

The benefits of SFT's work

August 2013

A photograph of three young children, two girls and one boy, sitting at a wooden table and looking intently at an open book. They are all wearing red school uniforms. The girl on the right has a red and white checkered bow in her hair. The boy on the left has blonde hair. The girl in the middle has dark hair. The background is slightly blurred, showing what appears to be a classroom setting with wooden paneling.

Additionality
Collaboration
Innovation

PUTTING A VALUE ON SFT'S WORK

SFT's contribution to numerous public sector infrastructure investment projects helps to bring about benefits and savings. Putting a monetary value on that work, over the last 12 months SFT has secured benefits of £132.1m (independently validated) – that equates to just over £2.5m each week or £1/2m every working day. Cumulative benefits since SFT was established in 2008 amount to over £500m.

2009/10
£111m
BENEFITS

2010/11
£129m
BENEFITS

2011/12
£131m
BENEFITS

2012/13
£132m
BENEFITS

Cumulative Benefits

£500m

**Over 8,000 jobs
to be supported
across all SFT's
work streams over
the next five years**



BENEFITS INCLUDE:

£160m

of additional investment through housing programme

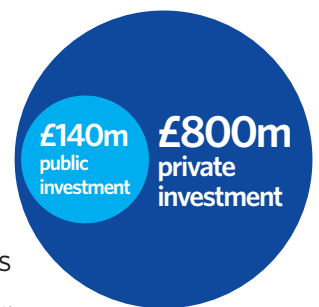
- Contracts signed to deliver over 1,000 homes for affordable rent with further investment being made through the new Council Variant initiative
- NHT is helping protect or create nearly 1,500 jobs within the SME sector
- Over 400 homes already occupied providing quality accommodation to approximately 600 people



£140m

of additional investment through Tax Incremental Financing

- SFT is spearheading the use of TIF as a means of attracting additional investment into Scotland
- Two leading TIF schemes underway with Glasgow City and Falkirk Councils
- Public sector investment of £140m in these two schemes will leverage over £800m of additional long-term private sector investment



£200m

of additional investment in Schools programme

- By efficiently managing the £1.25bn Scotland's Schools for the Future programme and recycling efficiency savings, SFT has increased the total number of schools to be built in the programme from 55 to 67
- 12,000 more pupils to benefit from being taught in modern, high quality, fit-for-purpose schools



KEEPING IT SIMPLE

SFT has simplified complex contracts and developed efficient and effective approaches to procurement for large-scale public sector construction projects such as hospitals, colleges and roads. These are delivered through the innovative Non-profit distributing (NPD) programme, which has a pipeline of work valued at £2.58bn

NPD projects valued at
£2.58bn

Such has been SFT's success in this area that construction has started on the £50m Inverness College and full construction of the £228m City of Glasgow College is due to start imminently. In addition, within the £2.58bn NPD pipeline, many more projects valued at over £1.7bn are at various stages of procurement with a considerable number set to start construction later this year.



***"Start on £50m college
brings north jobs joy"***

Aberdeen Press & Journal, 31 May 2013

ON AIR



Inverness College

For the £50m NPD funded Inverness College, the procurement notice was published in December 2011; 12 months later the preferred bidder (a Miller/Equitix consortium) was appointed, and in May 2013 financial close was reached – all in an unprecedented 17 months.

SFT and the College secured an excellent value-for-money deal on construction and finance, and when complete the new high-quality Inverness College buildings will provide a first-class environment for students and staff alike.

Construction of Inverness College is now well underway on the Highlands and Islands Enterprise (HIE) owned Inverness Campus. HIE sees the start of construction as a catalyst to attract additional private sector developers onto the site and bring about further employment opportunities and help create greater economic growth to the region.

"We were very pleased with the streamlined bidding process on the Inverness College project. This will help us get on site quickly with our local supply chain to deliver a first-class facility for students."

Chris Webster, Chief Executive, Miller Construction

Collaboration

LOOKING AFTER THE PENNIES

By carefully managing the £1.25bn Scotland's Schools for the Future programme, SFT has increased the total number of schools to be built from 55 to 67 – meaning 12 more brand new schools will be built benefiting 12,000 more pupils who will be taught in first class facilities. With an estimated construction value of c.£200m, the additional schools will be a welcome boost to local communities.



Eastwood High School

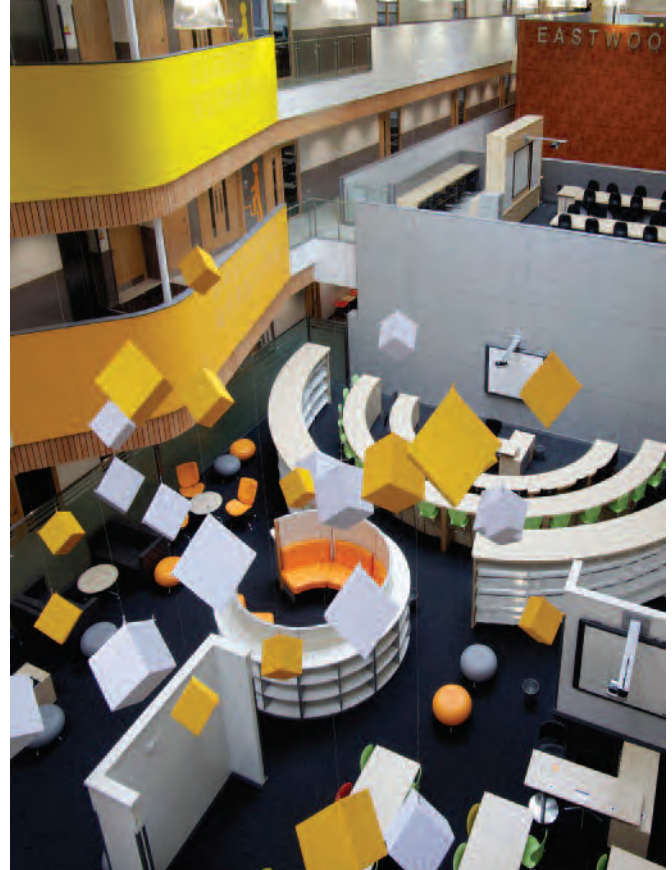


Schools Pilot

In 2011 construction started on the SFT-led Schools Pilot project. The rationale behind the innovative Schools Pilot was to bring two councils together (Midlothian and East Renfrewshire) to jointly procure two secondary schools (the Lasswade Centre and Eastwood High School). The aim of the £65m landmark initiative, was to deliver modern, value for money, high quality schools. Thanks to the collaborative approach and a shared school design, over £4m was saved.

Construction of both schools was completed in June 2013 in plenty time for the start of the new school term in August.

12,000 more pupils across Scotland will benefit thanks to the additional schools to be built within the Scotland's Schools for the Future programme – total number of pupils to be taught and directly benefit from the schools programme will increase from 35,000 to 47,000



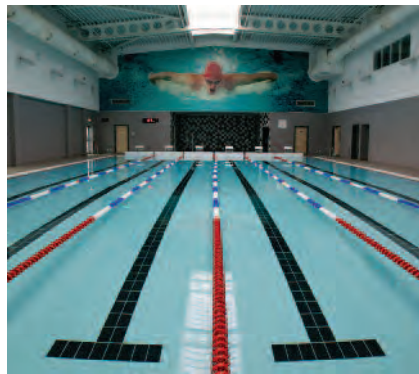
"East Renfrewshire Council is delighted with the newly completed Eastwood High School which was SFT's Pilot Project delivered in collaboration with Midlothian Council. The combined project demonstrates that public services can work closely together to deliver projects of real value to local communities."

Councillor Elaine Green,
Convener for Education and Equalities, East Renfrewshire Council

Collaboration



The Lasswade Campus



"The new £37.1m Lasswade Centre has opened and the project has benefited greatly through our partnership working with the SFT and East Renfrewshire Council. We have been able to provide the best design through shared expertise and working with SFT has provided a platform to share our knowledge with other local authorities."

Bob Constable, Council Leader,
Midlothian Council

Building on the success of the Schools Pilot, 20 other local authorities across Scotland are now working in collaborative groups on their new school projects to achieve much more from existing budgets.

"Cross-country collaboration saves millions"

Times Education Supplement Scotland, 4 March 2013

During construction of the Lasswade Campus, nearly **£8m** of construction work was awarded to firms with a Midlothian postcode and **93%** of the construction value was spent within a 50 mile radius of the new school

MAKING BETTER USE OF SPACE

In May 2012, SFT was formally invited by the Cabinet Secretary for Infrastructure and Capital Investment to work collaboratively across Scotland's public sector to add value and take forward a programme management role for improving property asset management. Such is the scale of the programme, that opportunities exist that could save well over £500m as a result of a five year programme of proposed change.

New Ways of Working

SFT has led an initiative with four local authorities supporting a programme of change that will radically alter the way they work whilst at the same time saving them millions of pounds.

Working with Clackmannanshire, Midlothian, Renfrewshire and West Dunbartonshire Councils, SFT's Asset Management team have been running a collaborative New Ways of Working pilot initiative which will ultimately deliver financial savings through improved, and the more efficient use of office space. It is estimated that over a five year period, the four local authorities will achieve savings of over £50m through reduced running costs and efficiency savings across their office portfolios.

"Development & Housing Services have been delighted to be part of SFT's New Ways of Working Pilot project. The advice from SFT, the forum for information and experience sharing with other local authorities, as well as the financial assistance, have allowed our project to be delivered on time and within budget. Initial feedback from staff has been very positive and we will explore opportunities to roll out the programme further."

*Joe Lynch, Head of Property Services, Development & Housing Services,
Renfrewshire Council*

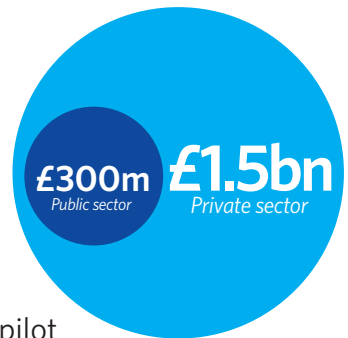
"Managing public assets could save £500m"

The Scotsman, 20 September 2011



LEADING THE WAY

SFT not only manages but is spearheading the use of the innovative Tax Incremental Financing (TIF) programme as a means to bring about additional investment into Scotland. Such is the appeal of TIF that for the public sector to make an investment of £300m across the six existing TIF pilot projects, a further £1.5bn of investment will be made by the private sector.



Public sector investment of £140m is already underway on two TIF projects (Glasgow Council's Buchanan Quarter and Falkirk Council's road and flood defence upgrades around Grangemouth). This will in turn unlock a massive £800m from the private sector. And if proof was needed of the appeal of TIF, after construction started at the Buchanan Quarter in January 2013, a planning application was submitted by Land Securities for a £300m extension to its Buchanan Galleries shopping centre, which has now been granted.



THINKING DIFFERENTLY

SFT's pioneering and award winning National Housing Trust (NHT) initiative has already attracted over £146m of additional investment into Scotland's housing market with contracts signed to build more than 1,000 new homes. When complete, the NHT homes will provide quality housing for affordable rent to over 1,500 individuals. Such has been the success of the NHT programme that a further phase has been launched which is expected to see 300 more affordable homes for rent built across Scotland.

"NHT has given us the opportunity to finish stalled developments and importantly given us the confidence to open new sites for development."

John Low, Managing Director of Stewart Milne Homes, North Scotland

Recently the NHT initiative has been further enhanced with SFT introducing a new Council Variant housing model which will inject a further £15m of additional investment into Scotland's new homes market.



Over **1,500** people
to benefit from living
in quality housing at
affordable rent



SPEND A LITTLE - SAVE A LOT

Over the last 12 months, SFT has carried out an innovative project in conjunction with East and West Dunbartonshire Councils to measure the economic and environmental benefits associated with investing in modern street lights, new lamp posts and improved technology, and in turn develop outline business cases.

The results from the project show that if Scotland as a whole was to invest c.£300m into LED street lighting, it would easily recoup the investment two or three times over whilst having a dramatic effect in reducing carbon emissions.

"SFT's help in delivering the business case, and their on-going support to help overcome potential barriers to the project, has been a significant factor in moving the project forward and very much appreciated."

Derek Cunningham,

Director of Development & Infrastructure, East Dunbartonshire Council



SFT's Street Lighting Toolkit

In order to share SFT's knowledge in this area and accelerate progress to achieve significant financial and carbon savings, SFT published its Street Lighting Toolkit in February 2013 and organised workshops with Scotland's local authorities. Such has been the success of the toolkit and the workshops that the majority of Councils are now taking forward proposals to invest in new street lighting and achieve carbon savings.

SCOTTISH
FUTURES
TRUST

The benefits of SFT's work August 2013

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