

ABERDEEN CITY COUNCIL

COMMITTEE	Education and Children's Services Finance and Resources
DATE	21 November 2023 22 November 2023
EXEMPT	The content of the report is public, but it contains an exempt appendix (Paragraph 8 of Local Government (Scotland) Act 1973 Schedule 7A Access to Information)
CONFIDENTIAL	No
REPORT TITLE	Outline Business Case: New Secondary School Provision for Hazlehead and Countesswells
REPORT NUMBER	RES/23/366
DIRECTOR	Steve Whyte/Eleanor Sheppard
CHIEF OFFICER	Stephen Booth
REPORT AUTHOR	Maria Thies
TERMS OF REFERENCE	Education and Children's Services Committee: 1.1.1, 1.1.2 Finance and Resources Committee: 1.1.4

1. PURPOSE OF REPORT

This report presents an Outline Business Case (OBC), setting out the findings of a recent feasibility study, to identify options for delivering new secondary school provision within the Hazlehead and Countesswells Associated Schools Groups (ASGs)

2. RECOMMENDATIONS

That the Education and Children's Services Committee:

- 2.1 Notes the recommended option within the OBC and Instructs the Chief Officer - Corporate Landlord to carry out a statutory public consultation on the proposal to establish a new campus on the Hazlehead Academy playing fields and on proposed changes to the existing Countesswells and Hazlehead secondary school catchment areas, to create a new catchment area which would be served by the proposed new school provision; and
- 2.2 Instructs the Chief Officer – Corporate Landlord to report back to the Committee on the outcomes of the consultation at its next available meeting following the conclusion of the consultation process, in July 2024

That the Finance and Resources Committee:-

- 2.3 Approves in principle the recommended option within the OBC to construct a new 1600 pupil campus on the current Hazlehead Academy playing fields to

provide secondary school provision for Hazlehead and Countesswells ASGs, subject to the outcome of a statutory consultation;

- 2.4 Instructs the Chief Officer – Capital to refer the proposals for the project to the Budget process in 2024/25; and
- 2.6 Subject to the outcomes of the statutory consultation and any decision taken at the budget meeting of March 2024 approves in principle the use of resources for the implementation of the project from 2024;

3. CURRENT SITUATION

- 3.1 The Council's School Estate Plan was approved by the former Education Operational Delivery Committee on 8 September 2022 when officers were instructed to assess the feasibility of creating new secondary school provision to serve the communities of Hazlehead and Countesswells and to put this forward to the Scottish Government as a priority project for funding in Phase 3 of the Learning Estate Investment Programme (LEIP).
- 3.2 At its budget meeting of 1 March 2023, Council instructed the Chief Officer - Corporate Landlord to progress the new Hazlehead/Countesswells Secondary School to an Outline Business Case and to report back to the Finance and Resources Committee by the end of the financial year 2023/24; [Decisions 01st-Mar-2023 10.30 Council.pdf](#) An indicative budget was allocated in the Capital Programme for this project.
- 3.3 A proposed new secondary school project to serve the communities of Hazlehead, Countesswells and Kingswells (which is included within the Countesswells secondary school catchment area) was submitted to Scottish Government in October 2022 as a priority for phase 3 LEIP funding. The LEIP Phase 3 funding announcement on 30 October confirmed that this project has met all the qualifying criteria and has been identified by Ministers to be included as part of the Phase 3 of the LEIP.
- 3.4 This project fulfils the instruction to create new school provision for Hazlehead and Countesswells and will support the following vision as outlined in the school estate plan:

Our buildings and grounds are used to deliver highly effective learning experiences and to support pupil, staff and community wellbeing within and out with school hours. Across Aberdeen City, we will make the best use of our facilities to ensure sustainable, transparent and equitable allocation of resources to support the learning needs of all. As a result, our facilities will support our ambition to ensure each and every learner has the opportunity to attain and achieve a wide range of qualifications and develop the skills for life, learning and work

- 3.5 The outline business case, included at appendix A of this report, sets out the findings of the feasibility study, and provides an analysis of the options assessed.
- 3.6 The outline business case identifies the current constraints around building on the school site at Countesswells and the many unknowns around future housing development rates and the timings for this. The details of current and any potential future developer contributions to be received by ACC are also highlighted for each assessed option alongside the risks and potential impact for consideration.
- 3.7 The findings from the feasibility study have indicated that in order to meet future school capacity requirements for these communities and to provide high quality learning environments to support the needs of all pupils, staff and the wider community which are efficient and have least cost to the Council, the most viable option is to develop the new campus on the existing Hazlehead site, whilst allowing the current Hazlehead Academy to operate during the construction phase.
- 3.8 In tandem with the feasibility study, a stakeholder engagement exercise was undertaken, in which parents, pupils, staff and the wider communities associated with the schools in the ASGs were invited to indicate whether they supported the proposal to build a new secondary school at Hazlehead to serve the communities of Hazlehead, Countesswells and Kingswells in advance of a statutory consultation.

Key Messages in support of this option included:

- Concerns that the current school building is not fit for purpose and doesn't offer a modern and inspiring learning environment
- The site location is felt to be well positioned and the additional adjacent green space at Hazlehead park is a huge benefit for pupils and staff to enjoy
- Strong emphasis that a new campus would motivate and inspire future pupils and staff leading to better outcomes
- The urgency to increase capacity as the pupil roll grows
- It is felt that a new school is long overdue and the investment will benefit three communities and the city.

Key Messages unsupportive of this option included:

- The proposed capacity being too large and preference to have two smaller secondary schools for each ASG (Hazlehead & Countesswells)
- Loss of community identity
- The need to maintain safe walking distances/routes to Hazlehead
- Concerns that joining up three communities could create more social issues in the future

- Countesswells residents were sold houses on the principle that a secondary school would be provided within the development at a future date.
- 3.9 The feedback received from stakeholders unsupportive of the proposed new secondary school at Hazlehead will be reviewed and officers will provide additional information on how these concerns will be addressed and responded to at the statutory consultation stage.
- 3.10 It is therefore recommended that the Education and Children's Services Committee instructs officers to proceed with a statutory consultation on the proposal to build a new secondary school at Hazlehead to serve the communities within the Hazlehead and Countesswells ASGs.

Overview of Countesswells Development and current Section 75 Agreement

- 3.11 Pupils living within the new Countesswells development are currently zoned to Hazlehead Academy for secondary school provision. This was intended to be a temporary measure in advance of a new secondary school being constructed within the Countesswells development. A decision was also taken to include the established settlement of Kingswells within the catchment area for the new school at Countesswells. Hazlehead Academy has a capacity of 1127 and has a current roll of 1080 pupils, this includes 47 pupils who live at Countesswells. Future pupil numbers generated at Countesswells will be aligned to housing developers' build rates. A Section 75 Agreement is in place which places a duty on ACC to provide secondary education provision on a pre-selected site within the development upon completion of the 1000th housing unit. It is difficult to predict a timeline for when this will happen due to current market conditions and the impact of the development going into administration last year.
- 3.12 The first 1000 housing units will generate approximately just over 100 pupils that will require secondary school provision at this time. This number of pupils is not viable to sustain a new secondary school both from a curriculum offering and the capital and revenue investment required to deliver it. Within the updated School Estate Plan, a recommendation was approved by members that all new secondary schools are to be designed with a minimum pupil capacity of 1000 in order to support high quality learning and teaching
- 3.13 The Section 75 agreement for the Countesswells development (signed on 21 March 2016) sets out clear triggers for the delivery of the secondary education provision. Any proposed changes will require to be discussed and negotiated accordingly. Due to the fact that there are a number of parties i.e. various 'Current Owners' and 'Developers' (as defined in the S75 agreement) to the Countesswells S75 agreement, it might be quite difficult to get all the parties to negotiate a variation of the S75 agreement. The current Countesswells developer contributions received for secondary school provision currently cannot be used to fund the recommended option within this OBC.
- 3.14 Countesswells Development Limited (CDL) who managed and coordinated delivery of the Countesswells Masterplan development went into administration in 2021. This has proved challenging for officers to conduct any engagement to date regarding potential options for future secondary school provision for

Countesswells pupils. Officers will continue to liaise and seek updates from the administrators as information becomes available.

- 3.15 Build out rates have been a lot slower than anticipated and there are still many unknowns surrounding timings, future receipt of developer contributions and the infrastructure works and costs required to connect and access the allocated secondary school site to the rest of the development.
- 3.16 Due to this current situation and the likely reduced pupil numbers at Countesswells for the foreseeable future, building a school to serve only that community is likely to lead to inefficiencies, in terms of both staffing and building running costs, which over the long term would be substantial.

4. FINANCIAL IMPLICATIONS

- 4.1 Costs arising from the recommendations of this report subject to the outcome of the statutory consultation will be met from the existing project budget within the Capital programme. The recommended option within the OBC is currently reporting stage one costs above the current indicative capital budget approved at the budget meeting in March 2023. The project will need to be referred to the Budget Cycle in 2024 for approval subject to the outcome of the statutory consultation.
- 4.2 If the project does not proceed to the construction stage, any capital costs incurred to that point may have to be considered for decapitalisation, with the resulting impact to the Council's General Revenue Account.
- 4.2 A Section 75 Agreement is in place at Countesswells which places a duty on ACC to provide a secondary school on a pre-selected site within the Countesswells development upon completion of the 1,000th housing unit. The S75 agreement currently does not allow for the Council to use the 'Secondary School Contribution' to build the secondary school on a different site – it must be built on the 'Secondary School Land' within the Development Site at Countesswells therefore the developer contributions received for the Countesswells secondary provision cannot be used to fund the new Hazlehead Campus.
- 4.3 The award of LEIP phase 3 funding will be profiled as a future reduced revenue cost within the Full Business Case.

5. LEGAL IMPLICATIONS

- 5.1 Section 1 of the Education (Scotland) Act 1980 provides that it shall be the duty of every education authority to secure that there is made for their area adequate and efficient provision of school education
- 5.2 Section 17 of the Education (Scotland) Act 1980 provides that it shall be the duty of an education authority in the performance of their functions under sections 1 to 6 of the Act, to provide for their area, sufficient accommodation in public schools and other educational establishments under their management to enable them to perform their said functions. In addition, an education authority shall maintain and keep efficient every public school, and other

educational establishment under their management, and shall from time to time provide such additional accommodation as may be necessary to enable them to perform their functions under the Act and may, provide, alter, improve, enlarge, equip and maintain schools and other educational establishments within their area.

- 5.3 A proposal to close or merge a school and catchment area is a relevant proposal under the Schools (Consultation) (Scotland) Act 2010. The 2010 Act prescribes the procedural steps the Education Authority must take. This includes:
- preparation of a proposal paper;
 - giving notice of the proposal;
 - ingathering oral and written representations;
 - holding a public meeting;
 - providing Education Scotland with all relevant documentation;
 - reviewing the proposal having regard to the representations received and Education Scotland's report; and
 - thereafter publishing a consultation report containing an explanation of how it has reviewed the proposal and responding to the points raised during the consultation.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations within this report. The recommended design option will feature reduced operational energy and whole life carbon emissions which will contribute to ACC's Net Zero target for 2035.
- 6.2 The school design will feature zero emissions heating/cooling and will maximise the opportunities in good passive design principals, primarily targeted around minimising heating demand and heat losses through thermal performance characteristics, efficient window fenestration detailing and reducing losses associated with thermal bridging and air infiltration rates.
- 6.3 Embodied carbon targets will feature in the design brief and shall be referenced against the performance targets within Scottish Futures Trust's LEIP criteria.
- 6.4 Under National Planning Framework (NPF) 4 there will be a process which will need to be presented to demonstrate why demolition is a better option than reuse or refurbishment, which will include whole life carbon assessment.
- 6.5 Encouraging active and sustainable travel through the provision of an enhanced path network, facilities and infrastructure forms part of this project scope. The Hazlehead site presents a great opportunity to act as a focal point for a series of surrounding paths which are currently underused, improving these to provide safe routes to school which prioritise active travel over cars.
- 6.6 Parking areas will be designed to accommodate future expansion of EV charging points.

6.7 The design option will work to enhance the natural capital found in existing settings and provide a range of external spaces which encourage a broad range of uses and enhance biodiversity within the site. This will be achieved through retaining where possible existing trees, shrubs and naturalised areas. The Design Team will work closely with an ecologist to ensure any new areas of soft landscaping maximise biodiversity creation within the site. This will aim to have a positive impact on the site biodiversity and increase the current benchmarking in line with NPF4 and current best practice.

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	Failure to deliver on priority actions within the approved School Estate Plan	Implementing the recommendations in this report will ensure that the project can proceed to the next stage.	L	Yes
Compliance	Failure to plan effectively for future school capacity requirements for Hazlehead and Countesswells ASGs leading to the Council being unable to fulfil its duty to make adequate and efficient provision Non-compliance of Section 75 Agreement	The School Estate Plan sets out priorities for the school estate and proposals for continually monitoring and updating plans to ensure adequate and efficient provision is maintained. Implementing the recommendations in this report will ensure that the project can proceed to the next stage. Officers will continue to seek updates and continue to engage with the CDL Administrator to ensure any opportunity is taken to hold future negotiations/discussions/variation to the Section 75 Agreement	L	Yes

Operational	The recommended option doesn't meet the aspirations of the Community/ stakeholders	A statutory consultation will be carried out detailing the proposals and inviting comment and feedback from all stakeholders. The outcome of this consultation will be reported back to Education and Children's Services Committee before any decision to proceed is approved.	L	Yes
Financial	Insufficient Capital funding available with the Capital Plan to deliver the final designed project	Refinement of stage 1 costs following design development stage will allow a more accurate costings to be reported within the Full Business Case	M	Yes
Reputational	Risk of damage to Council reputation if the new Hazlehead Campus option is not delivered. The emerging communities of Countesswells may disagree should ACC decide not to provide a new secondary school at Countesswells	Implementing the recommendations in this report will ensure that the project can proceed to the next stage. ACC will need to demonstrate the benefits of the recommended option to the residents of Countesswells during the consultation stage and address the feedback from the engagement survey.	L	Yes
Environment / Climate	Non identified			

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2023-2024</u>	
Impact of Report	
<p>Aberdeen City Council Policy Statement</p> <p><u>Working in Partnership for Aberdeen</u></p>	<p>This report supports the delivery of the following policy statements:</p> <p><u>A City of Opportunity</u></p> <p>Policy Statement 2 - Review and invest in our school estate, ensuring all of Aberdeen's schools are fit for the educational needs and the challenges of the 21st century. The report seeks Committee's approval to proceed with new secondary school provision for Hazlehead and Countesswells ASGs</p> <p><u>A Prosperous City</u></p> <p>Policy Statement 8 - Seek to buy goods, services and food locally whenever possible, subject to complying with the law and public tendering requirements. Opportunities to do this will be considered for all Capital Projects.</p>
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	
Prosperous Economy Stretch Outcomes	The proposals in this report support the delivery of Stretch Outcome 3 – 500 Aberdeen City residents upskilled/reskilled to enable them to move into, within and between economic opportunities as they arise by 2026. The investment in our estate is interlinked with the investment in our workforce and will contribute to the diversification of the local economy
Prosperous People Stretch Outcomes	Prosperous People: The project will support Stretch Outcome 8 in the LOIP - <i>Child friendly city where all decisions which impact children and young people will be informed by them by 2026</i> . The engagement survey at feasibility stage provided an opportunity for children and young people to have their say on which option they supported.
Prosperous Place Stretch Outcomes	Prosperous Place: The project will support Stretch Outcome 14 - Increase sustainable travel: 38% of people walking and 5% of people cycling as a main mode of travel by 2026.

	<p>Sustainable routes to school, safety, fitness and the well being of our communities will form part of the design development stage.</p> <p>This project will also support the delivery of LOIP Stretch Outcome 13 – Addressing climate change by reducing Aberdeen’s carbon emissions by at least 61% by 2026 and adapting to the impacts of changing climate. The project will be exemplar in terms of net zero and green credentials.</p>
Regional and City Strategies	This project forms part of the School Estate Plan which will support the delivery of the Council’s Property and Estates Strategy and the Net Zero Routemap for Aberdeen City.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	A Stage 1 Integrated Impact Assessment has been completed
Data Protection Impact Assessment	Not required
Other	No other assessments required

10. BACKGROUND PAPERS

10.1 Budget Meeting, Council 1 March 2023
[Decisions 01st-Mar-2023 10.30 Council.pdf](#)

11. APPENDICES

11.1 Appendix A – Outline Business Case and concept designs

12. REPORT AUTHOR CONTACT DETAILS

Name	Maria Thies
Title	Estates Programme Manager
Email Address	mthies@aberdeencity.gov.uk
Tel	07793365907