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**REPORT TO: EDUCATION, CHILDREN'S AND LEISURE SERVICES  
COMMITTEE ON 8 MARCH 2022**

**SUBJECT: INFORMATION REPORT: LEARNING ESTATE INVESTMENT  
PROGRAMME – PHASE 3 SUBMISSION UPDATE**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND  
ORGANISATIONAL DEVELOPMENT)**

**1. REASON FOR REPORT**

- 1.1 The report provides an update to Committee on the progress in developing the Moray Council project submission(s) as Learning Estate Investment Programme (LEIP) – Phase 3 projects.
- 1.2 This report is submitted to the Council in terms of Section III (D) (1) of the Council's Scheme of Administration relating to all the functions of the Council as an Education Authority.

**2. BACKGROUND**

- 2.1 The Committee previously approved a £25K budget for external consultancy support to LEIP Phase 3 submission development in August 2021 (para 21 of the minute refers). It was agreed that the Learning Estate Programme Team would provide an update on this for Mar 2022.
- 2.2 The successful delivery of the Moray Learning Estate Strategy (LES) is dependent on Scottish Government LEIP funding over a number of phases. A request to all Local Authorities for LEIP Phase 3 funding submissions is expected in autumn 2021, with an anticipated deadline of four weeks for Local Authorities to make formal submissions. Evidence suggests that this will be the final round of LEIP funding in the life of this parliament. It is therefore important, in order to meet the indicative timelines of the LES, that Moray Council have strategic capital project bids ready to be submitted that both meet the LEIP criteria and have a significantly increased chance of approval and Scottish Government funding commitment.
- 2.3 Hub North Scotland Limited (HNSL) were contracted under an Strategic Support Partnering Service arrangement to provide support to a support a strategic business case and options appraisal which would inform the final bid submission to Scottish Government for LEIP Phase 3 funding support

### 3. **LEARNING ESTATE INVESTMENT PROGRAMME**

- 3.1 The Learning Estate Investment Programme is a joint £2bn investment programme between Scottish Government and Local Government that builds upon the experience gained through the management of the Schools for the Future Programme which assisted in delivery of Linkwood Primary School and the new Lossiemouth High School in Moray. The LEIP is designed to:
- Improve the condition of the school estate;
  - Support growth projects where there are no local condition priorities;
  - Establish links across the learner journey where appropriate;
  - Benefit 50,000 pupils to learn in condition A/B schools;
  - Enable the delivery of wider Scottish Government policy objectives, including the guiding principles of the Scottish Learning Estate Strategy; and
  - Support sustainable estate planning with clear investment and maintenance strategies
- 3.2 The LEIP will focus on delivering high quality, suitable, sustainable, low carbon and digitally enabled learning environments that support sustainable and inclusive economic growth. Scottish Futures Trust act as the Senior Responsible Owner of the Programme with key areas of focus: to provide overall strategic guidance to the programme; maintain overall financial responsibility to the programme; and, ensure effective risk management strategies and quality assurance arrangements are in place.
- 3.3 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. LEIP 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. The funding will be provided to local authorities through an annual payments agreement over a 25 year period that will acknowledge those outcomes have been evidenced.
- 3.4 A series of measurable key 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 revenue funding will be forthcoming. The outcomes to be achieved align with the principles of the Learning Estate Strategy and fall into four broad categories:
- Condition
  - Energy efficiency
  - Digitally enabled learning
  - Economic growth
- 3.5 Moray already have a project accepted into the LEIP with the new Findrassie Primary School being accepted into Phase 2 of the Programme in Dec 2020.

#### 4. **LEIP PHASE 3 OPTIONS**

4.1 The investment objectives for Moray projects to be considered for LEIP Phase 3 submissions were defined during stakeholder workshops as:

- Provide Educational Benefit
- Move all schools to a minimum of B/B standard for suitability and condition
- Provide capacity for pupil forecasts to up to 2035
- Alignment with Moray Net Zero Carbon 2030 target
- A place-based approach to the Learning Estate review that will encompass community involvement to determine wider benefit

4.2 Forres Academy and Buckie High School were reported to Committee in August 21 as best candidates to seek Scottish Government funding through LEIP Phase 3. HNSL were tasked to support the development of outline business cases that would consider a number of future options for these two schools. The business cases will inform the future decisions on which project(s) will be submitted to the Scottish Government.

##### **Forres Academy**

4.3 Forres Academy has been in operation for over 50 years having officially opened Oct 1969. It has already been identified as a school requiring at least a major refurbishment and the approved 2022-23 10 year Capital Plan includes a provision of £27 million for this works. It is widely acknowledged that this figure is likely to be a significant under estimate of the total project cost – with a significant risk of cost increase due to the asbestos issues and no account taken of costs associated with decanting the school into temporary accommodation for between 18-24 months. Further works would also be required to support the achievement of net zero carbon across the Learning Estate.

4.4 In addition to its age and condition, the Local Development Plan and Housing Land Audit highlighted planned and potential significant housing development to the east and south of Forres over the next 10-15 years that would likely see the school roll exceed 90% of the current capacity. It was therefore agreed that early options should consider an extension to support a functional capacity of 1200 pupils.

4.5 In developing the most cost effective future solution to submit to Scottish Government for acceptance for LEIP Phase 3 funding the following options are being assessed in terms of need, cost and time.

- **Option 1: Do Nothing**

The Treasury Green Book mandates that this option should be considered to ensure the project is viable. Given the condition of the school it is fully expected to be discounted in the final business case.

- Option 2: Major Refurbishment (with capacity extension to 1200)  
This option will include the time and cost of refurbishment (addressing the outcomes of the full building condition survey) and implementation of net zero carbon infrastructure improvements.
- Option 3: New Build Secondary School  
This option will include the design and construction of a new building to PassivHaus (or equivalent) energy efficiency standards on a central Forres site.
- Option 4: New Build 3-18 Community Campus  
This option will include the design and construction of a new building to PassivHaus (or equivalent) energy efficiency standards and re-greening the old school site as new Common Good ground.
- Option 4A: New Build Extended 3-18 Community Campus  
As above, plus this option takes account of additional primary school capacity requirement as a consequence of the Lochyhill development to the east of Forres.

4.6 The anticipate project timeframe for Options 2-4A would see construction commence in Jul 2028 and complete by Mar 2030. Option 2 will require the current school to decant to temporary accommodation during this same time frame.

4.7 The development of the Outline Business Case is in progress with final draft to be submitted for review and approval by the Learning Estate Programme Board in early Apr 2022.

#### **BUCKIE ACADEMY – FUTURE OPTIONS**

4.8 Buckie High School is a similar age to Forres Academy having opened in 1974. With the combination of issues of core condition and suitability, together with future school roll capacity challenges due to the planned housing development predominantly to the west, it has been acknowledged at internal workshops and engagement with CMT, Parent Forums, Community Councils and Elected Members that an long term sustainable solution to provide secondary education provision resilience in the Buckie ASG is required. The approved 2022-23 10 year Capital Plan includes a provision of £61 million for a new build project in the 2029/30 timeframe. This is seen as an underestimate of the future costs as further works would also be required to support the achievement of net zero carbon across the Learning Estate.

4.9 In developing the most cost effective future solution to submit to Scottish Government for acceptance for LEIP Phase 3 funding the following options are being assessed in terms of need, cost and time.

- Option 1: Do Nothing  
The Treasury Green Book mandates that this option should be considered to ensure the project is viable. Given the current school condition and future capacity risks it is fully expected to be discounted in the final business case.
- Option 2: Major Refurbishment (with capacity extension to 1100)  
Although a new build has been the indicated preferred option in the past, the advent of the net zero carbon requirements merits reviewing the option for refurbishment. This option will include the time and cost of refurbishment and implementation of net zero carbon infrastructure improvements.
- Option 3: New Build Secondary School with Community Hub  
This option will include the design and construction of a new building, with community hub to PassivHaus (or equivalent) energy efficiency standards and re-greening the old school site.
- Option 4: New Build 3-18 Community Campus  
This option will include the design and construction of a new 1100 place secondary school and 450 place primary school, with community hub to PassivHaus standards. This option takes account of additional primary school capacity requirement as a consequence of the housing development to the west of Buckie.

4.10 The anticipated project timeframe for Options 2-4 would see construction commence in July 2027 and complete by January 2029. Option 2 will require the current school to decant to temporary accommodation during this same time frame.

4.11 The development of the Outline Business Case is in progress with final draft to be submitted for review and approval by the Learning Estate Programme Board in early Apr 2022.

## 5. **SUMMARY OF IMPLICATIONS**

### (a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

This report supports the LOIP outcomes:

Building a better future for children and young people in Moray

- A place where children and young people thrive;
- A place where they have a voice, have opportunities to learn and can get around;
- A place where they are able to reach their full potential.

and the Aims of the Corporate Plan to:

- Provide opportunities where young people can achieve the potential to be the best they can be.

**(b) Policy and Legal**

There are no Policy and Legal implications associated with this report.

**(c) Financial implications**

The Council approved 2022/23 10 year capital plan identifies the total costs for a new Buckie Community Campus and refurbished Forres Academy as £61M and £27M respectively. A range of costs associated with the options being explored will be presented in the OBCs.

With the LEIP Outcomes Based Revenue funding model approach Moray Council would be responsible for financing full capital costs for LEIP projects and provide outcome metrics evidence over the next 25 years of the school lifecycle to be eligible for revenue payments up to 50% value of the total capital costs.

**(d) Risk Implications**

The Scottish Future Trust's cost metrics currently in place for LEIP Phase 1 and 2 projects are based on 2018 market indices; when set future inflationary impact was anticipated to be much lower than now and expected in the future. There is a risk that this disparity may increase further between those LEIP Phase 3 cost metrics set in 2022 and actual construction cost at the time of contract awards for Moray Council projects.

**(e) Staffing Implications**

There are no property implications other than those detailed in the report.

**(f) Property**

There are no property implications other than those detailed in the report.

**(g) Equalities/Socio Economic Impact**

The quality of the learning environment can impact on learning and attainment by as much as 16%. The condition and suitability of our learning estate and capacity challenges associated with both growth and population decline in some areas give rise to unequal opportunity across Moray.

The Learning Estate strategic approach that all school buildings meet minimum standards and are fit for purpose.

**(h) Climate Change and Biodiversity Impacts**

All the future options, other than 'Do Nothing', detailed in this report investigate and adopt a best practice net zero carbon design and build methodology. A net zero carbon operational model will also be developed to support sustainable long term use.

(i) **Consultations**

The Head of Education (Chief Education Officer), the Head of Education Resources and Communities, the Head of Housing and Property, the Legal Services Manager, the Human Resources Manager, the Equal Opportunities Officer, Paul Connor, Principal Accountant and Tracey Sutherland, Committee Services Officer have been consulted and are in agreement with this report as regards their respective responsibilities.

A programme of public engagement is currently underway across Moray, which includes discussion of the considerations for the outline business cases. Arrangements are also being made to gather views from pupils, parents and the workforce. The feedback gathered will be used in the preparation of the OBCs to ensure that the decisions made on the options that come forward are influenced by the views expressed during the engagement.

**6. CONCLUSION**

**6.1 Committee is asked to consider and note the information contained in this report. A report together with supporting Outline Business Cases for both Forres Academy and Buckie High School will be submitted to Committee in early summer with recommendations on LEIP Phase 3 project bids.**

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Background Papers: None  
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