COLLEGE INFRASTRUCTURE STRATEGY: THE APPROACH TO DELIVERING SCOTLAND'S COLLEGE INFRASTRUCTURE INVESTMENT PLAN

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SUMMARY: This strategy describes the Scottish Funding Council's approach to determining future investment in Scotland's college estate and other college infrastructure.

FAO: Principals, Chairs and Board Secretaries of Scotland's colleges and universities, Scottish Government directorates and agencies with a remit for Scotland's infrastructure, and the general public.

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EXECUTIVE SUMMARY

Our ambition is a college estate that delivers a high quality, technologically advanced and sustainable learning environment enabling and enhancing successful learning and skills outcomes for students, staff, and communities.

This strategy describes the Scottish Funding Council's approach to determining future investment in Scotland's college estate and other college infrastructure. The strategy sets out the collective approach between SFC and colleges to develop an **Infrastructure Investment Plan** for Scotland's colleges. The plan, which will cover the period from 2023 - 33, will identify infrastructure investment need, which includes investment for net zero, training equipment and digital needed for a sustainable college estate to deliver the desired outcomes for students, staff and communities.

The strategy is a response to the Programme for Government 2021-22 commitments that the Scottish Government "will work with SFC to develop an estates strategy for Scotland's colleges, establishing priorities for investment". It has been developed with reference to Scotland's Learning Estate Strategy (2019), Scottish Government's Infrastructure Investment Plan and other relevant strategies linked to skills and economy such as the National Strategy for Economic Transformation (2022).

The SFC Review of Coherent Provision and Sustainability, published in 2021, recommended developing a national vision and strategy for college estates and provides the framework and ambition for this strategy.

This strategy was developed by SFC in consultation with the college sector, drawing on an agreed set of principles and recognises the **urgent need** for significant investment into our college estate. The guiding principles are that future infrastructure investments should:

- Deliver positive student experience and outcomes.
- Provide equitable access to suitable college infrastructure across Scotland, including use of digital.
- Enable colleges to deliver their strategic plans.
- Ensure that future capital investment responds to future needs, including digital delivery and does not only replace like for like.
- Provide flexibility of funding to support a range of types and scale of capital projects.
- Demonstrate collaboration, such as with other colleges, schools, universities, Local Authorities and health care providers.
- Provide a clear, transparent, evidence-based decision-making process.

College operating models have evolved in recent years, especially through the uptake of digital and hybrid learning during the pandemic. The emergence of new economic and societal priorities such as regional shifts in employment, skill needs and demographic changes, have led to colleges reconsidering their delivery strategies to remain relevant and successful. Colleges will need to prioritise investment into their digital infrastructure, respond to the climate emergency, and size their estate in response to future demographic and learning trends, and collaboration opportunities.

SFC, colleges and Audit Scotland recognise that investment needed for the college estate has outstripped available government capital funding for some time. This includes critical estate maintenance and improvements. The College Sector Estates Survey in 2017 estimated £360m would be required for backlog maintenance and removals costs. No alternative funding model has been developed since the Non-Profit Distribution (NPD) resource-based funding was withdrawn in 2016.

SFC will prepare an **Infrastructure Investment Plan** for Scotland's colleges to include:

- A college specific description of the investment required and an estimate of its value to deliver its strategic plans.
- Potential funding solutions for the proposed capital investments.
- A revised, transparent, evidenced-based process for assessing, prioritising, and allocating capital funding.

We anticipate two main types of estates developments for which SFC will assess and evaluate the investment need and allocate any future funding:

- Strategic investments for the delivery of new provision of learning and teaching, including in response to the pandemic, future economy and climate emergency.
- Replacement or major redevelopment of college buildings or campuses to deliver equitable and sustainable provision.

This strategy comprises three parts:

- **Part one** provides the background and strategic context for the Capital Investment Plan.
- **Part two** sets out the strategic principles, strategies and policies that will guide our future investments.
- **Part three** describes what we will deliver and the steps to be taken to ensure the right type of investment.

Critical to delivery is the availability of funding. SFC will lead the work, supported by colleges, government(s) and others, to explore and consider opportunities for additional and new models of funding a wide range of infrastructure projects. SFC and the colleges will

agree a joint action plan, with agreed deliverables, milestones and timescales for delivering this strategy.

1: INTRODUCTION AND CONTEXT

OUR VISION

Our ambition is a college estate that delivers a high quality, technologically advanced and sustainable learning environment enabling and enhancing successful learning and skills outcomes for students, staff, and other communities.

INTRODUCTION

1. Our college estates are major strategic assets. They are a critical part of Scotland's infrastructure and integral to the success of the communities and economy that they serve. Attractive, technologically current, and fit-for-purpose estates are essential to deliver our colleges' core purpose in delivering successful outcomes for their students.

2. Scotland has 26 colleges, 20 of which are classed as "incorporated colleges", having a Board of Management constituted under the Further and Higher Education (Scotland) Act 1992. They are arms-length central government bodies subject to the Scottish Government regulatory and reporting framework. The remaining six colleges are "non-incorporated" and take several different legal forms with differing constitutional arrangements (Annex A). The Scottish Funding Council (SFC) is the national, strategic body responsible for investing in tertiary education, research and knowledge exchange through Scotland's colleges and universities.

3. This strategy describes the Scottish Funding Council's approach to investment in Scotland's college estate and other infrastructure. The strategy sets out the collective approach between SFC and colleges to develop an Infrastructure Investment Plan for Scotland's colleges. The plan, which will cover the period from 2023 to 2033, will identify infrastructure investment needed for a sustainable college estate, including digital, to deliver the desired outcomes for students, staff, and communities.

4. The strategy has been developed by SFC in consultation with colleges, working with Colleges Scotland which is the voice of the college sector in Scotland. This strategy recognises the urgent need for significant investment into colleges across all parts of Scotland. College estates need to be refurbished, renewed or realigned to meet future local needs and national priorities. Investment is required into buildings, digital infrastructure, low emission and renewable power and heating/cooling systems, student welfare and leisure facilities, equipment, transportation and residencies. This includes critical estate maintenance and improvements, with the 2017 College Sector Estates Survey estimating £360m cost for backlog maintenance and removals costs.

CONTEXT

5. Scotland's colleges comprise a mix of large, multi-campus, metropolitan institutions, and

those of a smaller, rural nature. Colleges are significant economic contributors locally and nationally, employing over 14,000 staff directly, to deliver teaching and learning to a diverse community of 265,000 learners each year. Around 17% of these learners are under 16 years old and getting their first taste of work-based learning, approximately 40% are aged 16-24, and the balance are over 25.

6. Colleges are integral to achieving a fairer and more equal society; providing opportunities to those furthest from the labour market to access further and higher education. They provide opportunities for social inclusion, improved life chances for children and young people, and an opportunity to break the cycle of child poverty.

7. The strategy recognises that the COVID-19 pandemic has had critical implications for colleges such as changes in demand for the type of skills, delivery methods, cost bases and future target operating model implications.

8. Demand for future skills and talent has and continues to change and colleges will continue to have a significant role in Scotland's economic recovery and future prosperity. Investing in our college infrastructure is a key component of the Scottish Government's central principles of tackling child poverty and supporting a fair and just transition as part of our national response to the pandemic and the climate emergency. This strategy is the start of this journey.

9. Together, Scotland's colleges represent a huge national asset in which the Scottish Government invests considerable resource. In 2021-22 academic year, SFC invested £741.1m[1] into the college sector, of which £29.3m was capital funding. Since 2007, the Scottish Government has allocated over £823m to college capital projects including new campuses and buildings. Colleges received a further £330m in Non-Profit Distributing (NPD) revenue-funded investment.

10. The Scottish Government's investment delivers substantial returns including the boost to Gross-Domestic Product (GDP)[2] through improved labour productivity, increased tax revenue, 'spill over effects' through improved business competitiveness and knowledge transfer among employees, and the multiplier effect of increased spending in the economy.

11. However, despite the significant investment in the college sector, the **SFC College Sector Estates Condition Survey 2017** (Annex B) classified approximately one-third of the college estate as needing material and significant backlog maintenance, either through major repair or replacement of core elements. The survey estimated £360m would be

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[1] College final funding allocations FY2021-22 SBR

[2] GDP (Gross Domestic Product) is the standard measure of the value added created through the production of goods and services in a country during a certain period. It is the measure used to define the size and health of a country's economy over a period of time (usually one quarter or one year).

required for backlog maintenance.

12. All colleges receive annual capital maintenance funding from SFC, including funding for backlog maintenance identified in the 2017 College Estates Survey. In 2018-19 colleges received targeted funding to address Very High Priority backlog maintenance and since then, approximately 50% of all capital maintenance funding has been allocated to the High Priority maintenance need, with the remainder allocated to lifecycle maintenance costs. This is only sufficient to address approximately 50% of the lifecycle maintenance need. No funding has been available to tackle the Medium or Low Priority backlog maintenance which has a total value of £255m at the time of the 2017 condition survey. If not addressed, over time the low and medium priority maintenance will become High Priority maintenance need.

13. Whilst each college estate faces differing set of challenges, all colleges receive less funding than is required to maintain and/or improve their estates to ensure they are fit for purpose.

14. Colleges have embraced alternative ideas of ownership and location of their facilities and are open to sharing physical and digital assets and expertise wherever feasible. Similarly, they have expressed openness to utilising other local assets and collaborating as appropriate.

15. This strategy presents a significant opportunity for colleges to play their part in tackling the climate emergency. SFC will support colleges to progress their Net Zero ambitions. Investment will be required in estates which are carbon neutral, and which can flex to cope with the climate emergency.

2: OUR STRATEGIC PRINCIPLES AND STRATEGIC FIT

16. Colleges have a significant role to play in the delivery of Scotland's National Strategy for Economic Transformation and Scotland's just transition over the next decade and beyond. They are vital to the achievement of a green recovery, the just transition and sustainable future.

17. SFC has developed this strategy in consultation with the college sector. They worked collaboratively through the Colleges Infrastructure Working Group, a short life group that included representatives from SFC, Colleges Scotland and college principals/vice-principals/directors of estate. With support from the group, SFC organised and facilitated five workshops. The workshops resulted in the agreed joint strategic approach and established key principles for infrastructure investments.

STRATEGIC PRINCIPLES

18. The jointly developed strategic principles are that future infrastructure investments should:

    - Deliver positive student experience and outcomes.
    - Provide equal access to suitable college infrastructure across Scotland, including use of digital.
    - Enable colleges to deliver their strategic plans.
    - Ensure that future capital investment responds to future needs, including digital delivery and does not only replace like for like.
    - Provide flexibility of funding to support a range of types and scale of capital projects.
    - Demonstrate collaboration, such as with other colleges, schools, universities, Local Authorities, health care providers and local businesses.
    - Provide a clear, transparent, evidence-based decision-making process.

19. An overarching principle is being able to access digital infrastructure. Digital technology dates quickly. Consideration needs to be given as to how the digital infrastructure lifecycle is funded alongside resilience, security and other aspects of digital investment.

20. Whilst guided by these core strategic principles, SFC and colleges will also refer to the principles outlined in Scotland's Learning Estate Strategy (see paragraph 23) and the Scottish Government Place Principle.

STRATEGIC AND POLICY FIT

21. The strategy is a response to the Scottish Government's Programme for Government

2021-22 commitments that it "will work with SFC to develop an estates strategy for Scotland's colleges, establishing priorities for investment." (Page 45). It has been developed with reference to Scotland's Learning Estate Strategy (2019), Scottish Government's Infrastructure Investment Plan and other relevant strategies linked to skills and economy including the National Strategy for Economic Transformation (2022).

22. The SFC Review of Coherent Provision and Sustainability in Further and Higher Education (the SFC Review), published in 2021, recommended developing a national vision and strategy for college estates and provides the framework and ambition for this strategy.

23. The Learning Estate Strategy states that "the Scottish Government will work with the Scottish Funding Council to develop a strong evidence-based case to support further investment in the future and develop a medium-term capital investment plan that sets out sector wide priorities."

24. The SFC Review explores how Scotland could best fulfil its mission of securing coherent, excellent quality, sustainable tertiary education, and research. A key finding of the Review was the importance of place and the role of colleges and universities as anchor institutions at the heart of towns, cities, and regions to sustain and renew places and communities. The SFC Review recognises the complexity and diversity of college campus estates, the issues they face in relation to financing maintenance backlogs and the drive towards a digitally enabled, low carbon future.

25. The Scottish Government's Letter of Guidance 2022-23 to SFC states the expectation that SFC will, "publish the college sector Infrastructure Strategy which will present a proposed approach to developing a national Colleges Infrastructure Investment Plan in line with agreed principles as set out in the Strategy. The Strategy will support Scotland's transition to net zero, with production of an Investment Plan for the sector a key strategic goal."

26. Colleges are also essential for the delivery of a range of other Scottish Government strategies, policies and guidance. These include:

    - **Scotland's National Strategy for Economic Transformation (2022)** sets out how, over the next ten years, Scotland can deliver economic growth that significantly outperforms the last decade, to make the Scottish economy more prosperous, productive, and internationally competitive. SFC's investments in colleges and universities will be pivotal in realising these ambitions.
    - **National Performance Framework 4 (NPF4)**, in draft form at the time of writing, will set out a new long-term plan for Scotland. It is expected to cover a longer-term horizon to 2050, fuller regional coverage and improved alignment with wider programmes and strategies including on infrastructure and economic investment. The NPF4 is also expected to anticipate and plan for the changing population, to

focus more on improved health and wellbeing and a better natural environment for everyone in Scotland.

- **Infrastructure Investment Plan (2021)** outlines a coherent and strategic approach to delivering the National Infrastructure Mission. It demonstrates the vital role infrastructure has to play in helping businesses and communities to adapt and recover from the COVID-19 pandemic. The Plan introduces an "investment hierarchy" which prioritises maintaining and enhancing existing assets over new build. The proposed new hierarchy of investment will aid planning and decision making and drive future investment choices.
- **Climate Change Plan (2020)** sets a target date for net zero emissions of all greenhouse gases by 2045. To meet Scotland's targets, a rapid transformation across all sectors of the economy and society is required.
- **Public Sector Leadership in the Global Climate Emergency (PSLGCE) guidance (2021)** sets the scene for carbon reporting requirements on public bodies including colleges.
- **Our Digital Ambition for Scotland's Colleges (September 2020)** sets out aspirations for a bold and inclusive digital future.
- To understand the colleges' future digital investment needs, the requirements of diverse modes of learning, and the nature and locations of college estates need to be considered. Working with the Joint Information Systems Committee (Jisc)[3] on technology foresight and trends will be essential.
- Further detail is found at Annex C.

[3] Jisc is the UK higher, further education and skills sectors' not-for-profit organisation for digital services and solutions. It champions the importance and potential of digital technologies for UK education and research.

3: OUR APPROACH TO DELIVERING THE STRATEGY

IDENTIFYING FUTURE CAPITAL INVESTMENT NEEDS

27. To develop an Infrastructure Investment Plan, each college will need to refresh and expand information on its estate and summarise its infrastructure investment need over the next five to ten years.

28. In determining the infrastructure investment need, each college is expected take the approach set out by this strategy, and will:

    - Maximise use of existing assets to meet future need through reshaping/ reducing their footprint, and through refurbishment, re-use, and collaborations across the education sector and business.
    - Consider investment needed to change service design and delivery methods, for example using digital platforms and other technological innovations that suit the varied needs of students and staff.
    - Consider how the digital lifecycle of capital sits alongside other aspects of capital investment.
    - Minimise its environmental impact and maximise health and well-being outcomes through sustainable design and construction processes, including application of low to zero carbon energy systems.
    - Prioritise seeking collaborations as a means of delivery through partnerships with other education providers or local stakeholders including local businesses.
    - Evidence how the proposed infrastructure investment supports local actions that address child poverty and climate change as well as secure a stronger, fairer, greener economy.

29. A range of investment is required to deliver major strategic capital projects, to replace buildings and/or introduce new assets as part of a college's strategic plans. This includes installing new equipment and fixtures in response to emerging regional and national skills needs. Student welfare, leisure facilities, transportation and accommodation also require significant investment.

30. An important first step for the colleges and SFC will be to agree the minimum information required and the methodology for colleges to gather the data needed to identify their future investment needs.

31. All proposals for future capital investment will be guided by our strategic principles outlined in Part 2 of this strategy. Future capital investment proposals will also need to

consider the relevant Scottish Government strategies and policies and the Infrastructure Investment Plan set out in Part 2.

FUNDING

32. Critical to delivery is the availability of funding. A variety of funding solutions are needed for future capital investment. As noted in Part 1 of this strategy, funding is required for lifecycle maintenance of existing assets to repair, refurbish or reconfigure buildings, build new assets and update digital technology to deliver new services and meet future needs.

33. There is an urgent need to explore new and existing funding for the wide range of capital projects requiring investment. The scale, breadth and pace of investment need will require deployment of public and private funding solutions. A range of approaches to investment will be investigated/ developed and included as options within the Infrastructure Investment Plan.

34. SFC will allocate any available future funding to those projects that are affordable, provide best value, equity of access and quality of student experience. We will utilise the SCIM process (described later in this strategy, paragraphs 44 - 47) to develop the prioritisation and allocation process. SFC will also lead the work, supported by colleges, government(s) and others, to explore and consider opportunities for additional and new models of funding a wide range of infrastructure projects.

FUNDING FOR MAJOR COLLEGE PROJECTS

35. Individual college reports within the 2017 College Estate Condition Survey indicate that the best value for money solutions could be either campus replacement or major refurbishment.

36. Since no further Non-Profit Distributing (NPD[4]) Schemes were permitted post 2016 due to a European System of Accounts[5] classification, there has been no funding model (other than the Scottish Government capital funding) available for major capital projects

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[4] Scottish Futures Trust led the Non-Profit Distributing (NPD) programme for Scottish Government as an alternative funding source to allow major infrastructure projects to be built. NPD was developed to replace the traditional Private Finance Initiative (PFI) model with a number of projects in the transport, health and education sectors now open from where first-class public services are being delivered.

[5] European System of Accounts: ESA 2010 is designed as an integrated system of economic accounts for the whole economy. It prescribes the statistical framework that we are legally obliged to follow in compiling the UK National Accounts.

in the college sector. The Mutual Investment Model (MIM[6]) is one approach that is currently being examined. However, MIM is only relevant for a programme of large stand-alone new build projects, and long-term revenue funding is required to cover the annual charges. SFC will work with colleges, the Scottish Government, and the Scottish Futures Trust (SFT) to identify alternative funding models.

37. Future capital investment should not replace like for like for colleges. New investment provides an opportunity for colleges to redesign their training and curriculum offers, implement new approaches to learning and teaching in an enhanced digital environment, and extend strategic links to other stakeholders in the region.

FUNDING FOR REFURBISHMENT AND ENERGY EFFICIENCY MEASURES

38. A critical area of investment needed is major refurbishment of existing college campuses and other assets. SFC and colleges have agreed this to be the preferred approach. Refurbishing existing campuses often results in the lowest carbon solution but presents colleges with technical, practical and cost challenges. For example, finding the appropriate technical expertise to deliver a refurbishment project on a heritage building can be challenging.

39. The Scottish Government has set a target of 2038 for decarbonisation of heat in public buildings with interim targets being produced by 2024. For refurbishment projects we will follow the guidance from the Scottish Government that: *"For larger public sector estates, a whole estates assessment of costs and timescales to develop a pathway to meet net zero targets is needed. This should highlight options for integrating net-zero carbon and adaptation measures at an estate and individual building level… include an assessment of the current and future heat and power demands and adopt a fabric first approach to reduce the heat demand across the estate with particular focus on the buildings with the highest heat demand and suitability for deep energy retrofitting."* (SG Public Sector Leadership – Global Climate Emergency)

40. SFC will work with colleges, the Scottish Government and the SFT to identify funding solutions for this type and scale of projects. We will continue to make best use of other funding from the Scottish Government or elsewhere, such as the Green Public Sector Decarbonisation Scheme (GPSEDs).

FUNDING FOR LIFE-CYCLE MAINTENANCE AND EQUIPMENT

41. Making the best use of existing property is a priority for SFC and colleges. SFC will

[6] The Mutual investment Model (MIM) has been designed by the Welsh Government to finance major capital projects due to a scarcity of capital funding. Scottish Futures Trust (SFT) are currently working with the public and private sectors to develop a Scottish version of MIM.

continue to give priority to the life-cycle maintenance needs and will:

- Ensure that estate users have a safe and secure environment.
- Agree a life-cycle maintenance plan with colleges including an interim maintenance plan where the intention is to replace a campus/building, which considers the digital lifecycle.
- Ensure those colleges with legal requirements to fund life-cycle maintenance (NPD/PFI7 campuses) receive sufficient funds.
- Provide a fair distribution of life-cycle maintenance funds in line with the evidence-based need, as updated by colleges.
- Actively seek other funding opportunities to improve college estates such as linking to low carbon district heating or implementing a project under the Non-Domestic Energy Efficiency Framework.
- Support digital investment and actively promote collaboration opportunities to reduce operational costs and improve efficiency and accessibility.

THE SCOTTISH CAPITAL INVESTMENT MANUAL

42. The Scottish Capital Investment Manual (SCIM) was developed by the SFT to provide guidance on the processes and techniques to be applied in the development of infrastructure and investment programmes and projects. The Manual was initially rolled out to the NHS and a version has now been developed for local authorities; it is also relevant for other public bodies such as colleges.

43. SCIM provides clarity as to what constitutes a robust project plan and ensures emphasis is on the desired outcomes rather than merely replacing like with like. SCIM's rigorous approach and consistency to project development reflects best practice in the wider public sector and ensures that all relevant partners are involved in the development of business cases at an early stage.

[7] A Private Finance Initiative (PFI) is a long-term contract between a private party and a government entity where the private sector designs, builds, finances and operates a public asset and related services. In a PFI contract the private party bears the risks associated with construction and maintenance and management responsibility, and remuneration is linked to performance. The UK Government announced at Budget 2018 that it would no longer use PF2 (the most recent model of the Private Finance Initiative) for new government projects. Existing PFI and PF2 contracts will not end because of this announcement.

44. The first approval point outlined in the SCIM process is the Strategic Outline Case (Annex D). This should demonstrate a project's strategic fit and provide consistent and comparable evidence of projects' outcomes, including delivering against the target of net zero emissions target.

45. SFC will work with the SFT and colleges to develop SCIM, defining the business case development and evaluation process for new capital projects. The introduction of SCIM will comprehensively revise SFC's Capital Decision Point Process.

EVALUATION AND ALLOCATION OF INVESTMENT

46. Each college will produce a Strategic Outline Case (SOC) for its infrastructure investment need aligned to the principles and criteria set out earlier in this strategy. The SOCs will highlight each college's highest priority strategic projects for future investment.

47. SFC will evaluate future college infrastructure projects against the college SCIM process. The proposed SOC strategic fit and project evaluation checklist are shown below (Annex D).

DELIVERING THE STRATEGY

48. Agreeing a detailed strategy delivery plan will be the first step in delivering this strategy. We will establish a Strategy Delivery Group which will include representatives of SFC, the colleges sector, the Scottish Government and the SFT.

49. This will be a short life working group until the Infrastructure Investment Plan is developed and published in autumn 2023. The purpose of the group will be to agree a joint action plan, with deliverables, milestones and timescales, for delivering the Infrastructure Investment Plan. The Infrastructure Investment Plan will set out deliverables, milestones, roles and responsibilities and an assessment, prioritisation, and monitoring process. This will include:

    - A college specific description of the investment required and an estimate of its value to deliver its strategic plan.
    - Potential funding solutions for the proposed capital investments.
    - A revised, transparent, evidenced-based process for assessing, prioritising, and allocating capital funding.

50. The Strategy Delivery Group will act as the 'strategy champion', providing leadership and co-ordination during the delivery of the strategy. The group will also monitor and report progress with delivering this strategy.

51. Colleges and SFC have jointly identified actions required to produce an Infrastructure

Investment Plan for Scotland's colleges. These are summarised below.

COLLEGES-LEAD ACTIONS

52. Colleges will demonstrate and collate evidence of the condition of their estates, specifically highlighting those in poorest condition.

53. Each college will produce a Strategic Outline Case, summarising its proposed investment need aligned with the strategic principles outlined in Part 2.

54. Colleges will assess the digital and net zero infrastructure investment required to deliver equitable provision across all estates, in line with each college region's needs.

SFC-LEAD ACTIONS

- Develop a clear, transparent evaluation and assessment criteria (based on SCIM) for capital investments in line with the strategic principles outlined in Part 2.
- Review the SFC annual capital maintenance funding allocation to ensure alignment with the strategic priorities and principles.
- Investigate alternative capital funding models and approaches capable of meeting the wide-ranging investments required by colleges.

55. Each of these activities will require a detailed delivery plan and timeline which will be developed jointly between SFC, colleges and relevant stakeholders.

MONITORING AND REPORTING PROGRESS WITH DELIVERING THE STRATEGY

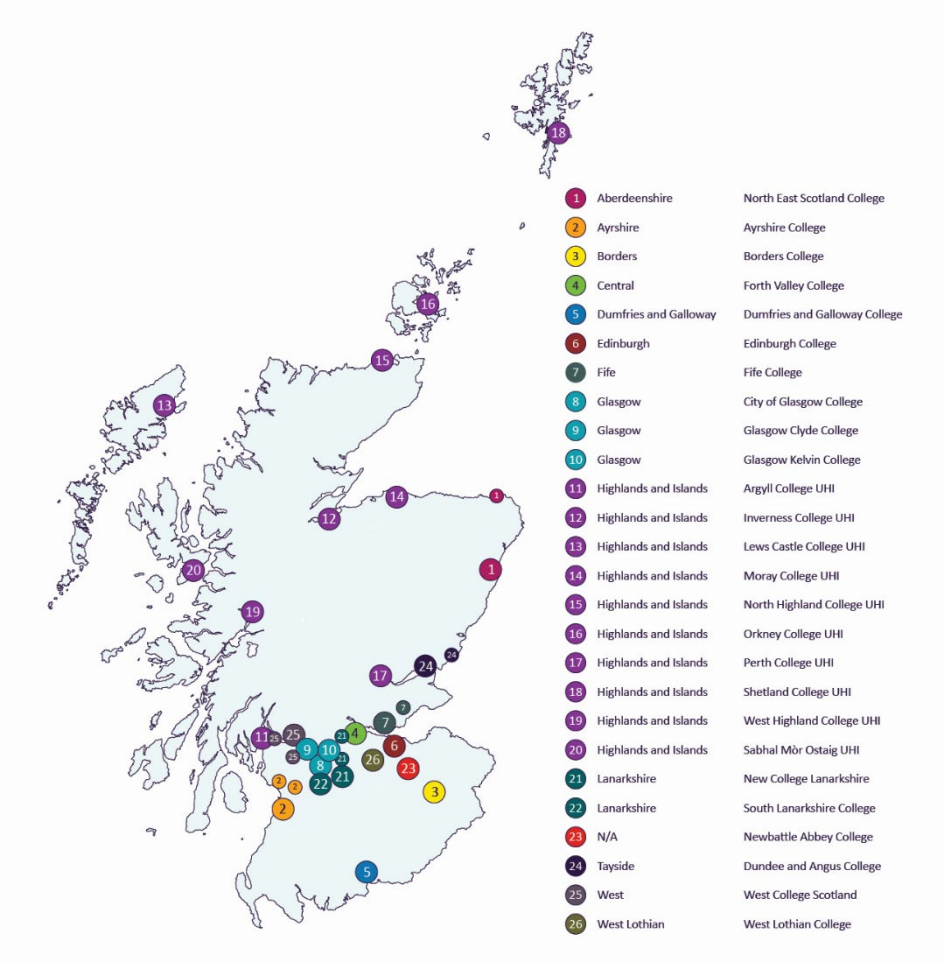
56. This strategy will result in a clear understanding of the infrastructure investment needed to ensure college estates enable the delivery of colleges' strategic plans. SFC and colleges will develop an Infrastructure Investment Plan for Scotland's colleges over the next five to ten years. The plan will illustrate investment needed for a sustainable future and to deliver the desired outcomes for students, staff and the communities. The college sector (including students), Scottish government and other stakeholders will be consulted and engaged in its development.

57. The strategy will investigate a range of funding solutions that can progress a wide variety of infrastructure projects. A revised, transparent, evidenced-based process for assessing, prioritising, and allocating capital funding will be developed.

58. We will also develop methodology for monitoring progress with delivering this strategy and will publish a progress report every three years.

ANNEX A: CONTEXT

There are 26 colleges in Scotland, 24 of which operate within one of 13 college regions. Twenty are classed as “incorporated colleges” i.e., they are incorporated under the Higher and Further Education (Scotland) Act 1992, and six are “non- incorporated”, not being classed as fundable public bodies under the Act.



ANNEX B: COLLEGE SECTOR ESTATES CONDITION SURVEY (2017)

Survey definitions of building condition by priority are as follows:

VERY HIGH	Works required immediately or within 1 year to repair, wholly or partially replace elements Building fabric or M&E Service which have already failed, or are at risk of imminent and unpredictable failures, with high risk of compounding damage, partial or whole closure of facilities, loss of service and/or items causing a legislative or high Health & Safety risk.
HIGH	Works required to prevent serious and compounded deterioration in the Building fabric to prevent potential partial loss or seriously diminished M&E Services provision, or as may impact on the perception thereof relative to the expected quality of the teaching/student environment. Partial replacement (up to 40%) may be required.
MEDIUM	Works required to prevent accelerated deterioration of the Building fabric or possible performance issues with M&E Services, or as anticipated to generally recover and/or sustain a well maintained and presentable state.
LOW	Works recommended or normally prudent towards the end of a 5 year window, that would be necessary to prevent deterioration of the Building fabric or M&E Services performance issues, and so as to sustain the asset in good condition and a well maintained and presentable state.

ANNEX C: STRATEGIC FIT

The strategy recognises, fits with and will support the delivery of several national strategies and policies. Colleges are advised that they should consider these when developing their own estate and infrastructure strategic plans.

- A Changing Nation: How Scotland Will Thrive in a Digital World (Scottish Government, March 2021)
- A Connected Scotland: strategy for tackling social isolation and loneliness and building stronger social connections (Dec 2018)
- A Fairer, Greener Scotland: Programme for Government 2021-22
- A National Mission with Local Impact: Infrastructure Investment Plan for Scotland 2021-22 to 2025-26
- Addressing climate change in Scotland - A summary of key recommendations for public bodies (Audit Scotland, March 2022)
- Advanced Procurement for Colleges and Universities: Responsible Procurement
- Climate Emergency Skills Action Plan (CESAP) 2020-2025
- Climate Change (Scotland) Act 2009
- Climate Commission and Nous Group Climate Action Roadmap for UK FE Colleges
- Climate ready Scotland: Scottish Climate Change Adaptation Plan 2019-2024
- Coherence and sustainability: a review of tertiary education and research
- College Sector Estate Condition Survey (2017)
- Investing for jobs: Capital Spending Review 2021-2022 to 2025-2026
- Investing in Scotland's Future: resource spending review framework 2022
- Just Transition - A Fairer, Greener Scotland: Scottish Government response
- Learning Estate Strategy
- Learning Together: national action plan on parental involvement, engagement, family learning and learning at home (Aug 2018)
- National Planning Framework 4 - call for ideas: Key Agencies Group response
- Net Zero Public Sector Buildings Standard
- Our Digital Ambitions for Scotland’s Colleges
- Out to Play - creating outdoor play experiences for children: practical guidance

- Protecting Scotland, Renewing Scotland: The Government's Programme for Scotland 2020-2021
- Public sector leadership on the global climate emergency
- Scotland's National Strategy for Economic Transformation: delivering economic prosperity
- Securing a green recovery on a path to net zero: climate change plan 2018–2032 - update
- Sustainable procurement tools
- Sustainable Procurement Duty: Sustainable Procurement Reform (Scotland) 2014 Act
- The Cumberford Little Report
- The Draft Fourth National Planning Framework (Draft NPF4)
- UK Government's Net Zero Strategy: Build Back Greener
- Wellbeing evidence at the heart of policy

ANNEX D: STRATEGIC OUTLINE CASE – STRATEGIC FIT

Strategic Goal	KPI (these will be weighted)
Protecting and promoting students' interests and wellbeing	Number of credits impacted by the project. Proportion of estate condition / backlog to be addressed.
Digital infrastructure for effective learning	Investment plans in place that enhance and maintain the digital infrastructure to meet future needs. Sufficient resource allocated for ongoing licencing, maintenance, renewal and/or replacement lifecycle costs.
Contribute towards institutional sustainability	Projected savings in running costs post completion. Projected growth in funded activity post completion. Collaboration and refurbishment options have been considered.
Support more effective learner journeys	Measurable growth in articulated places. Growth in school/senior phase activity. Improved digital infrastructure.
Responds to demographic trends	Infrastructure investment has taken account of long-term demographic trends that will affect the requirement of the sector delivering the desired outcomes for students, staff and the communities.
Strengthen employer engagement	Projected growth in commercial / non-SFC income. Delivery of essential skills for region (as per the Regional Skills Investment Plan). Demonstrable engagement with local employers / Skills Development Scotland.
Action on Climate Change	Contribute to delivery of a college's 'pathway to net zero'. Other climate impact reduction standards, measures and assessment procedures in place.

	Reflect the Public Sector Leadership on the Global Climate Emergency requirements of the Scottish Government.
Fit with Scottish Government Infrastructure Investment Plan	Reviewed against and fit with the Scottish Government Investment Hierarchy.

STRATEGIC OUTLINE CASE – EVALUATION CHECKLIST

Has a Strategic Outline Case been fully developed?	Yes ☐ No ☐
Have opportunities for collaborations been explored with other further and higher education institutions and/or with other bodies/organisations?	Yes ☐ No ☐
Have digital infrastructure and its lifecycle costs been explored?	Yes ☐ No ☐
Have opportunities for co-location and/or estate sharing, including digital, been included in future infrastructure plans?	Yes ☐ No ☐
Does the college have a regional estate strategy, approved by the Board and is less than 3 years old?	Yes ☐ No ☐
Does the estates strategy clearly align with the college regional curriculum plan?	Yes ☐ No ☐
Does the estates strategy prioritise repair, re-use, repurpose, co-location or shared facilities?	Yes ☐ No ☐
Does the proposed project form part of the college's wider regional estates strategy?	Yes ☐ No ☐
Has the project been highlighted in the most recent outcome agreement and discussed with SFC?	Yes ☐ No ☐
Does the project contribute to specific goals set out in the regional skills investment plan and regional economic development strategy?	Yes ☐ No ☐
Does the project include delivering BREEAM® Excellent or Outstanding and/or the Net Zero Public Buildings Standard?	Yes ☐ No ☐

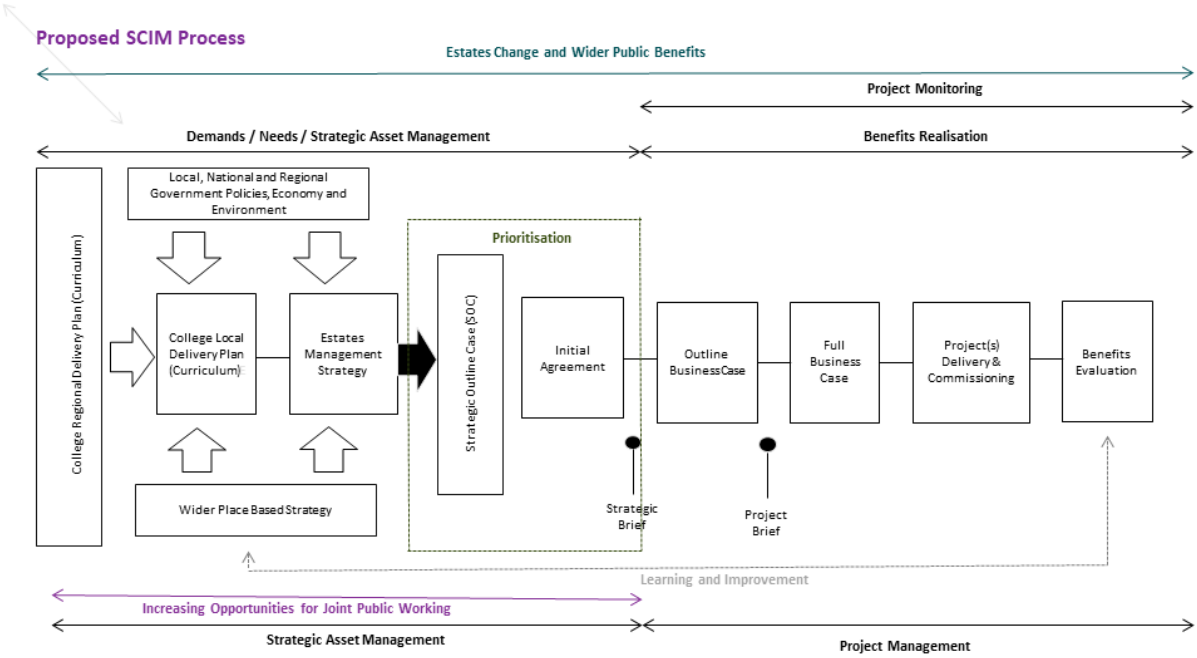
SCIM: STRATEGIC OUTLINE CASE (SOC)

The Scottish Capital Investment Manual (SCIM) provides guidance for capital projects inception to Post Occupancy Evaluation and review. It also provides guidance on governance and project management arrangements. The Manual is relevant to all projects, regardless of scale.

We propose a version of SCIM be developed for colleges. This is to ensure cases for capital projects fit with the appropriate regional and national economic context as well as provide an evidence base for college capital projects when being considered.

SCIM provides:

- Clear and well understood context for infrastructure investment decisions.
- Acceptance of the principle that property is an enabler for the delivery of services and outcomes.

SCIM has three approval/hold points where business cases are produced: Strategic Business Case; Outline Business Case; and Full Business Case.

The Strategic Outline Case (SOC), driven by well-defined service needs, is the first stage to translate these needs into potential infrastructure solutions. An output from the SOC is a Strategic Brief.