

Audit Committee Report 03-03(2)

The Welsh Assembly Government's response to the Report and Recommendations of the Audit Committee - "Management of the Further Education Estate in Wales "- following the presentation of their report on 28 August 2003

The Welsh Assembly Government is grateful for the report and welcomes the findings. Having taken into account the advice of the National Council for Education and Training for Wales, we offer the following response to the eight recommendations in the report.

The Assembly Government notes the priorities set out in the report, which the National Council will address in collaboration with further education institutions. The National Council will take account of the underlying principles in the development of its new National Planning and Funding System and in the establishment of the wider provider network.

The National Council will distribute the report to all institutions. Institutions will be asked to provide formal responses to the Council detailing the actions which they propose to take in response to the Committee's recommendations.

Recommendation

i) in terms of meeting their obligations under the Disability Discrimination Act 1995, institutions should, with the support of the Council, as a minimum address immediately and with the utmost urgency those works which should already have been implemented. We further recommend that by December 2003 the Council report back to this Committee on the progress being made in addressing the requirements of the DDA;

Accepted. The Council recognises the priority attaching to institutions meeting their obligations under the Disability Discrimination Act 1995. In allocating £11m of capital resources to institutions for the 2003/04 academic year the Council indicated that priority should be given in the use of this provision to compliance with legislative requirements, primarily in respect of the DDA. The Council is monitoring institutions' planned expenditure and has also circulated a questionnaire to the sector to establish progress against work needed to comply with the DDA. As a condition of funding, all institutions are required to compile Disability Statements, setting out the services and facilities their establishment offers for people with disabilities. These are

due to be submitted to the Council in October 2003.

More broadly, the Council's 2003-2006 Corporate Plan gives prominence to ensuring the provision of appropriate opportunities for students with special needs. This is being achieved through the allocation of supplementary funding for students with learning difficulties and disabilities. A further objective within the Plan is to ensure that learning locations are accessible to users with disabilities. These imperatives are reflected within the development of the new National Planning and Funding System. One of the funding streams of the proposed system, Learning Network Investment, will support the Council's investment in the strategic development and improvement of the infrastructure, equipment and facilities for learning.

The Council will report to the Committee in December 2003 on progress by institutions in addressing the requirements of the DDA.

ii) in the context of its planning and funding review, the Council allocates at least some of its funding for estates according to the identified need of individual institutions;

Accepted. As stated in the response to recommendation (i) one of the funding streams of the proposed National Funding System will support strategic investment by the Council. The new funding system is due to be introduced in August 2004 and become fully operational in August 2005. In the interim, the Council is attaching conditions to funding and monitoring progress closely to ensure agreed priorities are addressed, and that institutions are investing in the improvement of their estates. In November the Council will consider proposals to address the 30% of the further education estate which is poor or requires major repair or replacement, as part of a wider review of estates issues within the developing provider network. The intention is to balance the provision of a base level of funding to all institutions for routine maintenance with targeted funding directed at institutions' specific needs.

iii) the Council signals the weight it attaches to estates matters through the development and publication of its priorities for improving the estate;

Accepted. In November 2003 the Council will publish a statement of its policies and priorities, which will take account of the issues raised by the National Audit Office and the Audit Committee. The statement will set out the priorities it will attach to investment in the estate of capital provision to be made available. It is anticipated that priorities will be:

- a. ensuring compliance with statutory requirements, including DDA legislation;
- b. reducing backlog maintenance;
- c. improving space utilisation; and
- d. improving the quality of accommodation.

iv) institutions review their estates strategies on an annual basis to ensure that they

remain up to date, taking into account both the criticisms made by the National Audit Office Wales' consultants and the priorities published by the Council;

Accepted. The Welsh Assembly Government agrees that it is appropriate for institutions to review and, where appropriate, update their strategies annually. The need to update such strategies will depend upon the extent to which changes in circumstances are significant enough to require this. The Council's Estate Management Manual stresses to college Governing Bodies the importance of maintaining estates strategies which are relevant and up to date, and of recognising key changes and factors which impact on estates needs. The National Audit Office Wales' consultant's evaluation reports on estate strategies were circulated to individual colleges in April 2003 and the Council's officers are working with institutions to address the content of the consultant's reports.

Currently, many institutions are awaiting the outcome of various ongoing reviews and initiatives before finalising the updating of their estate strategies. The implementation of the review of the land based sector and the development of the wider provider network in particular will impact significantly on the infrastructure required for the delivery of the required education and training provision. When the outcomes of these developments are finalised in early 2004 the relevant institutions will be required to update their estates strategies to reflect these and to submit copies to the Council for assessment. This is scheduled for completion in the summer of 2004.

v) using the Further Education Estates Management statistics project as a basis, the Council should set targets for continued improvements to the estate and publish the progress being made;

Accepted. The Council has played a leading role in the development of the UK Further Education Estates Management Statistics (FEEMS) project. 118 further education institutions across the UK including all Welsh colleges participated in the first phase, and the consultants' report on this is currently being finalised. The final report will be issued to all colleges and will enable them to undertake initial benchmarking against a comprehensive set of estate-related ratios and measures. An extensive bespoke database has been established which includes a range of analysis and reporting tools.

From November 2003, as part of a wider review of estates issues within the developing provider network, the Council, in discussion with colleges and Fforwm, will agree and publish targets for the achievement of improvements. The targets will reflect the key priorities established by the Council and the resources available.

vi. the Council reviews the resourcing of its Property Section to ensure it is equipped to deal with the task in hand;

Accepted. In the context of its organisational development project, the Council intends to establish a dedicated Property Section separate from that of the Higher Education Funding Council for Wales. It will be resourced appropriately to enable it to monitor and advise further education institutions in respect of the improvement and development of their estates.

vii) institutions consider strengthening their estate resources with either an in-house appointment, buying in expertise or collaborating with other institutions; and

Agreed. It is common practice for FE institutions to supplement any in-house resource with appropriate external expertise particularly to tackle more significant estates projects and developments. Quantity surveyors, architects, design consultants and project managers are used on a regular basis to ensure that projects are designed, managed and completed effectively. In distributing the Audit Committee's report to institutions, the Council will draw the attention of governors and senior managers to the need to access appropriate expertise.

The current version of the Estate Management Manual, published by the Council in May 2001, contains a chapter which focuses on the need to obtain external professional advice on property matters where expertise is not available internally. An FE estates managers group meets regularly and is active in sharing good practice and developing new models of practice. The Council's officers, in conjunction with Fforwm, will continue to develop the role of this group to ensure increased collaboration and drive forward the required improvement in property management.

viii) the Auditor General for Wales advises us on what has happened in response to our previous recommendations concerning the current model for the education sector, and whether the Assembly intends to take any more action in the future.

The Assembly Government keeps under review the organisational model for the post-16 educational sector as it relates to Further Education institutions and will consult the Education and Lifelong Learning Committee on such proposals as it may consider necessary. The Audit Committee has already been informed in the Cabinet response to Audit Committee Report 04-02 (Procurement in the Further Education Sector in Wales) that further education institutions in Wales are established under the Further and Higher Education Act 1992 and that an amendment to their statutory basis would require primary legislation. This remains the case. At present the Assembly Government is satisfied that the current model is appropriate and conducive to the delivery of the Assembly Government's agenda, and has no plans to promote change.

The Assembly Government is also satisfied that the powers available to the Council with respect to Further Education institutions are sufficient to enable the National Council to carry out its role with regard to these institutions. In coming to this view the Assembly Government is mindful of successive annual Governance Assurance Statements prepared by the Council, and

the positive outcomes following intervention by the Council in line with its strategic role. The Assembly Government notes, in particular, the National Council Governance Assurance Statement 2002-03, which indicates that systems of governance in Further Education institutions are generally adequate, and operating satisfactorily.

The Assembly Government will continue to keep these matters under review and, whenever technical improvements appear necessary, will remain alert to the need to make these as soon as a suitable legislative vehicle becomes available.