evidence processes and the timing of funding payments.

Summary of the funding model

1. The principles of the outcomes-based funding (OBF) model, which has been developed to support the delivery of the Learning Estate Investment Programme (LEIP), were approved by COSLA Leaders in August 2019. The funding model mechanics were subsequently approved by the LEIP programme board in March 2020, with the further requirements of LEIP phase 3 approved in June 2022 and ratified by COSLA Leaders in August 2022. The funding model is designed to uphold the principles of the co-produced [Learning Estate Strategy](#) published in September 2019.
2. Local authorities and Scottish Government will jointly invest in a sustainable, suitable, digitally enabled, energy efficient learning estate which will support the delivery of a broad range of outcomes including inclusive economic growth. Local authorities will fund upfront the delivery of new (or refurbished) assets so that children and young people, educators and wider communities can benefit from the outcomes which this improved estate will enable.
3. Scottish Government funding will be provided to local authorities through an annual payment over 25 years to recognise the outcomes achieved.
4. The programme is based on the principle that Scottish Government and local authority funding is provided 50:50 with reference to an area and cost metric compliant notional cost for each project to support the achievement of the programme's outcomes.
5. The outcomes funded by Scottish Government are linked to the Learning Estate Strategy, the National Performance Framework and the priorities of the Infrastructure Investment Plan and support a well-maintained sustainable learning estate which is fit for the future.

Outcomes to be achieved

6. A series of measurable outcomes have been developed collaboratively between Scottish Government and local authorities. It is worth noting that these are not the only outcomes anticipated to be delivered through the LEIP but have been selected as measurable outcomes upon the achievement of which funding will flow.

7. The outcomes to be achieved align with the principles of the Learning Estate Strategy and fall into five broad categories:
 - Condition
 - Energy efficiency
 - Digitally enabled learning
 - Economic growth
 - Embodied carbon
8. If an outcome is not achieved in full, then the funding associated with that outcome will be adjusted accordingly.
9. The table below outlines how the outcome categories align to the Learning Estate Strategy guiding principles and describes the outcome to be achieved, along with the funding rates associated with each.

Category	Learning Estate Strategy Guiding Principle(s)	Outcome to be achieved	Outcome Funding Rate								
Condition	<p>The condition and suitability of learning environments should support and enhance their function</p> <p>The learning estate should be well-managed and maintained</p>	<p>Scottish Government’s ambition is that no child should have to learn in a school that is in poor (C) or bad (D) condition. To help achieve this vision and to deliver a well-managed and maintained estate, local authorities must provide evidence, through the annual core fact return to Scottish Government that the facility is kept in condition A or B for a period of 25 years.</p> <p>This is intended to be a binary funding condition. In recognition of the potential for survey issues to be identified, removal of funding would be suspended for one year to allow for rectification of any issues leading to a C condition rating. The funding would be reinstated, the next financial year, once it could be demonstrated that the facility was in A/B condition again.</p> <p>If the building drops into condition C more than once during a five-year period, the condition funding element will be suspended without the one-year grace period, until the condition is rectified to A/B.</p> <p>In the event of exceptional circumstances such as fire or flood resulting in the condition of the building being unable to be rectified to an A/B condition within 1 year</p>	<p>The funding for this outcome is based on benchmark FM rates, multiplied by the programme space standards and the number of pupils on a like for like basis.</p> <p>FM/LC rates are based on FY19/20 prices. These have been updated by 4% to account for increased maintenance and lifecycle requirements on phase 3 projects.</p> <table border="1"> <thead> <tr> <th></th> <th>Rate/sqm/year*</th> </tr> </thead> <tbody> <tr> <td>Facilities Management</td> <td>£17</td> </tr> <tr> <td>Lifecycle</td> <td>£29</td> </tr> <tr> <td>Total</td> <td>£46</td> </tr> </tbody> </table> <p>*ASN rates may vary depending on provision being provided</p> <p>The space standards used for the funding calculation are in line with that used for the programme. These</p>		Rate/sqm/year*	Facilities Management	£17	Lifecycle	£29	Total	£46
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Category	Learning Estate Strategy Guiding Principle(s)	Outcome to be achieved	Outcome Funding Rate									
		<p>of becoming a C, or resulting in the facility dropping into condition C for a second time, this will be reviewed on a case-by-case basis between the local authority and SG.</p>	<p>are shown in the table in paragraph 17.</p> <p>The space standards will be adjusted to take cognisance of additional like for like facilities such as community facilities, which require to be maintained.</p>									
Energy Efficiency	Learning environments should be greener [and] more sustainable	<p>Scottish Government has declared a global climate emergency and therefore it is essential that all new facilities are energy efficient to help Scotland deliver its ambitious net-zero goals. A programme energy target of 67/kWh/sqm/annum for core hour/facilities use has been set.</p> <p>In line with the programme energy target, authorities must provide evidence that the target of 67/kWh/sqm/annum for core hour/facilities use is achieved.</p> <p>Core Facilities To provide consistency of definition across the variety of projects in the programme, the following facilities are excluded from the total energy consumption target:</p>	<table border="1" data-bbox="1487 730 1968 1093"> <thead> <tr> <th data-bbox="1487 730 1727 852">Size of Facility</th> <th data-bbox="1727 730 1968 852">Energy Outcome £/pupil</th> </tr> </thead> <tbody> <tr> <td data-bbox="1487 852 1727 932">Campus*/400 + SS/>2 stream PS</td> <td data-bbox="1727 852 1968 932">3,625</td> </tr> <tr> <td data-bbox="1487 932 1727 1050">1-2 Stream PS and <= 400 SS</td> <td data-bbox="1727 932 1968 1050">4,750</td> </tr> <tr> <td data-bbox="1487 1050 1727 1093">ASN**</td> <td data-bbox="1727 1050 1968 1093">23,750</td> </tr> </tbody> </table> <p>*If total campus numbers for the SS&PS elements are less than a 2 stream PS, discretion over rates may be used.</p> <p>**ASN rates may vary depending on provision being provided</p>		Size of Facility	Energy Outcome £/pupil	Campus*/400 + SS/>2 stream PS	3,625	1-2 Stream PS and <= 400 SS	4,750	ASN**	23,750
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ASN**	23,750											

Category	Learning Estate Strategy Guiding Principle(s)	Outcome to be achieved	Outcome Funding Rate
		<ul style="list-style-type: none"> • Dedicated community/health facilities • Swimming pool/hydrotherapy pool • External sports flood lighting • Production kitchens (serving multiple sites) • Data centres (serving multiple sites) • Electric Vehicle Charging Points • Other (e.g. specialist vocational/industrial facilities – councils to propose) <p>Within the remaining core facilities, all energy uses relating to the building and users are included in the energy target. The target includes all used energy regardless of source e.g. energy provided from renewable sources is included in the same manner as gas or electricity from the mains or grid.</p> <p>Core Hours To recognise that councils and individual schools have different operational hours and term dates, the target is anticipated to cover all energy use during a bank of 2000 operational hours per annum. If the facilities are operational for more or less hours then a pro rata approach should be taken to compare against the target.</p>	

Category	Learning Estate Strategy Guiding Principle(s)	Outcome to be achieved	Outcome Funding Rate												
		<p>Building use purely for cleaning, maintenance or security tasks will not be considered as operational hours.</p> <p>This is recognised as being an ambitious target, therefore it is not anticipated that this will be a pass/fail outcome for funding but that a sliding scale will be attached. The sliding scale is grouped into ranges with a corresponding alteration to funding depending on which range is demonstrated as being achieved:</p> <table border="1" data-bbox="757 810 1435 1102"> <thead> <tr> <th data-bbox="757 810 1133 890">Energy Consumption kWh/sqm/p.a.</th> <th data-bbox="1133 810 1435 890">Energy Funding %</th> </tr> </thead> <tbody> <tr> <td data-bbox="757 890 1133 935">A 67- 83</td> <td data-bbox="1133 890 1435 935">100%</td> </tr> <tr> <td data-bbox="757 935 1133 979">B 84- 99</td> <td data-bbox="1133 935 1435 979">90%</td> </tr> <tr> <td data-bbox="757 979 1133 1024">C 100 - 115</td> <td data-bbox="1133 979 1435 1024">60%</td> </tr> <tr> <td data-bbox="757 1024 1133 1069">D 116 -130</td> <td data-bbox="1133 1024 1435 1069">30%</td> </tr> <tr> <td data-bbox="757 1069 1133 1102">E 131+</td> <td data-bbox="1133 1069 1435 1102">0%</td> </tr> </tbody> </table> <p>If the facility exceeds 130/ kWh/sqm/p.a for core hour use of energy use – no funding will be available for that outcome.</p> <p>The funding for the energy outcome will commence in year 3 of operations to allow a 2-year period to monitor</p>	Energy Consumption kWh/sqm/p.a.	Energy Funding %	A 67- 83	100%	B 84- 99	90%	C 100 - 115	60%	D 116 -130	30%	E 131+	0%	
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		<p>in use energy consumption and optimise systems and behaviour. At the end of year 2 the in-use energy will be measured and this will determine the initial funding band.</p> <p>Following the initial reporting of the energy target at the end of year 2, the energy outcome will be assessed every 5 years in years 7, 12, 17 and 22. The rolling five-year average is what should be reported. In the event of a change of performance from the previous measurement, there will be a 1-year grace period to allow Councils to rectify the change and bring back to the original target of maintain improved energy performance, before any required changes, to funding are implemented.</p>								
Digital	Learning environments should be digitally enabled	<p>Digital technology is an evolving and fast-growing area and one that is becoming more prevalent in every-day learning as digital learning and teaching strategies continue to develop.</p> <p>To ensure facilities are future proofed and able to continue to support high quality digital learning and teaching, regardless of technology advancement, the local authority must provide evidence that the</p>	<table border="1"> <thead> <tr> <th data-bbox="1487 1048 1727 1166">Size of Facility</th> <th data-bbox="1727 1048 1966 1166">Digital Outcome £/pupil</th> </tr> </thead> <tbody> <tr> <td data-bbox="1487 1166 1727 1246">Campus*/400 + SS/>2 stream PS</td> <td data-bbox="1727 1166 1966 1246">2,875</td> </tr> <tr> <td data-bbox="1487 1246 1727 1362">1-2 Stream PS and <= 400 SS</td> <td data-bbox="1727 1246 1966 1362">3,765</td> </tr> </tbody> </table>		Size of Facility	Digital Outcome £/pupil	Campus*/400 + SS/>2 stream PS	2,875	1-2 Stream PS and <= 400 SS	3,765
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Category	Learning Estate Strategy Guiding Principle(s)	Outcome to be achieved	Outcome Funding Rate	
			ASN**	18,825
		<p>underlying facility infrastructure is capable of supporting 11Gbps. This underlying infrastructure should extend to at least one point within every learning and teaching space throughout the facility.</p> <p>If the cost of providing the initial connection speed to the facility is prohibitively expensive due to geographic location or it is not physically possible yet in that location, this can be reviewed on a case by case basis to establish an appropriate solution.</p>	<p>*If total campus numbers for the SS&PS elements are less than a 2 stream PS, discretion over rates may be used.</p> <p>**ASN rates may vary depending on provision being provided</p>	
Economic Growth	Investment in Scotland's learning estate should contribute towards improving learning outcomes and support sustainable and inclusive economic growth	<p>Investment in infrastructure is synonymous with economic growth. The Construction Industry Training Board (CITB) has published benchmarks on how many new jobs should be supported from investment in the education sector.</p> <p>The authority will require to collate and provide evidence that they have met the target for jobs supported as per the CITB benchmarks published July 2017. The number of jobs to be supported depends on the size of investment, in terms of construction value:</p>	Size of Facility	Economic Outcome £/pupil
			Campus*/400 + SS/>2 stream PS	1,000
			1-2 Stream PS and <= 400 SS	1,310
			ASN**	6,550
			<p>*If total campus numbers for the SS&PS elements are less than a 2 stream PS, discretion over rates may be used.</p>	

Category	Learning Estate Strategy Guiding Principle(s)	Outcome to be achieved				Outcome Funding Rate
		Size of Investment	£1-3.5m	£3.6-6m	£6.1-10m	**ASN rates may vary depending on provision being provided
Number of Jobs	1	4	5			
Size of Investment	£10.1m-15m	£15.1-20m	£20.1-30m			
Number of Jobs	10	11	12			
Size of Investment	£30.1-40m	£40.1-50m	£50.1-60m			
Number of Jobs	14	15	18			
Size of Investment	£60.1-70m	£70.1-80m	£80.1-90m			
Number of Jobs	19	19	21			
Size of Investment	£90.1m-100m					

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		Number of Jobs	22			
<p>For the avoidance of doubt size of investment figures will be rounded down to 1 decimal place when determining the number of jobs.</p> <p>Funding will be available if the relevant target is achieved. If this is not achieved in full, funding will be adjusted accordingly. e.g. if 12 jobs is the target but only 11 are evidenced as being achieved then 11/12ths of the funding for that outcome will be available.</p> <p>This outcome could be multi-faceted and also provide a measure to ensure training places are supported and learner engagement is embedded in the design and construction process through site visits and work experience placements.</p> <p>It is proposed that because the achievement of this outcome will happen in the design and construction phase of the project that the funding for it, if achieved, is received in the first two years of operations, rather than be extended over the 25-year period.</p>						

Category	Learning Estate Strategy Guiding Principle(s)	Outcome to be achieved	Outcome Funding Rate									
Embodied Carbon	Learning environments should be greener [and] more sustainable	<p>Reducing Whole Life Carbon is key to ensuring the long-term sustainability of the learning estate. Building on the Operational Energy Target already established in LEIP, the opportunity exists to significantly reduce the Construction Embodied Carbon footprint from inception, through design and construction to practical completion.</p> <p>Construction Embodied Carbon Outcome</p> <p>Local authorities should evidence that the construction embodied carbon target of 600 kgCO₂e/m² for core facilities is achieved. Local authorities should track and record this throughout the project stages using an assessment tool compliant with BRE IMPACT methodology managed by an assessor with appropriate expertise.</p> <p>Evidence of achieving this target using actual material, product, transport and contractor activity data will be required at project completion.</p> <p>Methodology</p> <p>The Construction Embodied Carbon target should be assessed for the building and external plant only, excluding external works and loose FF+E. This should</p>	<table border="1"> <thead> <tr> <th data-bbox="1485 424 1715 576">Size of Facility</th> <th data-bbox="1727 424 1966 576">Embodied Carbon Outcome £/pupil</th> </tr> </thead> <tbody> <tr> <td data-bbox="1485 576 1727 655">Campus*/400 + SS/>2 stream PS</td> <td data-bbox="1727 576 1966 655">£TBC</td> </tr> <tr> <td data-bbox="1485 655 1727 775">1-2 Stream PS and <= 400 SS</td> <td data-bbox="1727 655 1966 775">£TBC</td> </tr> <tr> <td data-bbox="1485 775 1727 815">ASN**</td> <td data-bbox="1727 775 1966 815">£TBC</td> </tr> </tbody> </table>	Size of Facility	Embodied Carbon Outcome £/pupil	Campus*/400 + SS/>2 stream PS	£TBC	1-2 Stream PS and <= 400 SS	£TBC	ASN**	£TBC	<p>*If total campus numbers for the SS&PS elements are less than a 2 stream PS, discretion over rates may be used.</p> <p>**ASN rates may vary depending on provision being provided</p>
Size of Facility	Embodied Carbon Outcome £/pupil											
Campus*/400 + SS/>2 stream PS	£TBC											
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Category	Learning Estate Strategy Guiding Principle(s)	Outcome to be achieved	Outcome Funding Rate
		<p>include Stages A1-A5 “from cradle to practical completion” as defined in the RICS Professional Statement of Whole Life Carbon:</p> <ul style="list-style-type: none"> - A1-A3: Products/Materials (c. 95% of target CO2 emissions) - A4: Transport of materials and products to site - A5: Construction site operations <p>Local Authorities should consider the guidance in the Net Zero Public Sector Building Standard (NZPSBS) Objective 2.</p> <p><u>Core Facilities</u> To provide consistency of definition across the variety of projects in the programme, the Construction Embodied Carbon target should only include the core facilities, as defined in Outcome 2 – Energy Efficiency.</p> <p><u>Construction Embodied Carbon Outcome Funding</u> This is recognised as being an ambitious target, therefore it is not anticipated that this will be a pass/fail outcome for funding but that a sliding scale will be attached.</p>	

Category	Learning Estate Strategy Guiding Principle(s)	Outcome to be achieved	Outcome Funding Rate												
		<p>The construction embodied target funding is grouped into bands corresponding alteration to funding depending on which range is demonstrated as being achieved:</p> <table border="1" data-bbox="792 651 1473 946"> <thead> <tr> <th>Embodied Carbon kgCO₂e/m²</th> <th>Embodied Carbon Funding %</th> </tr> </thead> <tbody> <tr> <td>A <600</td> <td>100%</td> </tr> <tr> <td>B 601-666</td> <td>90%</td> </tr> <tr> <td>C 667-733</td> <td>60%</td> </tr> <tr> <td>D 734-800</td> <td>30%</td> </tr> <tr> <td>E 800+</td> <td>0%</td> </tr> </tbody> </table> <p>If the facility exceeds 800 kgCO₂e/m² of construction embodied carbon, no funding will be available for that outcome.</p> <p><u>Refurbishment</u> The Construction Embodied Carbon funding targets will apply to all projects in the programme – Newbuilds, Refurbishments and Extensions. Where a proposed project has over 50% GIFA as refurbishment it will automatically be deemed Band A compliant and receive</p>	Embodied Carbon kgCO ₂ e/m ²	Embodied Carbon Funding %	A <600	100%	B 601-666	90%	C 667-733	60%	D 734-800	30%	E 800+	0%	
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		<p>100% associated Construction Embodied Carbon funding. A Construction Embodied Carbon assessment should be provided for all projects.</p> <p>It is proposed that because the achievement of this outcome will happen in the design and construction phase of the project that the funding for it, if achieved, is received in the first two years of operations, rather than be extended over the 25-year period.</p>	

Funding Mechanism

10. The local authority is responsible for the upfront cost of any enabling infrastructure (e.g. a new learning facility) required to deliver the agreed outcomes.
11. The SG funding for the outcomes enabled through the new infrastructure, is primarily based on how many 'like for like' pupils, on a capacity basis, will be taken out of poor/bad (C/D) condition facilities, to now be taught in modern high-quality facilities capable of delivering the funded outcomes.
12. Each of the five outcomes has a value attached to it, as detailed in the above table which is comparable over facility type. Further details are provided in the paragraphs below.
13. The funding linked to the achievement of the condition outcome has been informed by data collated from benchmark projects, with an uplift applied for additional phase 3 requirements. This information has been used to establish benchmark funding rates for Facilities Management (FM) and Lifecycle (LC). These rates are considered adequate to be able to maintain the facility in A/B condition over a 25- year operational period.
14. The FM and LC rates used are:

	Phase 1 & 2 Rate/sqm/year	Phase 3 Rate/sqm/year
Facilities Management	£16	£17
Lifecycle	£28	£29
Total*	£44	£46

*These rates include for internal redecoration, grounds maintenance, pest control and window cleaning

15. The condition funding rates to support the maintenance of the facilities have been set at 2019/20 prices and updated for phase 3 to include for the increased maintenance requirements that may be required in relation to the additional conditions. It is recognised that the cost of maintenance will inflate over time. An annual inflationary uplift of 2.5% has been included. This will derive a total nominal cost over the 25-year period, which will be smoothed to provide a fixed annual condition outcome payment.
16. The condition funding rates are applied on a per pupil basis and take cognisance of the fact that learning facilities require different space depending on their size to deliver the outcomes, such that the condition rates will be multiplied by the number of like for like pupils on a capacity basis and then multiplied by the relevant space standard.

17. The space standards used in the calculations are in line with the space metrics approved for the programme, as per the table below:

Secondary School		Primary School		ASN		ELC	
No. Pupils	Sqm/pupil	No. Pupils	Sqm/pupil	No. Pupils	Sqm/pupil	No. Pupils	Sqm/pupil
<400	13	<231	8.5 (reduces to 8 if part of all through campus)	Any	30-33	Any	5.8
401-800	12	232-463	7.5 (reduces to 7 if part of all through campus)				
801-1200	11	464+	6.5 (reduces to 6 if part of all through campus)				
1201+	10						

18. These space metrics will be adjusted to take cognisance of additional like for like facilities such as community facilities, which require to be maintained.

19. The funding rates associated with the other outcomes reflect investment in the overall enabling infrastructure required to achieve these outcomes and are scaled to recognise the value of the outcome to be delivered.

20. The funding rates for the energy efficiency, digital, economic growth and embodied carbon outcomes are set out in the table below. These rates are fixed per pupil, on a “like for like” capacity basis, for schools completing in FY22/23 and will be indexed at 2.5% for facilities completing in future years.

Outcome	Campus/800 + SS/2+ stream PS	1-2 Stream PS and <= 400 SS	ASN*
Energy Efficiency rate/pupil	£3,625	£4,750	£23,750
Digital rate /pupil	£2,875	£3,765	£18,825
Economic Growth rate /pupil	£1,000	£1,310	£6,550

Embodied carbon rate/ pupil	£TBC	£TBC	£TBC
Total/pupil	£TBC	£TBC	£TBC

*ASN rates may vary

21. These rates will be reviewed periodically to ensure they still reflect market conditions and can support delivery of the outcomes.
22. The rates will also be reviewed on a specific project by project basis, if the cost of delivering and achieving the outcomes is considered to be higher for a narrow set of project specific reasons such as location.
23. The condition funding rate plus the other outcomes funding rates will provide a total funding package for the project.
24. The funding will be received over a 25-year period based on evidence that the outcomes have been achieved.
25. If one outcome is not achieved, it will only be this proportion of the funding that is not received.
26. SFT will develop exemplar calculations and work with each authority to demonstrate how the funding package for outcomes (on the assumption all outcomes are achieved) is in line with the 50:50 funding agreement that was reached between SG Ministers and COSLA Leaders.

Measurement/Evidence

27. Evidence of meeting the condition outcome will utilise current annual reporting to Scottish Government by local authorities. The measurement of the achievement of the other outcomes will be based on input from local authorities at appropriate times as agreed between Scottish and Local Government. Evidence will be sought as follows:

Year 1:

- Providing confirmation and evidence that the facility is in Condition A/B as part of the handover of the new facility.
- Initial measurement relating to the energy outcome (this will not form the basis of funding).
- Providing confirmation and evidence that the underlying facility infrastructure is capable of supporting a minimum a 11Gbps service to at least one point in every learning and teaching space throughout the facility (this releases the 25-year flow of annual outcome payments).

- Providing confirmation and evidence of the number of new jobs supported by the construction phase of the project (this releases the outcome payment which is made in years 1 and 2).
- Providing confirmation and evidence of the embodied carbon target that has been met using appropriate BRE IMPACT methodology.

No further evidence for the digital, economic growth or embodied carbon outcomes will be sought in future years.

Year 2-25:

- Providing confirmation as part of the annual school estate statistics data return that the facility is in Condition A or B (or equivalent if the measurement method changes over time).
- At the end of year 2 and then on a rolling 5-year basis, in years 7, 12, 17 and 22 providing confirmation and evidence of the actual delivered energy in kWh/sqm for that year for core hour/facility use to enable calculation of the funding relating to that outcome, which will flow from year 3 onwards.

Timing of funding

28. It is anticipated that funding from Scottish Government will be provided on a 6 monthly basis and commence in the March or September immediately following construction completion once the achievement of the first outcome(s) has been evidenced.

29. Scottish Government funding will be paid separately from the overall Revenue Support Grant.

Frequently asked Questions

30. *Appendix i) – Frequently Asked Questions* contains questions and answers of some frequently asked questions that have been received to date.

For further details in relation to the LEIP outcomes-based funding model please contact:

- Seonaid Crosby, Scottish Futures Trust
Email – seonaid.crosby@scottishfuturestrust.org.uk, Mobile – 07885 461141
- Stephen Long, Scottish Futures Trust
Email – stephen.long@scottishfuturestrust.org.uk, Mobile – 07526 166731

Appendix i) – Frequently Asked Questions

Q. How has comfort been obtained over the mechanics of the model?

A. The model has been developed by SFT in conjunction with SG, COSLA and local authority partners, with appropriate sign off and approval from the Programme Governance Board, members of which represent the public bodies noted above. Scottish Ministers and Scottish Government officials have reviewed the model and consider it to be within the relevant budgetary frameworks set by Treasury.

Q. How do local authorities obtain certainty over long terms budgets if there is the potential for funding to move on a yearly basis?

A. At commercial close for the project a grant award letter will be issued to the local authority, outlining the yearly revenue payments over the 25-year operational period if all outcomes are achieved fully. The condition and energy outcome will continue to be monitored throughout the life of the project. If there is a dip in performance from the expected outcome there is a one-year grace period before funding is affected. As such there will always be a one-year period for local authorities to plan future budgets.

Q. Does the model run the risk of creating an industry of reporting for local authorities?

A. The digital, economic and embodied carbon outcomes will only be measured once at project handover. The condition outcome will be reported through annual core facts returns to SG, which are collected on a yearly basis. The frequency of energy target reporting has been robustly discussed with local authority networks and COSLA and is considered appropriate given the current climate change emergency and need to ensure continued performance of buildings in relation to energy efficiency.

Q. Will local authorities have to establish a long-term maintenance contract to fulfil the condition outcome?

A. The local authority is best placed to decide how they maintain the condition of their learning estate. There is no requirement from the programme to establish a project specific long term maintenance contract although some authorities may choose to do this.

Q. The energy and embodied outcome targets are said to be ambitious, how achievable are they?

A. The energy and embodied carbon targets for the programme are intentionally ambitious, to ensure the facilities delivered through LEIP are as energy efficient as possible to align with national climate change ambitions and the drive towards net zero. The energy target was derived from an assessment of in-use energy consumption from operational schools across the UK and internationally and rebased to the coldest, highest point in Scotland so that it should

be achievable across the country. The embodied carbon target also looked at evidence from recent projects. They are seen as being challenging but deliverable based on the benchmark projects. The cost metric the was appropriately uplifted to include for the additional programme requirements when compared to earlier investment programmes.

There has been extensive engagement around the energy and embodied carbon targets for the LEIP with consultants, contractors, local authorities and COSLA. There was broad consensus that the targets although challenging, were achievable and that it was correct to have a ambitious targets.

Q. The energy target focusses on the energy efficiency of the buildings, does that mean the facilities will be consistent with SG net zero ambitions too?

A. LEIP focusses on reducing the in-use energy demand from the buildings. The programme team are working with colleagues to ensure alignment with the Net Zero Carbon Standard for Public Sector Buildings. Some of the LEIP projects are acting as pathfinders to help inform the standard.

Q. Technology is always changing - how will the digital outcome be relevant by the time some of the LEIP projects are built?

A. The digital outcome focusses on the underlying digital infrastructure to ensure appropriate connection speed throughout the learning spaces. The underlying digital infrastructure is agnostic of technology and is able to support the evolving changes.

Q. The economic outcome only focusses on one aspect of economic growth – supporting of new jobs. How are other aspects being captured by the programme?

A. This outcome was considered important and is also measurable to enable funding to be awarded. All authorities must comply with the sustainable procurement duty, meaning authorities will have to think how each project can improve the social, environmental, and economic wellbeing of the area in which it will operate. The programme will capture community benefits information across the projects.