



Department  
for Education

# Capital funding for schools

Research priorities and questions

March 2014

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## General approach to research needs and priorities

This paper is one of a series of 15 which aims to:

- promote the importance of robust quantitative evidence, in combination with other methods, to increase understanding of ‘what works’ in education and children’s services;
- identify evidence gaps and promote discussion of them with the research community, practitioners and other stakeholders;
- initiate collaboration with the research community, practitioners and other stakeholders to research these issues; and,
- support work that helps understand and tackle the barriers to evidence based practice, including how to make evidence accessible to practitioners.

The principles behind the department’s research strategy are inspired by Ben Goldacre’s vision<sup>1</sup> in the Department for Education Analytical Review<sup>2</sup>. In future, the development and use of evidence should be increasingly driven and owned by the research community, sector bodies and practitioners.

The published suite of priority and question papers between them cover the department’s key areas of work and provides a coherent strategic context for the research community, sector bodies and practitioners as well as the department, to plan and prioritise research. The department will continue to commission research, informed by the published priority questions

Views about the research questions and priority papers, recent findings, on-going research or evidence gaps are warmly welcomed. We will also be arranging a series of discussions throughout 2014 with practitioners, the research community and other stakeholders to discuss views and help shape departmental plans to filling evidence gaps. If you want to be involved please email us at: [Research.PRIORITIES@education.gsi.gov.uk](mailto:Research.PRIORITIES@education.gsi.gov.uk), follow us on Twitter (@educationgovuk) or like us on Facebook ([www.facebook.com/educationgovuk](http://www.facebook.com/educationgovuk)).

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<sup>1</sup> Goldacre, B.(2013), [Building Evidence into Education](#)

<sup>2</sup> The Department for Education (2013), [Analytical Review: The Department](#)

## Capital funding for schools: the policy context

The Department for Education has recently announced its latest spending allocations to address basic need (the provision of sufficient school places) and school maintenance needs.

The **basic need** policy intention is to make sure that there is a school place for every child needing one and these places should be of a good quality and within a reasonable travelling distance. We want to ensure that the school system is able to respond to increases in demand for school places in local hotspots or where there are fluctuations in migration levels. We also want parents to have a choice of schools for their children.

Basic need funding allocations are based on data provided by local authorities through the Schools Capacity (SCAP) survey.<sup>3</sup> This is a statutory collection of school-level data on school capacity and local authority pupil forecasts. The data collected allows the Education Funding Agency and the department to identify those areas where there are pressures on school places and where significant shortfalls of places are anticipated. We use the projections of pupil numbers to calculate the amount of basic need funding local authorities should receive, enabling them to provide enough school places to meet future demand. The latest SCAP survey results are available on the DfE website.<sup>4</sup>

Our approach is to -

- better target national funding to local need;
- rapidly increase the rate at which high quality and diverse school places are created in areas with significant pressure for places; and
- support local authorities and schools to secure enough good school places.

In addition, we are working on how to improve accountability and transparency by making information available on how local authorities spend capital funding for schools (including whether they are creating enough places, how much a new place has cost, and whether the places are in good schools).

The **maintenance** policy intention is to ensure that the schools estate is in good condition through cost effective estate management and investment.

Our approach is to –

- provide maintenance funding so that responsible bodies can address priority maintenance and repairs in schools; and

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<sup>3</sup> Available at [School capacity collection 2013 - The Department for Education](#)

<sup>4</sup> Available at [Capital allocations for basic need and infant free school meals - Publications - GOV.UK](#)

- provide capital funding to enable school buildings, which have reached the end of their life, to be rebuilt.

The Property Data Survey Programme is underway to collect up-to-date information on the condition of all buildings across the education estate and this will conclude in summer 2014. This will provide school level classifications of the condition of elements of the buildings alongside the urgency and nature of the repairs needed. These will allow aggregation to show the position at local authority level along with the level of funding provided to each authority or delivery chain for upkeep and repairs. Further information about the PDSP can be found on the DfE website.<sup>5</sup>

While the focus is rightly on providing sufficient school places and addressing urgent maintenance needs, we also want to ensure that capital investment supports quality, choice and improvements across the education system.

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<sup>5</sup> Available at [Property Data Survey Programme - Schools](#)

## Research summary and gaps

In July 2010 the DfE announced a review of all areas of its capital spending. The overall aim was to ensure that future capital investment represents good value for money, deals urgently with the demand for additional school places, addresses dilapidation and strongly supports the Government's ambitions to reduce the deficit, raise standards and tackle disadvantage. The review made recommendations to DfE relating to the allocation of capital funding, strategic planning, design, procurement and delivery. The "Review of Education Capital" conducted by Sebastian James was published in April 2011 and can be found on the DfE website.<sup>6</sup>

An independent report – setting out progress against the original review recommendations – was published in December 2013 and can be found on the Government website.<sup>7</sup> Encouraging progress has been made in adopting the core principles of the review and in accepting the majority of its recommendations. It recognises the benefits being realised and urges that continuous improvement must remain a top priority for DfE.

While the data from the SCAP survey and Property Data Survey Programme outlined previously provides a sound basis for making decisions on the allocation of capital funding, we want to continue to develop ways to improve the usefulness of the data that we collect. We would like to explore other ways that the data can be used – in itself or as a basis for further qualitative research - to provide better evidence of what best drives excellence and innovation in capital funding for schools.

We want local authorities to spend **basic need** money on providing sufficient school places, ensuring that they are of good quality and achieving value for money. Although basic need allocations are not ring-fenced, we want to be clear about the extent to which we have funded local authorities to meet their need; and the effectiveness of their actions to fulfil their duties. We want to increase transparency about how the funding is used, including where this can help to identify and promote good value for money and would be interested in measures to support this.

The House of Commons Public Accounts Committee report on "Capital funding for new school places" suggests areas where it considers the department needs to do further work.<sup>8</sup> These include detailing how we will use new information on school places to ensure that funds are targeted where places are most needed; and getting a better

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<sup>6</sup> James (2011) [Review of education Capital](#)

<sup>7</sup> James and Brown (2013) [Review of education capital: progress update](#)

<sup>8</sup> House of Commons Public Accounts Committee (2013) [Capital funding for new school places](#)

understanding of the full cost, now and into the future, of providing places and the contribution made by local authorities.

We want funding for the **maintenance** of schools to be spent wisely and to avoid buildings falling into disrepair and decay. The Property Data Survey Programme will provide a consistent methodology for assessing and categorising need and cost assumptions across the school estate. We welcome suggestions on how this information can be used, nationally and locally, to encourage investment and better strategic decision making, including informing the balance between preventative maintenance and repairs and predicting the expected end of life for different construction types.

There is evidence that capital spending has a positive impact on pupil attainment in some circumstances including in studies by PricewaterhouseCoopers and by Higgins et al.<sup>9 10 11</sup> The evidence base is, however, far from comprehensive nor as robust as we would want it to be. We acknowledge that assessing the impact of capital spending is inherently difficult, methodologically, and that studies that properly isolate the causal impact are rare. This makes it difficult to put orders of magnitude on any likely impacts.

Indications are that it is not the amount of capital spending in itself that has the impact on pupil attainment; rather how the money is spent. The evidence suggests that spending money on preventing moderate to severe overcrowding and maintaining or improving schools to a minimum standard (in condition and design) will have a positive impact on education outcomes (or, at least, prevent outcome levels worsening). Beyond that, the current evidence is inconclusive and further evidence would be helpful in developing the policy in this area further.

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<sup>9</sup> PWC Research Brief No 242 (2000) [Building performance – an empirical assessment of the relationship between schools capital investment and pupil performance](#)

<sup>10</sup> PWC Research Brief 407 (2003) [Building better performance – an empirical assessment of the learning and other impacts of schools capital investment](#)

<sup>11</sup> Higgins et al (2005) [The impact of school environments – Design Council](#) (2005)

## Future priorities

Our research needs in the area of capital funding include an assessment of how education providers could more efficiently allocate their resources, the flexibility and responsiveness of the whole system to funding change and ultimately how financial decisions relate to educational attainment. In addition, it is important to gain a better understanding of the barriers and the incentives to continually improving the effective use of capital funding.

The research questions identified below are intended as broad prompts; they have been formulated to help identify where further analytical and evaluative work might most usefully be focused – whether that work is undertaken by Government, by independent researchers or by education providers themselves. We also need to understand how these issues vary across the full diversity of England's school system. These questions are intended to be reviewed at regular intervals, as gaps are addressed and new areas for investigation arise.

The questions in each section below are not in order of priority but set out what the Department for Education thinks needs to be tackled to help the direction of policy travel.

### Basic need – providing sufficient school places

- How accurately do local authorities forecast the level and longevity of basic need pressures in schools and can their sources and techniques be improved? What are the most effective approaches and methodologies to forecast local population changes? How can data sources and forecasting methodologies be improved?
- What level of surplus places is needed locally in schools to accommodate migration patterns, provide an element of parental choice and allow competition to function as a driver to raising standards? What influences the level that it should be and should it be at the same level everywhere?
- What can be learned from other countries and other sectors in responding to rapid population growth?

### Maintenance

- How do schools and responsible bodies make decisions about tackling maintenance issues? What is it that incentivises them to manage property well? How do they plan for, and address, routine maintenance alongside urgent maintenance backlog items – dealing with less expensive repairs before they deteriorate?



- How do the most effective local authorities address maintenance needs in schools and what is good practice? Are there trade-offs between what we invest and how much a school costs to run? How should this influence our investment decisions?
- What would encourage schools to invest in effective maintenance and energy schemes so that they will save money over the longer term?

## Quality

We would like to develop a stronger evidence based case on the wider economic benefits of capital spending in the education sector.

- How could the causal impact of school capital investment on pupil attainment be estimated? Are there feasible methods for doing this?
- What are the most effective local authorities doing to make sure that additional places are provided in good and outstanding schools?
- What encourages – or discourages – a good school to expand to offer more quality school places? What evidence is there of the impact that expanding a school has on quality?
- How are schools changing the way that they use classroom and other spaces and what are the impacts on the curriculum and the efficient use of buildings?

## Accountability and value for money

We want to ensure that capital funds are allocated to those that have the greatest need and will consider how we can improve accountability.

- What ways are there to demonstrate accountability – to provide different audiences with useful information on how well the funding for basic need and maintenance is being spent?
- What are the drivers of costs of new school places? To what extent do they vary geographically and what drives any variations?
- How do the most efficient local authorities secure good value for money?
- How can the overall efficiency of capital investment be measured over time? For example, has the cost of providing each school place changed in real terms and, if so, why is this the case?

## Engaging with future priorities

We would like individuals or organisations to respond to this and you can do this in various ways:

- Share with DfE any existing research evidence or current work relevant to questions. Email to [Research.PRIORITIES@education.gsi.gov.uk](mailto:Research.PRIORITIES@education.gsi.gov.uk).
- Prioritise research effort or bids in the light of the evidence questions.
- Debate evidence gaps and priorities with your own associations or other stakeholders. DfE would be interested to hear any views emerging - email as above.
- Follow us and join the discussion on Twitter (@educationgovuk)
- Like us on Facebook ([www.facebook.com/educationgovuk](http://www.facebook.com/educationgovuk))



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