

Penicuik A701 School

Report by Garry Sheret, Head of Property and Facilities Management

1 Purpose of Report

The Purpose of this report is to notify members of Midlothian Council's success in obtaining commitment from Scottish Government to contribute funding support for a replacement school for Beeslack at the A701 site.

This report seeks governance from Council to establish a project team to develop the proposals further to allow the details of the design, cost and programme to be put in place.

2 Background

On the 4 July 2019, Dr Mary Smith' Director of Education and Communities' received a letter from Claire Hicks, Deputy Director, and Learning Directorate at Scottish Government. This letter was sent to all 32 local authorities inviting each authority to identify their priority project for funding support under the New Schools Investment Programme. A copy of the letter from Scottish Government is attached in **Appendix A**.

Due to the advanced status of Midlothian's Learning Estates Strategy, Midlothian Council were well positioned to respond to this invitation for funding. Out of 32 authorities 10 advised Scottish Government that they were not in a position to provide a priority project. 22 authorities submitted priority projects with 11 projects being successfully granted funding support.

Midlothian Council's submission for a replacement Beeslack (A701 School) was one of the 11 projects to be confirmed as being granted funding support. A copy of the letter from the Director of Education and Communities which outlines Midlothian Council's submission to government is attached in **Appendix B**.

As can be seen from the letter due to the learning estates strategy Midlothian Council officers were able to outline to Government a long term strategy and vision for the learning and teaching facilities in Penicuik.

The letter outlined the following strategy & vision for Penicuik which is in line with the learning estates strategy presented to Council previously:-

Once the A701 facility was complete children from Penicuik High School would be temporarily relocated to the old Beeslack Community High School building to enable Penicuik High School to be refurbished / replaced in part. The Beeslack Community High School (A701 School) provides us with a fantastic opportunity to improve the learning estate across Penicuik. On completion of the work at Penicuik High School the children would return to Penicuik High School allowing the existing Beeslack High School site to be master planned for much needed housing, returning a generous capital receipt to Midlothian Council which would be used to support the Council's significant capital investment plans.

The letter outlined the A701 project vision as:-

The replacement of Beeslack Community High School (A701 School) would allow Midlothian Council to build a new learning campus immediately adjacent to Edinburgh University's Easter Bush Campus. This new campus would become a specialist learning facility operated by Midlothian Council in partnership with Edinburgh University. This facility would not only support education delivery in the local area but act as knowledge centre and training campus to support and improve education delivery across Scotland. Our partnership with Edinburgh University would look to develop a knowledge base across building design, curriculum design and teaching methods that would be used to influence the wider programme and teaching content / delivery across Scotland. The impact of this project is wide ranging, and we have provided background papers in support of our application **(NB. these supporting papers are available to members in the members lounge).**

The letter identified the following strategic objectives from the project:-

In summary we believe the replacement of Beeslack Community High School (A701 School) creates the opportunity for the following strategic outcomes:-

1. The project would be the first phase in delivering an improved high school education campus in Penicuik.
2. Working in partnership with SFT / Scottish Government and University of Edinburgh we have an opportunity to develop a research base which will support both the programme and education in general with a continuous improvement model underpinned by solid research. This research would help to refine building design, STEM Curriculum and teaching methods (Three core areas).
3. In addition to the research outcomes the partnership with SFT / Scottish Government and University of Edinburgh will go on to support training and continuous improvement of each of the three core areas. As set out in our vision paper we aspire to teachers from across Scotland being able to attend the campus to be given the new STEM curriculum packs and shown the methods of teaching to support delivery of these packs in a controlled environment supported by staff from both the university of Edinburgh and Midlothian Council.
4. The project will act as the catalyst to economic development of the Straiton Corridor and we would be delighted to discuss this opportunity in more detail with economic development colleagues in Scottish Government.
5. The project will build on the success of the other community schools delivered across Midlothian Council's estate to deliver a facility that responds to the needs to our communities for now and the future.
6. We believe that working in partnership with the Edinburgh University's Carbon Institute, Midlothian Council can deliver low carbon solutions which are affordable and will help to inform the balance of the programme.
7. We believe we are at the forefront of digital enabled learning across Scotland through our Digital Centre of Excellence at Newbattle. We believe this project has the opportunity to build on this expertise to create a knowledge base / training facility to benefit Scotland as a whole.

Finally the letter outlined the Council's agreement to work together with Scottish Government and SFT to develop the new shared funding approach.

4 Report Implications

4.1 Resource

At this early inception stage the full resource implications of the project are not yet known. The funding model is a new mechanism which has been put in place by Scottish Government and the intention of the first 11 projects is to provide working examples of the funding mechanism which will go on to inform future projects.

It is however important that this initial report seeks governance to commence with the initial phase of the project supported by a project team with the experience to lead on this type of development.

To ensure that sufficient short term progress can be made it is requested that Council approve a provision of £0.500 million within the General Services Capital Plan to assist in the initial development of this project to enable a further report to be brought back to Council covering the key aspects of Design strategy, Outline budget and programme.

The structure of the latest round of Schools for the Future Funding has still to be fully developed but in summary Government are committing to funding the equivalent of 50% of the capital cost of the project. The funding mechanism is somewhat complicated given Government's aim to ensure that their contribution is only counted against the Government Revenue Department Expenditure Limit (R-DEL).

The mechanism adopted will require the Council to fully fund 100% of the capital expenditure through prudential borrowing with Government providing additional revenue funding over a 25 year period once the School is operational so in effect meeting the repayment of the borrowing associated with the 50% share.

At a national level the £1 billion of headline investment by the Government equates to a grant to Councils of £40 million per annum over a 25 year period.

Officers have been provided with a working copy of the SFT funding model spreadsheet which is being used to determine the financial implications and impact on the revenue budget of the project during both the construction phase and once the Government Grant becomes payable. The implications will be reflected in future reports regarding the A701 School, the Capital Strategy refresh and in turn the Council's Medium Term Financial Strategy.

There will also be additional revenue costs associated with the replacement school which will need to be assessed during the early stages of the project development.

4.2 Risk

It is necessary to highlight to Council the following key risks:-

Budget / Funding

Until such time as the outline budget and funding parameters have been established this remains a risk to the project. This cannot be resolved until such time as the funding model has been developed.

Procurement Strategy

Procurement is a risk to this project until such time as a procurement strategy is in place. This is one of the first tasks that the project team will undertake is to write a procurement strategy for the project.

Planning Risk

The proposed site does not have outline planning consent and therefore this remains a risk to the project until such time as outline planning is in place. The project team will consider strategies to be put in place to mitigate this risk.

4.4 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- Community safety
- Adult health, care and housing
- Getting it right for every Midlothian child
- Improving opportunities in Midlothian
- Sustainable growth
- Business transformation and Best Value
- None of the above

4.5 Key Priorities within the Single Midlothian Plan

This project supports the provision of suitable infrastructure in response to the learning estates strategy.

4.6 Impact on Performance and Outcomes

This work is a part of the Single Midlothian Plan's key priority of providing fit for purpose community schools to present every child with the opportunity to attend the school which serves their community and supports improvement in pupil attainment and achievement.

4.7 Adopting a Preventative Approach

Providing fit for purpose community schools to provide every child the opportunity to attend the school which serves their community supports the preventative approach by improving achievement and attainment of pupils and increasing their prospects of progressing onto positive destinations.

The project meets the following national and local outcomes and objectives:-

- National Outcome 04: Our Young people are successful learners, confident individuals, effective contributors and responsible citizens
- National Outcome 05: Our children have the best start in life and are ready to succeed.
- National Outcome 10: We live in well-designed places where we are able to assess the amenities and services we need
- National Outcome 15: Our public services are high quality, continually improving, efficient and responsive to local people's needs.
- Divisional Priority 1: Provide increased access to Education and Communities facilities and resources through the Divisional Estate Asset Management Plan.
- Divisional Priority 6: We aim to give children the best start in life and improve life chances of children, young people and families.
- Divisional Priority 7: provide opportunities for people to develop skills for learning, life and work with a continuous focus on literacy, numeracy, health and wellbeing.
- Divisional priority 11: Raise the profile of our services, people and communities through celebrating our achievements and successes.

4.8 Involving Communities and Other Stakeholders

This proposed project will involve significant stakeholder consultation. The appointment of the project team will allow a stakeholder consultation / engagement strategy to be developed.

4.9 Ensuring Equalities

At present no EQIA is in place for the project. The appointment of a project team will allow a suitable EQIA to be developed.

4.10 Supporting Sustainable Development

The proposal looks to create a sustainable learning estate within the Penicuik area in support of the Learning Estates Strategy.

4.11 Digital Services Issues

Digital Services implications are not yet known however these will be developed in consultation by project board / team once they are in place.

5 Recommendations

It is recommended that Council:-

1. Note the Scottish Government's Commitment to fund the Beeslack A701 school project.
2. Note the content of the funding application letter and the strategic objectives contained therein.
3. Note the emerging funding model from Scottish Government and that further work is required to ascertain the financial implications for the Council and that a further report setting out the detail of the new funding model and its implications will be brought to Council as soon as the final details become clear.
4. Approve an initial capital expenditure budget for the development of the project in the General Services Capital Plan of £0.500 million in 2019/20.

Report Contact:

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Background Papers:

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Buccleuch Street
Dalkeith
EH22 1DJ

Chief Executive
Dr Grace Vickers

Midlothian

05 August 2019

Private & Confidential

Ms Clare Hicks
Deputy Director
Learning Directorate
Scottish Government
Victoria Quay
EDINBURGH
EH6 6QQ



Dear Ms Hicks

A World-Class Centre of Excellence in STEM

We thank you for your letter dated 04 July 2019 inviting local authorities to bring forward submissions for the initial phase of the Scottish Government's latest £1 Billion Schools Investment Programme.

Midlothian Council is ideally placed to support this initial phase of projects. In line with Government, Midlothian Council has developed its own Learning Estate Strategy which sets out the principles for our learning estate up to 2047. I attach a copy of our Learning Estate Strategy and confirm that this strategy has been approved by Council in May 2019 and is a core strand of the Council's approved Capital Strategy.

As you know we recently opened the Newbattle Digital Centre of Excellence and even in a short space in time this has shown to be innovative and sector leading attracting investment from university, college and the business sector. Midlothian Council has invested a significant amount of funding to ensure the Centre of Excellence continues to thrive. This proposal for the A701 is to create a Centre of Excellence in STEM in partnership with the University of Edinburgh adjacent to the Easter Bush Campus. We would like to propose Beeslack Community High School (A701 School) as our project for funding during the initial phase. We believe the strategic nature of this project is not only of local, but of national importance. This project, a Centre of Excellence in STEM education, in partnership with the University of Edinburgh, has the ability to significantly influence the wider programme delivery and STEM education in particular.

The site identified for the relocation of Beeslack Community High School, on the A701 Corridor, is immediately adjacent to the world renowned University of Edinburgh Easter Bush Campus and will provide the best possible location for a learning campus, drawing together the growing communities of Loanhead, Bilston, Roslin and Auchendinny.

This new campus would become a specialist learning facility operated by Midlothian Council in partnership with the University of Edinburgh. It will not only support education delivery in the local area but become a knowledge sharing school to support and improve education delivery across Scotland. Our partnership with the University of Edinburgh will look to

develop excellence in building design, curriculum design and pedagogy, which will influence learning and teaching across Scotland. The impact of this project is wide ranging, we have therefore attached the following paper in support of our application:-

- Copy of the project Flow chart which sets out in a diagrammatic manner the extent of the project.

We are currently in very positive discussions with our colleagues in the University of Edinburgh to look at how our partnership can be extended for the Beeslack Community High School (A701 School) and we will share further details with you in September.

Once this facility is delivered, children from Penicuik High School would temporarily relocate to the current Beeslack Community High School building, enabling Penicuik High School to be refurbished / replaced in part. The site at Penicuik is very constrained and would not allow the refurbishment / replacement works required to be undertaken with the children remaining on the same site. The Beeslack Community High School (A701 School) provides us with a unique opportunity to improve the learning estate across Penicuik. On completion of the work at Penicuik High School the children would return there, allowing the existing Beeslack High School site to be developed for much needed mixed tenure housing to meet growth demand in the area, returning a generous capital receipt to Midlothian Council which we would intend to use to reduce any debt for both the projects.

As can be seen from Midlothian Council's Learning Estate Strategy, we are making significant investment in our learning estate, however the projects at Beeslack Community High School (A701 School) and Penicuik High School have been identified within this document as projects that would not be possible to take forward unless we have specific funding support from Government. We appreciate that only one project is likely to be funded at this stage which is why we have made this application specifically for Beeslack Community High School. It is anticipated that Government would look favourably on future funding applications for Penicuik High School refurbishment.

Strategic Outcomes

In summary, we believe the replacement of Beeslack Community High School (A701 School) creates the opportunity for the following strategic outcomes:

1. The project would be the first phase in delivering an improved high school education campus in the Penicuik area.
2. Working in partnership with SFT / Scottish Government and the University of Edinburgh we have an opportunity to develop a research base which will support both the programme and education in general, with a continuous improvement model underpinned by solid research. This research would help to refine building design, STEM Curriculum and pedagogies (Three core areas).
3. In addition to the research outcomes, Midlothian, in partnership with SFT / Scottish Government and the University of Edinburgh, will engage with teachers from across Scotland, face to face and through our Shared Learning Spaces digital solutions, developing the STEM curriculum and pedagogies.
4. The project will act as the catalyst to economic development of the Straiton Corridor and we would be delighted to discuss this opportunity in more detail with economic development colleagues within the Scottish Government.
5. The project will build on the success of the other community schools delivered across Midlothian Council's estate to include a facility that responds to the needs of our communities for now and the future.

6. We believe that working in partnership with academia, Midlothian Council can deliver low carbon solutions that are affordable and will help to inform the rest of the Scottish Government's Schools Investment programme.
7. We believe we are at the forefront of digital enabled learning across Scotland through our Digital Centre of Excellence at Newbattle and this project provides the opportunity to build on expertise to create a knowledge sharing school to benefit Scotland as a whole.
8. We believe this proposal builds on the Scottish Governments' vision which supports excellence and equity for all.

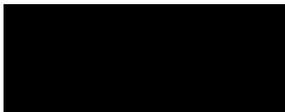
Shared Investment Approach

Midlothian Council is happy to confirm our commitment to actively working with SFT / Scottish Government to take forward the development work relative to the shared investment approach. Our previous experience has shown that we deliver high quality innovative projects and this puts us in a position to develop this approach in a constructive manner.

In conclusion, we welcome the opportunity to discuss our proposals in more detail with you and your team. Midlothian Council remains committed to the improvement of our learning estate and we believe the opportunity that this project creates will have a significant impact on the wider programme and Education in general.

We look forward to hearing from you.

Yours sincerely



Dr Grace Vickers
Chief Executive
lorraine.brown@midlothian.gov.uk

Encl.

- Learning Estate Strategy 2017 – 2047
- Learning Estate Strategy Update report 7 May 2019
- Project Flow Chart

Learning Directorate

Workforce, Infrastructure and Reform Division

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Local Authority Chief Executives

CC: LA Directors of Finance / Directors of Education / COSLA officers

Sent by email on Thursday 4 July

Dear Chief Executive

New Schools Investment Programme

In November 2018, the Deputy First Minister announced his intention to publish a new Learning Estate Strategy which would be co-produced with local government and other strategic partners. Working collaboratively, the Scottish Government and local government partners have agreed a principles-based strategy which we anticipate publishing in September 2019. The Learning Estate Strategy was agreed by COSLA Leaders at their meeting in April 2019. Our collective vision is “a Learning Estate which supports Excellence and Equity for all”.

At the same time, the Deputy First Minister also set out his plans for a new shared investment programme, to be supported by a £1bn Scottish Government investment package, which builds on the successes of the Scotland’s Schools for the Future programme. Over recent months significant work has been undertaken with COSLA and local government representative bodies to support the development of this new programme.

It is our intention to announce an initial phase of projects to be supported by the new investment programme around the time of the publication of the Learning Estate Strategy and to seek COSLA Leaders further agreement to this at their August meeting. This small initial phase of projects will seek to demonstrate the principles of the strategy. Working with the Scottish Government and the Scottish Futures Trust, the projects will also take forward the next stage of development activity to inform future phases of the investment programme.

Through engagement with COSLA, it is recognised that local authorities are at different stages of developing their own learning estate strategies and associated investment plans. With that in mind, the Scottish Government is seeking to announce a further larger phase of investment within 12 months of the first announcement to allow sufficient time for local development activities and decision making.

This letter sets out the strategic outcomes of the new investment programme as agreed with COSLA Leaders, outlines the shared investment approach, and requests that each local authority provide a brief update to the Scottish Government on the status of its current learning estate strategy and associated investment plans.

In line with all previous phases of the Schools for the Future programme, project selection will rest with Scottish Ministers. We anticipate this will apply to the small initial phase and the wider programme, however we are in discussion with COSLA officers regarding the governance and decision making for both this phase and the wider programme.

The Scottish Futures Trust will continue to coordinate, facilitate and manage the delivery of the investment programme.

Strategic Outcomes

Consistent with the principles of the forthcoming Learning Estate Strategy, Scottish Ministers are seeking to invest in projects which connect people, places and learning, deliver improved outcomes for all, and enable sustainable and inclusive economic growth.

In particular, investment will be focused on sustaining and improving the condition and suitability of the learning estate, establishing links across the learner journey where appropriate, and supporting sustainable estate planning and improved stewardship.

The investment programme is being designed to deliver high quality, suitable, sustainable, low carbon, digitally enabled learning environments. By working collaboratively, together we will achieve our common goals.

The national investment programme is intended to augment, not replace, local authorities' own investment plans. Scottish Ministers would anticipate that every local authority will continue to invest in its wider learning estate, in line with the significant local investment which has been undertaken in recent years.

It is recognised that demographic changes can impact upon need across the learning estate. With that in mind, Scottish Ministers are open to considering projects which are responding to these demographic changes particularly where there is a clear linkage to sustainable and inclusive economic growth and / or there is an associated link to sustaining and improving the condition of the local authorities wider learning estate.

Shared Investment Approach

All local authorities will be eligible to benefit from the new investment programme to sustain or improve the condition of their learning estate.

Each local authority must provide a commitment to deliver a new / refurbished school that will achieve and maintain 'A' good or 'B' satisfactory category condition throughout a minimum of a 25-year period.

To support this investment the Scottish Government has set out a funding package which seeks to align the funding commitment across primary, secondary and additional support needs (ASN) sectors. Previously there was a difference between the secondary sector and the primary / ASN sector. The alignment of the funding commitment recognises that many local authorities are investing in multi-sectoral projects:

Previous Programme			New Programme		
Primary	Secondary	ASN	Primary	Secondary	ASN
50%	66.6%	50%	50%	50%	50%

Funding made available through the previous programme supported the like for like replacement of existing capacity where required. While capacity growth has been supported locally through other mechanisms such as developers (or Section 75) contributions it is recognised that some local authorities have been unable to secure sufficient funding to progress and / or fully fund development. On a project by project basis where a local authority can evidence that it has maximised other sources of funding prior to seeking investment through the programme, proposals that respond to population growth or tackle capacity issues in an efficient and effective way may be considered for inclusion in the new programme.

An outcomes based funding model has been developed to take forward this programme of investment. You will have received details of the model from your finance colleagues, who have been engaged through workshops facilitated by COSLA. It is recognised that the model has been developed in a theoretical space and is yet to be tested on specific projects. Part of the intention to launch a small first phase is to facilitate further development of this funding model in a practical manageable way. As part of the initial phase, local authorities will be required to actively work with Scottish Government and the Scottish Futures Trust to take forward this development work. There will be a particular focus on developing the scope, delivery and monitoring arrangements associated with the outcomes approach including the approach to FM and lifecycle. The Scottish Government remains in active dialogue with COSLA concerning all these matters.

Request for Status Update

As noted earlier, the Scottish Government is seeking to announce an initial phase of projects to be supported by the new investment programme around the time of the publication of the Learning Estate Strategy.

Whilst recognising that this initial phase of projects is intended to be small, and will be followed by a larger phase of investment within 12 months, it is important that there is a comprehensive current understanding of local authorities' own plans to support decision making.

It would be appreciated if you could provide a short status update setting out how your authority is developing its local learning estate strategy and associated investment plans. If the local authority has identified a priority project(s) for investment, that is supported with an approved financial commitment, please identify the project(s) in your update and outline how the proposal is responding to the strategic outcomes outlined above.

Responses should be submitted by email or letter to myself at the Scottish Government by **5 August 2019** if this deadline causes significant issues then please get in touch. We anticipate, on this basis that COSLA will be in a position to provide an update to COSLA Leaders in late August ahead of the formal launch of the Learning Estate Strategy and an announcement of an initial phase of investment. Further contact will be made seeking further submissions prior to any subsequent phase of investment. If you have any queries please contact me on 0131 244 0950, or Andy Dailly,

Head of School Building, on 0131 244 7866 or Andrew.Daily@gov.scot or Sarah Watters,
COSLA on 0131 474 9329 or sarah@cosla.gov.uk

Yours faithfully

Clare Hicks
Deputy Director
Learning Directorate