
Meeting: Schools Forum
Date: 20 June 2011
Subject: Summary of the findings & recommendations of the James Review
Report of: Deputy Chief Executive and Director of Children's Services
Summary: To provide information on the findings and recommendations of the recent review of school capital.

Contact Officer: Rob Parsons, Head of School Organisation & Capital Planning
Public/Exempt: Public
Wards Affected: All
Function of: Council
Reason for urgency (if appropriate)

RECOMMENDATIONS:

To note the findings & recommendations of the James Review.

Background

The independent Review of Education Capital, led by Sebastian James (Group Operations Director of Dixons Retail plc), was published by the Department for Education (DfE) on 8 April.

It was asked to review, in the context of the Government's deficit reduction plans and emerging policy the Department's existing capital expenditure and make recommendations on the future delivery models for capital investment for 2011-12 onwards to;

- ensure that future capital investment represents good value for money and strongly supports the Government's ambitions to reduce the deficit
- raise standards and tackle disadvantage
- and to consider how all DfE capital expenditure within any spending constraint and PFI policy could be distributed more effectively over the next Spending Review period (2011-12 to 2014-15).

The review was announced in July 2010 alongside the DfE decision to end the Building Schools for the Future programme, and has been published much later than originally planned. It makes 16 recommendations which, if adopted, would lead to a fundamental change in the present system for building and maintaining schools.

The report is presented in two parts. Part 1 is a critique of the current processes for capital allocation, Building Schools for the Future (BSF), devolved and targeted programmes, and the maintenance of 'the school estate'. It also looks briefly at ICT, the impact of building regulations and the planning system, energy use and purchasing, and insurance. Part 2 sets out the review's recommendations.

Review findings in summary

The review highlights problems with BSF, but also the primary capital programme and the academies programme, the lack of clear aims, the concept of educational transformation, rather than focus on condition and need, bureaucratic, high cost, high risk process. The review criticises the extent of the involvement of both pupils and senior staff in individual schools on the design process – and notes that attainment fell on average during and just after the building process in BSF schools. The review further notes the variation in costs and standard of designs across the process and that this did not improve as more schools were built, suggesting a failure to build on experience from other schools/ LAs.

The review also criticises the process for devolved capital, the lack of data on building condition, the need for local determination of priorities within a local area, but for distribution of funds between local areas to be based on a better understanding of need. Allocation of basic need funding is seen as appropriate being based on population projections, but the formula for distributing maintenance funding to schools on pupil numbers means that the schools in the worst condition lose out. There is little information about how devolved capital is spent either nationally or at LA level, with schools not being monitored on how the capital is spent. This, in some cases, has led to neglect of the buildings in favour of ICT for example due to a lack of accountability for the school buildings.

The review also considered the negative impact that the numerous targeted funding streams have had on the capacity for local authorities and schools to plan their capital spend, increases in bureaucracy and the danger that those who are good at bidding for funds get most, while those in need do not.

ICT expenditure in schools is often ad hoc and has not benefited from the expected advantages of a strategic approach through the capital programme. Where it was included in BSF programmes the lifecycle of the technology is much shorter than the building, causing problems later on.

The regulatory framework for school buildings is more onerous in state schools than in private schools; it is rigorously policed and because each school is bespoke, have to be considered for every new school. Planning regulations hinder changes to projects mid-stream and bespoke designs again cause delay. Energy efficiencies and insurance costs need further examination but seem to vary dramatically across schools and LAs.

Recommendations

The recommendations address three areas: capital allocation, design and build, and effective procurement and maintenance. The specific recommendations are:

- 1) Capital investment and apportionment should be based on objective facts and use clear, consistently-applied criteria. Allocation should focus on the need for high-quality school places and the condition of facilities.
- 2) Demand-led programmes, such as Free Schools, are most sensibly funded from the centre and a centrally retained budget should be set aside for them.

- 3) The Department should avoid multiple funding streams for investment that can and should be planned locally, and instead apportion the available capital as a single, flexible budget for each local area, with a mandate to include ministerial priorities in determining allocations.
- 4) Notional budgets should be apportioned to Local Authority areas, empowering them fully to decide how best to reconcile national and local policy priorities in their own local contexts. A specific local process, involving all Responsible Bodies (ie. those which own and manage facilities), and hosted by the Local Authority, should then prioritise how this notional budget should be used.
- 5) The local prioritisation decisions should be captured in a short local investment plan. There should be light-touch central appraisal of all local plans before an allocated plan of work is developed so that themes can be identified on a national level and scale-benefits achieved. This must also allow for representations where parties believe the process has not assigned priorities fairly.
- 6) Individual institutions should be allocated an amount of capital to support delivery of small capital works and ICT provision. Wherever possible, this should be aggregated up to Responsible Bodies according to the number of individual institutions they represent, for the Responsible Body then to use for appropriate maintenance across its estate, working in partnership with the institutions.
- 7) The Department ensures there is access to clear guidance on legal responsibilities in relation to maintenance of buildings, and on how revenue funding can be used for facility maintenance.
- 8) That the Department:
 - gathers all local condition data that currently exists, and implements a central condition database to manage this information.
 - carries out independent building condition surveys on a rolling 20% sample of the estate each year to provide a credible picture of investment needs, repeating this to develop a full picture of the estate's condition in five years and thereafter.
- 9) That the Department revises its school premises regulations and guidance to remove unnecessary burdens and ensure that a single, clear set of regulations apply to all schools. The Department should also seek to further reduce the bureaucracy and prescription surrounding the use of BREEAM assessments (Building Research Establishment Environmental Assessment Method).
- 10) There should be a clear, consistent Departmental position on what fit-for-purpose facilities entail. A suite of drawings and specifications should be developed that can easily be applied across a wide range of educational facilities. These should be coordinated centrally to deliver best value.
- 11) The standardised drawings and specifications must be continuously improved through learning from projects captured and co-ordinated centrally. Post occupancy evaluation will be a critical tool to capture this learning.
- 12) As many projects as possible currently in the BSF and Academy pipeline should be able to benefit from the Review's findings to ensure more efficient procurement of

high quality buildings. This should be an early priority to identify where this could be done.

- 13) That the Central Body should put in place a small number of new national procurement contracts that will drive quality and value from the programme of building projects ahead.
- 14) That the Department uses the coming spending review period to establish a central delivery body and procurement model, whereby the pipeline of major projects – to a scale determined by the Department – is procured and managed centrally with funding retained centrally for that purpose.
- 15) The Department quickly takes steps to maximise the value for money delivered through maintenance and small projects and puts in place a simple and clear national contract to make this happen.
- 16) That the Department revisit its 2004 Cap Gemini report (on school insurance) and implement proposals where they are appropriate.

Commentary

Among these recommendations a clear role for a 'Central Body' emerges. This body will have the capacity and expertise to act as the 'expert client' across the system, with responsibility for data collection, allocation of funding and setting expected outputs, signing off local investment plans, procuring and managing national contracts with suppliers, directly procuring and managing most new build and other major contracts, monitoring the performance of contractors and Responsible Bodies, ensuring continuous improvement through the system, working with the industry supply chain to drive down costs and timescales, and deliver high quality buildings on time and on budget.

The recommendation to create a local panel based on the LA area, responsible for developing a local investment plan, will require the LA to work with all responsible bodies in the area to establish the strategic direction of capital investment across **all** schools except free schools which would still be managed by the DfE. The focus of the plan would be the prioritisation and allocation of a notional single flexible local budget to address condition issues and to manage growth.

The process for aligning expenditure proposed through the local investment plan with S106 collected by the LA will need to ensure that the Council's legal obligations for appropriate and timely expenditure of developer contributions are met. This will be particularly relevant where new provision is proposed to be procured and managed by the 'Central Body'.

The recommendation that capital investment should be based on objective facts and use clear, consistently-applied criteria reflects the process established by Central Bedfordshire in prioritisation of the schools capital maintenance and other rolling programmes. This will shortly be strengthened further by the publication of a range of school asset management data that has been collected by the authority.

The School Organisation & Capital Planning Team intends to publish the Council's first School Organisation Plan in June 2011 and this will be the key document in the process of planning school places and managing growth across the LA.

The document will contain:

- The policies and principles that will guide the Council and its partners in school organisation
- An explanation of the methodology used to calculate projected future demand for school places
- Current and future demand for school places at an LA and local area level

The SOP will form the basis for discussions with schools over school organisation and will also guide future decisions regarding the integration and form of required new provision. The document will be reviewed and updated annually to ensure that the projections of demand for school places are as accurate as possible.

Next steps

The review has been welcomed by Michael Gove but no further statements have been made as to a formal DfE response, any consultation or indeed potential implementation timeframe for the 16 recommendations that the report makes. However it is clear that the DfE are developing these recommendations further through workshops with the Education Building Design Officer Group and other representative professional bodies and further detail is expected shortly with a formal response from the DfE.