



Evidence - Public Accounts Committee
Inquiry into 21st Century Schools
and Education Programme

MAY 2018



CLILC • WLGA

PAC Inquiry into 21st Century Schools and Education Programme

Welsh Local Government Association – May 2018

Introduction

1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales. The three national park authorities and the three fire and rescue authorities are associate members.
2. It seeks to provide representation to local authorities within a policy framework that is underpinned by a commitment to local democracy and accountability. In doing so it must satisfy the priorities of our members and ensure that local public services are at the forefront of the debate on developing devolution in Wales and the communities we serve.
3. The WLGA welcomes the opportunity to respond to the Public Accounts Committee's inquiry into the 21st Century Schools Programme and to attend a meeting with the Committee on 11th June. The Association also recognises the value of the Committee's focus on the Auditor General for Wales's report, *The 21st Century Schools and Education Programme* published in 2017. The focus of this evidence will be to broadly welcome many of the findings in the Auditor General's report.
4. The WLGA has been involved in the 21st Century Schools programme since its inception and contributed recently to the Auditor General's report. It is therefore appropriate and fitting that the WLGA should be invited to contribute to this inquiry. We firmly believe that it is a key example of where councils and Welsh Government working in a defined partnership have produced significant improvement for children across Wales.

Background

21st Century Schools is a long term, strategic, capital investment programme developed in partnership between the WLGA, Local Government and the Welsh Government. The Programme is recognised widely within Local Government as one of the most successful examples of policy development and implementation in recent years. The Auditor General notes in his report notes that,

"It is clear from the evidence we have seen that the Programme's approach is a vast improvement on what went before."

The Programme was developed in an attempt to address the deficiencies of the previous approach to capital investment in school buildings - the School Building Improvement Grant (SBIG) - and it is important to understand the previous approach in order to appreciate the scale of improvement that has taken place.

SBIG was an annual, formula based allocation of capital funding to local authorities which made a strategic approach to capital investment in school building almost impossible. Authorities were unable to plan new schools or to refurbish existing schools because they did not know what their allocations would be from one year to the next. These circumstances

made school reorganisation - a challenging exercise in itself, almost impossible. Inevitably there was a focus on small primary schools rather than larger secondary school projects. The

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perhaps overly ambitious intention of Ministers at the time was that "schools would be fit for purpose by 2010". In a system characterised by a short term "patch and mend" approach to capital investment and what was a genuine and well intentioned aspiration was unlikely to be met.

The result was a deteriorating, outdated education estate with a growing number of surplus places. The socio-economic and demographic changes that had taken place in Wales during the course of the twentieth century were not reflected in corresponding changes to the education estate. Ideas about pedagogy changed significantly but many children and young people across Wales were being educated in schools designed and built in the Victorian and Edwardian era. Across Wales the presence of an old and decaying building often without proper access for children with disabilities was almost a feature of the landscape.

The 21st Century Schools Programme was developed and therefore to address these anomalies with the aim of creating learning environments that delivered better outcomes for children and young people, enhanced teaching and learning within a partnership framework that was economically and environmentally sustainable.

The Programme was initially a collaboration between the Welsh Government, the WLGA and Local Authorities: it was one of the earliest and to date most successful examples of genuine co-construction and mature central-local relations. The partnership has expanded to include Diocesan Education Authorities and representatives of the FE sector but the collaborative approach has continued. Where difficulties have been encountered, partners have always adopted a problem solving approach and there has been a focus on learning lessons within the context of a self-improving Programme.

The 21st Century Schools Programme

In terms of overview and planning Local Government has always recognised the role of the Welsh Government in setting strategy nationally. But, it also believes that decisions about how services are organised and managed should be taken as close to the point of delivery as possible, and within a democratic framework of local accountability.

Within this context, it means the Welsh Government setting the strategy for capital investment in schools nationally but local authorities interpreting that strategy and taking responsibility for school organisation locally according to local circumstances. Plans for school reorganisation are developed and implemented by local authorities but have to be approved within a wider strategic context by the Welsh Government. Through the 21st Century Schools Programme, the WLGA, local government and other partners are able to shape and inform policy. The 21st Century Schools governance arrangements mean that all partners have a significant and meaningful input in to the programme but ultimately decisions about approval and funding are taken by the relevant Minister.

The Programme was launched formally in March 2010 and Band A started in 2014 and will run until March 2019. The focus for Band A investment has been on improving the condition of school buildings across Wales; a reduction in surplus places and an alignment between

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local pupil demand and provision; and a more effective and efficient use of resources based on learner outcomes and sustainable provision.

Throughout this period there has been considerable political support for the programme within local government and Welsh Government despite the changing circumstances and turbulent economic context. The global financial crises and continuing policy of austerity on the part of the UK Government has had a considerable impact on the programme. At the outset it was anticipated that the Welsh Government would provide 70% of the funding with authorities providing 30% however the wider financial context led to a delay in the roll-out of the programme and a reduction in the intervention rate to 50%. This meant that local authorities had to provide 50% of the investment costs at a time when their budgets are challenging and declining as a consequence of austerity. WLGA believes this ratio will need to be re-examined if further deep cuts following over the next spending review period.

Band B

Band B will commence in 2019-20 with a shift in emphasis from reducing surplus places to improving the condition of the education estate.

The WLGA continues to argue for a higher intervention rate and would prefer to see Band B funded on the original 70-30 split. There are also anxieties within local government around the revenue funded element of Band B - the Mutual Investment Model (MIM). The WLGA recognises that the MIM has been developed by the Welsh Government to finance major capital projects due to a scarcity of capital funding but there are concerns within local government based on previous experience with PFI (Private Finance Initiative) schemes. More generally, councils are worried about the affordability of both the revenue and capital funded models within the context of declining budgets austerity and depletion of reserves. Discussions regarding the MIM and other aspects of Band B are on-going and one of the strengths of the programme hitherto has been the ability to resolve problems and learn from experiences. These concerns were identified by the Auditor General for Wales.

21st Century Schools and Education Programme

The Auditor General for Wales's report, 21st Century Schools and Education Programme provides a fair and accurate assessment of the 21st Century Schools Programme. The report appears to be well researched and sets out a clear and coherent account of the development and implementation of the programme. The report pays particular and appropriate attention to the context in which the Programme was developed and gives significant attention to the views and experiences of stakeholders in the Programme. The report recognises the strengths and successes of 21st Century Schools to date but also identifies a few areas of weakness or aspects where further improvement could be achieved.

On balance these comments appear to be fair and in most cases the issues highlighted have been discussed by the 21st Century Schools Programme Board and are being addressed. Governance arrangements are being reviewed; discussions about Band B including how the programme is funded and managed are on-going as is discussion around the balance between focusing on condition rather than surplus places. Local Authorities are also aligning 21st

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Century Schools with their Welsh Educations Strategic Plans (WESPS). They are working closely with the Welsh Government to ensure that they respond to the demand for Welsh medium education in their areas.

The Programme has always set ambitious energy efficiency and sustainability targets for authorities and local government has embraced this approach fully but one of the problems with cutting edge technology is that it doesn't always deliver the anticipated benefits.

With regard to the Auditor General's other recommendations, there is an increasing awareness of the benefits of Building Information Modelling among all partners, and the benefits of improved procurement, sharing good practice and increasing technical capacity within the system are all widely accepted.

There has always been a focus on maximising wider community benefits from the Programme and squeezing as much value as possible from every investment. There is a widely shared frustration that this is not always achieved. A group has been set-up to consider how any barriers might be overcome and it might be an issue of school governance rather than the 21st Century Schools Programme itself. The WLGA is in discussions with Sport Wales with the aim of developing a more strategic approach to some aspects of provision.

Conclusion

The WLGA supports and welcomes the Auditor General for Wales's view that the 21st Century Schools Programme is well managed and a significant improvement on what went before. The Programme has its challenges and imperfections but is reducing surplus places while creating a much improved and more sustainable education estate.

The current financial environment is very challenging for local government and there are few signs that things are likely to improve. At the outset, the expectation was that the Welsh Government would provide 70% of the capital funding and that authorities would provide 30% but the position changed and the Welsh Government contribution was cut to 50%. This has been challenging for councils and the position is set to continue.

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