

### Learning Estate Investment Programme (Phase 3) – Outcome-based Funding Criteria

Scottish Government (SG) funding will be available through the Outcomes Based Funding (OBF) model. SG funding will be released as the achievement of agreed outcomes is evidenced. The details of these outcomes are included in the table below:

Funded Outcome	Outcome to be achieved
1. Condition	<p>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.</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 of becoming a C, or meaning that the facility drops into condition C for a second occasion, this will be reviewed on a case by case basis between the authority and SG.</p>
2. Energy Efficiency	<p>Authorities must provide evidence that the in-use energy target of 67/kWh/sqm/p.a. for core hours of 2,000 p.a. and core facilities is achieved.</p> <p><b>Core Facilities</b></p> <p>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> <ul style="list-style-type: none"> <li>• Dedicated community/health facilities</li> <li>• Swimming pool/hydrotherapy pool</li> <li>• External sports flood lighting</li> </ul>

- Production kitchens (serving multiple sites)
- Data centres (serving multiple sites)
- Electric Vehicle Charging Points
- Other (e.g. specialist vocational/industrial facilities, councils to propose)

Within the remaining core facilities, all energy uses relating to the building and users are included in the energy target. The target includes all consumed 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. Contribution from heat pumps should be included on the output side rather than input side to support the aim of creating energy efficient buildings using a fabric first approach.

#### **Core Hours**

To recognise that councils and individual schools have different operational hours and term dates, the target is anticipated to cover all energy uses 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.

Building use purely for cleaning, maintenance or security tasks will not be considered as operational hours.

#### **Example**

To report on previous year:

- total open operational hours of a facility for school and community use (excluding cleaning etc) = 3000 hours
- total annual energy consumption from all sources (after exclusions) = 120 kWh/m<sup>2</sup>/annum
- reportable core energy consumption would be  $(2000/3000) \times 120 = 80$  kWh/m<sup>2</sup>/annum

#### **Energy Outcome Funding**

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.

From feedback and discussion with Directors of Finance, ADES Resources and SHOPs the sliding scale is grouped into ranges with a corresponding alteration to funding depending on which range is demonstrated as being achieved:

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%

If the facility exceeds 130/ kWh/sqm/p.a for core hour use of energy use – no funding will be available for that outcome. The funding for the energy outcome will commence in year 3 of operations to allow a 2-year period to monitor 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.

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.

### 3. Digitally Enabled Learning

Digital 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.

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 underlying digital infrastructure of the facility 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>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>4. Economic Growth</p>	<p>Investment in infrastructure is synonymous with economic growth. The Construction Industry Training Board (CITB) has published benchmarks outlining 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 (based on construction contract value):</p> <table border="1" data-bbox="645 560 1883 724"> <thead> <tr> <th>£1-3.5m</th> <th>£3.6-6m</th> <th>£6.1-10m</th> <th>£10.1m-15m</th> <th>£15.1-20m</th> <th>£20.1-30m</th> <th>£30.1-40m</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>4</td> <td>5</td> <td>10</td> <td>11</td> <td>12</td> <td>14</td> </tr> <tr> <th>£40.1-50m</th> <th>£50.1-60m</th> <th>£60.1-70m</th> <th>£70.1-80m</th> <th>£80.1-90m</th> <th>£90.1-100m</th> <td></td> </tr> <tr> <td>15</td> <td>18</td> <td>19</td> <td>19</td> <td>21</td> <td>22</td> <td></td> </tr> </tbody> </table> <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 extend over the 25-year period.</p>	£1-3.5m	£3.6-6m	£6.1-10m	£10.1m-15m	£15.1-20m	£20.1-30m	£30.1-40m	1	4	5	10	11	12	14	£40.1-50m	£50.1-60m	£60.1-70m	£70.1-80m	£80.1-90m	£90.1-100m		15	18	19	19	21	22	
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<p>5. Construction Embodied Carbon</p>	<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><b>Construction Embodied Carbon Outcome</b></p>																												

Local authorities should evidence that the construction embodied carbon target of **600 kgCO<sub>2</sub>e/m<sup>2</sup>** 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.

Evidence of achieving this target using actual material, product, transport and contractor activity data will be required at project completion.

#### **Methodology**

The Construction Embodied Carbon target should be assessed for the building and external plant only, excluding external works and loose FF+E. This should include Stages A1-A5 “from cradle to practical completion” as defined in the RICS Professional Statement of Whole Life Carbon:

- A1-A3: Products/Materials (c. 95% of target CO<sub>2</sub> emissions)
- A4: Transport of materials and products to site
- A5: Construction site operations

Local Authorities should consider the guidance in the Net Zero Public Sector Building Standard (NZPSBS) Objective 2.

#### **Core Facilities**

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.

#### **Construction Embodied Carbon Outcome Funding**

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 construction embodied target funding is grouped into bands corresponding alteration to funding depending on which range is demonstrated as being achieved:

Embodied Carbon kgCO <sub>2</sub> e/m <sup>2</sup>	Embodied Carbon Funding %
A <600	100%
B 601-666	90%
C 667-733	60%
D 734-800	30%
E 800+	0%

If the facility exceeds 800 kgCO<sub>2</sub>e/m<sup>2</sup> of construction embodied carbon, no funding will be available for that outcome.

**Refurbishment**

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 100% associated Construction Embodied Carbon funding. A Construction Embodied Carbon assessment should be provided for all projects.