

PHOTO REDACTED DUE TO THIRD PARTY RIGHTS OR OTHER LEGAL ISSUES

Improving school buildings

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Asset management planning in LEAs and schools

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The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high-quality local and national services for the public. Our work covers local government, housing, health and criminal justice services.

As an independent watchdog, we provide important information on the quality of public services. As a driving force for improvement in those services, we provide practical recommendations and spread best practice. As an independent auditor, we monitor spending to ensure public services are good value for money.

I This is capital funding allocated to individual schools by the Department for Education and Skills (DfES), through LEAs. The basis of the allocation is a fixed amount per school (determined by type of school) and an element per pupil.

II Sport England's primary role is to develop and maintain the infrastructure of sport in England. It is accountable to Parliament through the Secretary of State for Culture, Media and Sport. It distributes National Lottery funds earmarked for the development of sport in England.

III Surestart is the Government's programme to support children, parents and communities through the integration of early education, childcare and health and family support services.

The impact

- 1 Since 1997, the Government has increased capital investment in new and refurbished school buildings.** Investment in preventive maintenance and improvement of school buildings had been neglected in many local authorities throughout the 1980s and most of the 1990s. Schools began to pay the price for this situation, as problems with leaking roofs, failing heating systems, deteriorating temporary buildings and external woodwork accumulated. In some schools these problems reached crisis level during the 1990s.
- 2 Pupils, parents and staff are benefiting from the improved quality of many school buildings.** The framework for asset management planning is improving the quality of information on school buildings and the ability of local education authorities (LEAs) and schools to plan and use the increased investment wisely.

The issues for government policy

- 3** After five years, it is timely for Government to refine its policies and programmes for school buildings to ensure that continued capital investment achieves maximum educational benefit.
- 4 Most LEAs and central government do not know with sufficient accuracy how much investment is still required to provide a good learning environment.** Information on building condition is improving as LEAs gradually re-survey schools. However, information on educational suitability is still limited.
- 5 Large variations remain in the condition of individual schools and in the average condition of school buildings in different LEAs.** Formula allocations of condition funding address this only in part. Nearly one-half of the capital resources are now allocated directly to schools through Devolved Formula Capital^I. As a result, not enough of the resources are targeted to immediately fund the most urgent improvement needs. Government should re-examine funding arrangements and allocate more of the capital resources according to need.
- 6 Further work is needed to identify** whether schools are obtaining value for money from their capital and revenue resources on buildings and whether schools are spending enough to protect the condition of their buildings for the long term.
- 7 Funding streams are fragmented and LEAs and schools have to make considerable efforts to bring them together.** Funding for Voluntary Aided schools and Academies and sixth-form funding through the Learning and Skills Council are separate. Integration of resources, for instance through Sport England^{II}, have proved difficult. Other resources come through a variety of programmes, such as Surestart^{III} or regeneration or community initiatives, with their own separate criteria and priorities.

- 8 Obtaining good value for money from investment in building works is becoming increasingly difficult.** Capacity problems in the building industry in many parts of the country is making it difficult to deliver school building programmes. This is impacting on building costs. Contracts let by individual schools through Devolved Formula Capital and school requirements to programme work during school holidays increase building costs.

The effectiveness of LEA implementation

- 9 There are variations in how well local authorities have planned and delivered school building investment.** They need to work with schools and other partners to prioritise and plan investment so that it helps to improve educational standards. Good quality property services are needed to survey buildings, provide advice to schools and LEA officers and manage building programmes. These are increasingly available from a range of different providers.
- 10 Seventy-five per cent of the LEAs inspected in 2001/02 were judged to be satisfactory at asset management planning.** Authorities have improved the basic information on school buildings and their planning systems in line with DfES requirements. Only 10 per cent of authorities were judged to be good at asset management planning. Authorities need to develop a more strategic view with stronger links to school improvement priorities.
- 11 Property services were judged to be unsatisfactory in nearly 50 per cent of all LEAs.** Inspection scores for property services are considerably worse than for other management services such as financial support or personnel. This reduces the ability of LEAs to deliver improvements from the increased investment. Local authorities should address the inadequacies of the property services available to schools. They also need to work with schools to help them to become better informed and more confident in handling property issues.

Asset management planning in schools

- 12 Schools vary considerably in how well they have carried out their building responsibilities.** They now, except in Private Finance Initiative (PFI) schools, control large proportions of the revenue and capital resources for maintenance and improvement of buildings. With the combination of revenue and capital resources, schools are on average spending around 5 per cent of their resources on repairing and improving their buildings. Unless they use the money wisely, however, the current capital investment will not be protected in the long term.

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- 13 Many schools are carrying out their building responsibilities effectively.** These schools ensure that they have access to property skills through a mix of their own staff and externally purchased advice. This advice can be obtained through the local authority or a range of alternative suppliers. They plan well, linking building priorities to their educational priorities in the School Development Plan.
- 14 However, many schools are less effective.** Plans are not joined up and sufficient resources are not being invested in preventive maintenance from the school budget. Delegation of property responsibilities to schools is an important factor in the rise in cumulative school balances, which have risen from £500 million in 1997 to £1 billion in 2001, due to revenue savings for future building schemes and delays in programming building projects. This will impact on the condition of their buildings in the long term.
- 15 There is only limited monitoring of the way that schools carry out their property responsibilities.** Their building management is not examined in any detail in school inspections carried out by the Office for Standards in Education (Ofsted). LEAs have only limited powers to monitor school use of their building resources. There should be more systematic and focused monitoring of how schools are spending their building resources, which requires concerted action by Government, LEAs, inspectors and auditors.

Summary of recommendations

- 16** Substantial extra money is being invested in repair and improvement. This is making a real difference to the quality of school buildings. The report makes recommendations to the Government, LEAs and schools about ways to improve the educational impact of the continued investment.
- 17 Government should:**
- re-examine funding arrangements and allocate more of the capital resources to take account of building need; and
 - reduce the fragmentation of funding streams for school building improvement.
- 18 LEAs should:**
- address the inadequacies of the property services available to schools;
 - improve the quality and value for money of building works; and
 - monitor school investment in their buildings.
- 19 Schools should:**
- link their building planning to their educational priorities; and
 - spend sufficient funds from their school budgets to protect their buildings.

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