

Learning Estate Investment Programme (LEIP) Update

Summary and Recommendations

During 2019, Leaders approved a new Learning Estate Strategy, the associated investment programme and its governance arrangements.

A report was considered by Leaders in April 2021 which included comprehensive information on the Learning Estate Investment Programme (LEIP), governance and links to key programme documents.

This report now provides Leaders with a further update on LEIP, including an overview of Phases 1 and 2 progress and an outline of the proposed development plan for Phase 3. It also highlights the key programme risks, including affordability for Local Government.

This paper invites Leaders to:

- i. Note the background to the Learning Estate Investment Programme, including the outcome-based funding model, and joint governance arrangements;
- ii. Note the progress with Phases 1 and 2 of the programme;
- iii. Note the proposed development plan for Phase 3 and consider this in the context of local preparatory work;
- iv. Note the key programme risks.

References

Previous reports on Learning Estate Strategy/ Learning Estate Investment Programme:

- 21-04-30 Leaders, Item 4 Learning Estate Investment Programme (LEIP) Update (paper LD/21/69)
- 19-08-30 Leaders, Item 7 Learning Estate Strategy Investment – Programme Governance
- 19-06-28 Leaders, Item 10 Learning Estate Strategy – Investment Programme and Funding Model
- 19-04-26 Leaders, Item 7 Scotland's Learning Estate Strategy
- 19-04-05 Children and Young People Board, Item 12
- 19-02-08 Children and Young People's Board, Item 11

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Learning Estate Investment Programme Update

Purpose

1. This report provides Leaders with an update on the Learning Estate Investment Programme (LEIP), including an overview of Phases 1 and 2 progress and an outline of the proposed development plan for Phase 3 with points to consider as part of local preparatory work. It also highlights the key programme risks, including affordability for Local Government.

Background

2. In September 2019, Scottish Government & COSLA published the new Learning Estate Strategy '[Connecting People, Places and Learning](#)'. The Strategy's vision is that the "*learning estate supports excellence and equity for all*" and is to be achieved by taking a more holistic approach across Early Learning and Childcare, Schools, FE/HE and communities, with 10 guiding principles applying across the whole estate linked to the wider 'place principle'.
3. To support delivery of the Strategy, Leaders also approved the Learning Estate Investment Programme (LEIP) in 2019. The £2bn investment programme will be jointly funded between Scottish Government and Local Government. 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 (through capital investment). Scottish Government revenue funding will then be provided to local authorities through an annual payment over 25 years to recognise the outcomes achieved. Full details of the investment programme were provided for Leaders in April 2021 (including a link to [key programme documents](#) on the Scottish Futures Trust (SFT) website). A diagram presenting the outcomes based programme approach is presented at **Appendix 1** to this report as a reminder for Leaders.
4. By promoting best value and contributing towards the achievement of the desired outcomes of the Learning Estate Strategy, the investment programme is focusing on delivering high quality, sustainable, suitable, digitally enabled, energy efficient learning environments that support inclusive economic growth, the transition to net zero, and build resilient and sustainable places.
5. As well as working collaboratively on the strategy and the investment programme, COSLA jointly chairs the LEIP Programme Governance Board (the Board), as agreed by Leaders. The Board meets quarterly and takes responsibility for the strategic direction and decision making in relation to the delivery of the Learning Estate Investment Programme. Board members include Scottish Government (Learning and Finance Directorates), COSLA, SFT and SOLACE, and in attendance are various Scottish Government representatives, and representatives from Directors of Finance, ADES Resources Network and SHOPS Network.

6. To provided assurances around processes and structures, a 'Gateway Review 0 – Strategic Assessment' was undertaken between 29th - 31st March 2021, during which time key stakeholders, including COSLA, were interviewed. The programme was given a Delivery Confidence Assessment of Amber/Green – “Successful delivery appears probable. However, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.”
7. The Gateway Review team made four recommendations. One relating to risk management was considered essential. The others were deemed to be of benefit to the programme in a broader sense and would further strengthen the work already underway. Based on the recommendations, an action plan was prepared and approved by the programme’s SRO. All time bound actions have now been completed. All ongoing actions will continue to be taken forward by the programme team with any relevant updates being provided to the Board.

Update on Phases 1 and 2

8. In September 2019, alongside the publication of the Strategy, 12 projects were announced as part of Phase 1. During 2020, all councils were invited to provide an update on their local Learning Estate Strategies and to put forward projects for Phase 2. 50 projects were submitted by 26 councils, with a mix of newbuild and refurbishment. 6 councils did not have a priority project to be put forward for consideration as part of Phase 2. After joint assessment of all projects using the agreed criteria, 26 projects were put forward to Ministers and 25 were announced in December 2020. 23 Councils currently have live projects within LEIP.
9. The following table provides a summary of both phases 1 and 2, with details of projects at Local Authority level presented at **Appendix 1**.

	Date announced	Number of projects	Number of pupils benefiting	Indicative SG Budget
Phase 1	Sep 2019	12	c 11,600	£275m
Phase 2	Dec 2020	25	c 21,500	£430m
Future Phase(s)	Anticipated Dec 2022	TBC	c 16,900	£295m
TOTAL			50,000	£1bn

10. Capacity for c.1,100 early learners is also being created in addition to the above figures.
11. It is expected that all Phase 1 projects should be open by August 2024, although for a variety of reason (including COVID), there is some slippage on some projects beyond this date. This is being considered and worked through between SFT and the relevant Councils, and will continue to be escalated to the Board and Ministers as required. Phase 2 projects are expected to be open by no later than December 2025, unless otherwise agreed with Scottish Ministers, from the outset.
12. Progress to date shows that at the end of 2021/22, four projects are under construction, with the first due to open in 2022/23. 16 projects are due to start on site in 2022/23. Current market conditions are proving challenging and the programme team is working with local authorities with imminent projects to support progress.

Development of Phase 3

13. On the 23rd of December 2021, the Cabinet Secretary for Education and Skills outlined to Parliament the intended timeline for Phase 3. The Cabinet Secretary confirmed her intention to announce the projects that will form the third phase within 12 months i.e. by December 2022.
14. The proposed development plan for Phase 3 was discussed and agreed at the January 2022 Board meeting. The plan has been developed to allow sufficient time for both the programme and local authorities to appropriately prepare for Phase 3. Consideration has also been given to the timing of the local government elections and the planned spending review.
15. Part 1 of the development programme, which is expected to run until the end of June 2022, is being used for programme development and engagement across the various programme stakeholders including Local Government and delivery partners.
16. It is important that Phase 3 is seen to build upon the momentum already established through Phases 1 and 2. A huge amount of work has already gone into the development of the programme and there is no need to 'reinvent the wheel'. The benefit of taking a programme approach is having the opportunity to consider what is working well, what isn't, and make changes along the way. Phasing also facilitates the consideration of the changing policy landscape and broader global influences. These are the key areas of focus for the development activity.
17. Part 2 of the development programme, which is expected to run from July until December 2022, will be used for submission development and project selection.
18. It has been agreed that the Board meeting in June 2022 will finalise the selection process including any proposed changes to the programme terms and conditions. An interim update will have been considered by Board members at a meeting in April. Any substantive amendments to either the selection process or the terms and conditions will be brought to the August 2022 COSLA Leaders meeting for ratification.
19. In June 2022, the Board will also be invited to review the timing of Part 2 of the development programme to consider whether there is any scope to accelerate the overall timeline to announcement. The Scottish Government is expected to write to local authorities late June / early July 2022 inviting submissions at the end of September / start of October 2022 with the specific dates still to be agreed.
20. As with Phases 1 and 2, the Scottish Government will set out the detailed requirements for submissions when it writes to local authorities. In the intervening period, local authorities are being encouraged to consider the following areas as part of their local preparations:
 - Local investment priority(s) and their context within the 'Place'
 - The proposed Vision, Strategic Outcomes and Objectives for the project(s)
 - Alignment with Learning Estate Strategy 2019 Guiding Principles
 - Ensuring political and financial commitments are in place for the investment priority(s)
 - Demonstrating implementation of the terms and conditions of the programme on Phase 1&2 projects (where applicable)

21. It is anticipated that the delivery timescales for Phase 3 projects will be five years from announcement in line with earlier phases. If confirmed in December 2022, new or refurbished facilities would be expected to be open by no later than December 2027, unless otherwise agreed with Scottish Ministers, from the outset.
22. As outlined above, the available programme budget for future phase(s) is approximately £300m. This is expected to enable approximately £600m of investment across the learning estate when the investment from Local Government is factored in. It is anticipated that Phase 3 will be the last significant phase of the LEIP programme. This will be finalised once submissions have been received from local authorities.
23. An accompanying slide pack has been included in **Annex A** for ease of reference. Further information on the LEIP programme can also be found on SFTs website at www.scottishfuturetrust.org.uk.

Programme Risks

24. The Board has developed a Risk Register for the programme in line with Scottish Government guidance. Risks for the programme have been identified and input to the risk register. All risks have been assessed for *impact* and *likelihood* in line with the guidance, and scored accordingly. The risk register is reviewed every 6 months, with any new risks being brought to the board on a quarterly basis. Alongside the risk register, the Board is provided with a paper to highlight changes that have been made to any risks in the register and to draw the Board's attention to high/very high risks.
25. Periodic risk workshops are also held with board members and representatives, to specifically focus on both the short and long terms risks to the overall programme.
26. As discussed at the last Board in January 2022, the main risks to the programme are summarised as follows:
 - a. Pressures on local government budgets may result in delay or inability to deliver projects
 - b. Implications from COVID or other unforeseen events may result in delays or an inability to deliver projects
 - c. Inflationary pressure adversely impacts programme costs and budgets
 - d. Funding assumptions are inaccurate resulting in less pupils benefitting than desired
 - e. Removal of statutory mitigation for capital accounting
27. The review of capital accounting, requested by the Cabinet Secretary for Finance and the Economy, is nearing conclusion, with the Local Government-led report being considered **by Leaders on today's agenda**. The report has rightly focused on funding for Councils and has concluded that there is no case for change to the existing practice. It is hoped that this report, once considered by the Cabinet Secretary, will manage if not extinguish this risk.

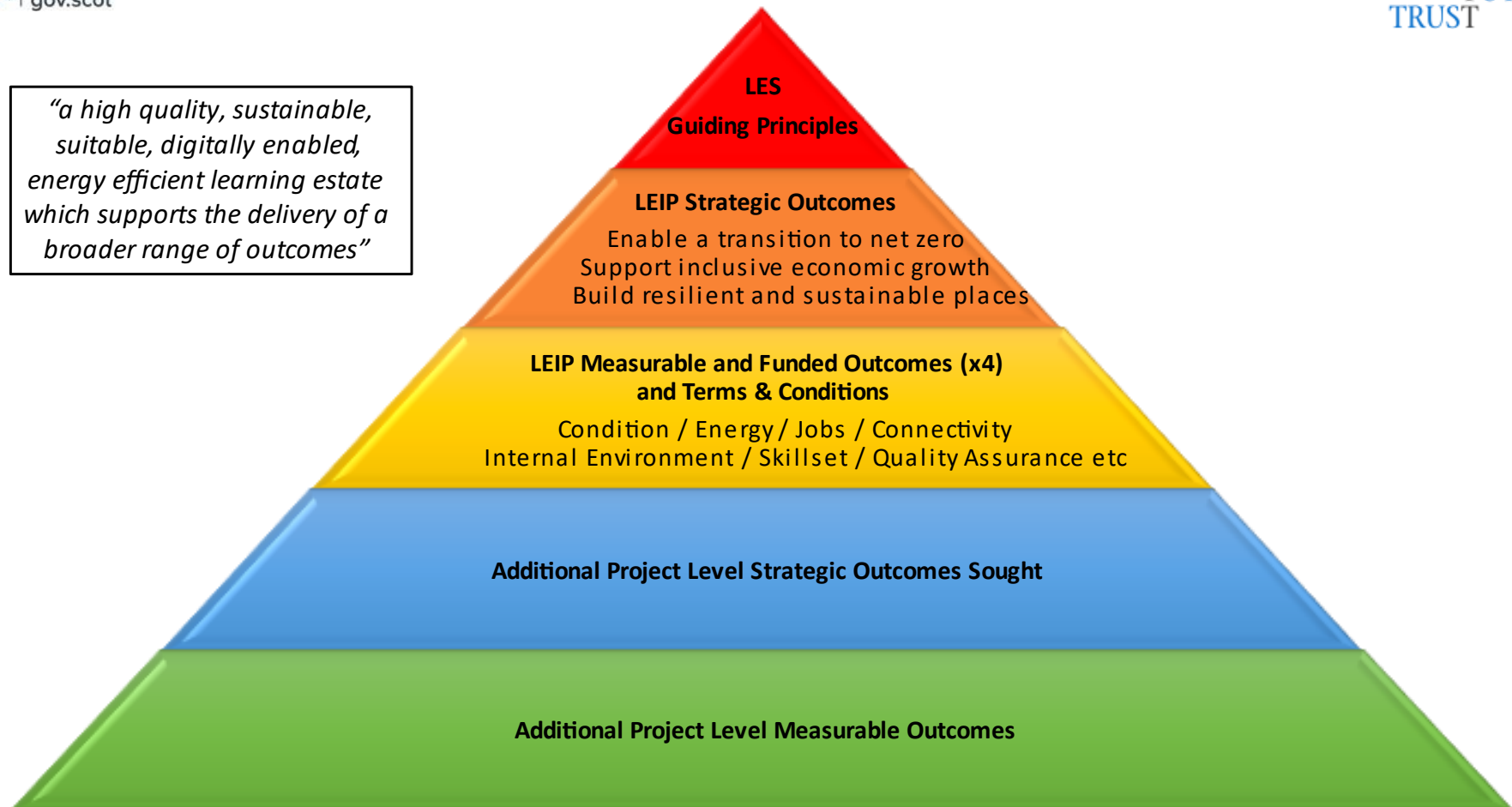
Next Steps

28. COSLA will continue to co-chair the LEIP Board with Scottish Government, and the Board will be the vehicle by which a range of key Local Government stakeholders can continue to be involved in programme overview and development.
29. As outlined in paragraph 18 above, any substantive amendments to either the selection process or the terms and conditions for Phase 3 of the programme will be brought to the August 2022 COSLA Leaders session meeting for ratification.

APPENDIX 1

An Outcomes Based Programme Approach

“a high quality, sustainable, suitable, digitally enabled, energy efficient learning estate which supports the delivery of a broader range of outcomes”



APPENDIX 2 – Current LEIP Projects

Local Authority	Project	Facility Type	Project Type	Phase
Aberdeenshire	Peterhead	Campus	New Build	1
Angus	Monifieth	Secondary	New Build	2
Dumfries & Galloway	Dumfries	Secondary	New Build	2
Dundee	East End	Campus	New Build	2
East Ayrshire	St Sophia's	Primary	Refurbishment	2
East Ayrshire	Doon	Campus	New Build	2
East Lothian	Wallyford	Secondary	New Build	1
East Lothian	Whitecraig	Primary	New Build	1
East Renfrewshire	Neilston	Primary	New Build	1
Edinburgh	Currie	Secondary	New Build	1
Edinburgh	Liberton	Secondary	New Build	2
Edinburgh	Westerhailes	Secondary	New Build	2
Eilean Siar	Barra & Vatersay	Campus	New Build	1
Fife	Dunfermline	Secondary	New Build	1
Fife	Inverkeithing	Secondary	New Build	2
Glasgow	New Gaelic School	Primary	Refurbishment	2
Glasgow	New City Centre	Primary	Refurbishment	2
Highland	Tain	Campus	New Build	1
Highland	Nairn	Secondary	New Build	2
Highland	Broadford	Primary	New Build	2
Midlothian	A703	Secondary	New Build	1
Midlothian	Mayfield	Primary	New Build	2
Midlothian	Penicuik	Secondary	Refurbishment & Extension	2
Moray	Findrassie	Primary	New Build	2
North Ayrshire	Montgomerie Park	Primary	New Build	2
North Ayrshire	Ardrossan	Campus	New Build	1
Perth & Kinross	Riverside	Primary	New Build	2
Perth & Kinross	Perth	Secondary	New Build	2
Renfrewshire	Paisley	Secondary	New Build	2
Scottish Borders	Peebles	Secondary	New Build	2
Scottish Borders	Galashiels	Secondary	New Build	2
South Ayrshire	Maybole	Campus	New Build	1
South Lanarkshire	Newton Farm	Primary	Extension	2
Stirling	Callander	Primary	New Build	2
West Dunbartonshire	Faifley	Primary	New Build	2
West Lothian	Beatlie	Special	New Build	1
West Lothian	East Calder	Primary	New Build	2

NB: 'Campus' indicates 2-18 learning provision. Secondary / primary facilities may be part of an alternative community campus with for example leisure, health or further education provision.