

Welsh Assembly Government response to the report of the National Assembly Public Accounts Committee's report on Capital Investment in Schools

We welcome the findings and offer the following response to the seven recommendations in the report, all of which we accept.

1. Recommendation

We recommend that the Welsh Assembly Government provide assurance that the post- occupancy evaluation will relate to the objectives set at the initiation of each capital investment project.

Response: Accepted.

A key work stream of the twenty-first century schools programme is the development of an effective post-occupancy evaluation framework. The development of this framework is intended to be complete by December 2011. In readiness for the first projects derived from the Authorities' strategic programmes, the 21st Century School Transitional Projects will initially pilot the post-occupancy framework.

Applications for capital funding from the Welsh Assembly Government for individual projects will be made through business case submissions applying the Five Case Model. The Five Case Model is the recommended standard by HM Treasury for the preparation of business cases from a Strategic Outline Programme stage through to a Full Business Case stage. At each stage of the development of the business case the following five cases are made:

1. Strategic Case (the case for change);
2. Economic Case (optimises value for money);
3. Commercial Case (commercial viability);
4. Financial Case (financially affordable); and
5. Management Case (deliverability of the projects).

All investment objectives detailed at the full business case stage will form a core part of the post-occupancy evaluation.

2. Recommendation

We recommend that the Welsh Government provide us with a date by which the tools, guidance and strategies underpinning the high-level definition of fitness for purpose will be in place. We seek assurance that the Strategic Outline Programmes will be tested against the detailed standards which underpin the Welsh Assembly Government's high level definition of fitness for purpose.

Response: Accepted.

A high level definition for the twenty first century schools programme has been established. Local authorities were required to provide an overview of

their strategies needed to create school improvement and outcomes for children and young people in their Strategic Outline Programmes. All 22 local authorities submitted these extensive plans by the set date. Each Strategic Outline Programme will be assessed against the five high-level investment objectives. The assessment of the Strategic Outline Programmes will be completed by July 2011. A seven month period is required to ensure a robust and consistent assessment of the programmes has been undertaken and that each local authority's programme is aligned to their strategies for education.

Following approval of the Strategic Outline Programmes local authorities will be required to submit outline and full business cases. It is at the outline and full business case stages that the assessment against the detailed standards, which underpin the high-level definition of the programme, will be made.

The tools, guidance and strategies under-pinning this high-level definition are to be in place by December 2011 after the completion of the assessment of the Strategic Outline Programmes and in readiness for those local authorities who have obtained approval to develop their investment programmes in the first phase to an Outline Business Case stage. In readiness for the first projects derived from the Authorities' strategic programmes, the 21st Century School Transitional Projects will initially pilot the detailed standards.

3. Recommendation

We recommend that the Welsh Assembly Government establish the cost of bringing schools in each authority up to the agreed "fit for purpose standard".

Response: Accepted.

The Strategic Outline Programmes will provide an estimated cost to deliver a programme that meets the programme's high-level definition. The Strategic Outline Programmes were submitted for assessment to the Welsh Assembly Government on the 10th December 2010. The assessment of these outline programmes will be complete by the end of July 2011 a summary of the outcomes of this assessment will be reported to the Committee.

4. Recommendation

We recommend that the Welsh Government provides indication of

- *expected timescales for bringing schools in each authority up to the agreed "fit for purpose standard; and*
- *the expected Welsh Assembly Government contribution to meeting the cost of this standard.*

Response: Accepted.

Upon completion of the assessment of the Strategic Outline Programmes the Welsh Assembly Government will have an outline programme of each

local authority's investment plans. This will be reported to the Committee and more widely in July 2011.

The programme will initially be delivered in a series of four phases. Each phase will be three years and therefore aligned to the Welsh Assembly Government's three year budget cycle. The expected contribution for each phase will need to reflect the capital budget available at that time. The appropriate contribution for first phase of investment in the programme is being currently reviewed by the 21st Century Schools Programme Board.

5. Recommendation

We recommend that the Welsh Assembly Government provide clear policy guidance on the issue of surplus places to ensure that local authorities act coherently across Wales to address the issue.

Response: Accepted.

The Welsh Assembly Government already provides guidance to local authorities for school reorganisation proposals (including the issue of surplus places) and specifically on the method for assessing the capacity of all maintained schools in Wales; including the measure of surplus places. The twenty first century schools programme has also enhanced the guidance available with a practical guide to managing school reorganisation which was published in August 2010.

The assessment of school reorganisation and capacity of schools will form part of the assessment of the Strategic Outline Programmes. A review will then be conducted of current guidance if the Strategic Outline Programmes fail to address school reorganisation and any configuration/capacity issues associated with school places in September 2011.

6. Recommendation

We recommend that the Welsh Assembly Government, in association with the WLGA, encourage collaboration between local authorities to develop their ability to deliver the programme on a long-term basis with a reduced need for central support.

Response: Accepted.

On completion of the assessment of the Strategic Outline Programmes, the Welsh Assembly Government will seek to encourage collaboration between local authorities to ensure that the necessary capability and capacity is in place to deliver a strategic capital programme reducing the need for central support. For example, this will be done through the use of collaborative frameworks for procurement and collaboration between authorities in the use of their professional and technical services required for capital delivery programmes.

7. Recommendation

We recommend that the Welsh Assembly Government makes adequate consideration of whole lifecycle maintenance a precondition so that no application can be approved without it.

Response: Accepted.

All local authorities will be required to detail their proposals for whole lifecycle maintenance through the business case submission process of the programme; from their initial Strategic Outline Programmes through to their Full Business Case.