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Written Statement: 21st Century Schools and Education Programme

CABINET STATEMENT

Written Statement: 21st Century Schools and Education Programme

Kirsty Williams AM, Minister for Education

First published: 7 February 2019

Last updated: 7 February 2019

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The 21st Century Schools and Education Programme was developed in partnership between the Welsh Local Government Association, Colleges Wales and Diocesan Directors. In its first wave of investment, ending in March 2019, over £1.4 billion will have been invested in supporting the rebuild and refurbishment of over 160 schools and colleges across Wales. The second wave of investment for the Programme will begin this April and will play an important role in raising the standards of education across Wales, in line with our national mission.

As with the first wave of investment, the second tranche will be jointly funded between the Welsh Government, Local Authorities and others. The bulk of the Programme will be funded from capital budgets, with significant additional investment funded through the Mutual Investment Model (MIM).

The Mutual Investment Model (MIM) is an innovative way to invest in public infrastructure. The MIM has been developed by the Welsh Government to finance major capital projects due to a scarcity of capital funding. It retains the best elements of the Scottish non-profit distributing model, while ensuring that investment is classified to the private sector, and is consequently additional to investment funded from capital budgets.

Well-designed, well-planned and well-managed partnerships with the private sector to deliver public infrastructure can offer good value for money. Traditional capital investment sees the private sector design and build public infrastructure. MIM schemes will see the private sector design, build, finance and maintain public infrastructure. The requirement to finance MIM schemes will see the Welsh Government deliver much-needed assets sooner than would otherwise be the case; and the requirement to maintain these assets will ensure that at the end of the contract period assets remain in a fit state for use and do not need

replacing prematurely.

The original level of grant support for capital schemes was 50%. However, in November last year, after listening to our delivery partners' concerns about the pressures on their budgets, I announced an increase to the Welsh Government grant intervention rate for capital schemes from 50% to 65% of their cost. I also announced an increase to 75% for schemes affecting our most vulnerable pupils in facilities for those with additional learning needs and those in pupil referral units.

Since this change to the intervention rate I have listened to delivery partners' concerns about the comparative value of MIM and capital funded schemes and am proposing an increase to the MIM intervention rate to 81% so that it is comparable with the intervention rate for capital, making the MIM programme more affordable for the Local Authorities and Further Education institutions that wish to participate.

I believe this shift in Welsh Government funding will provide valuable additional support to our delivery partners in these times of austerity. It will also help us to attain our goal of creating sustainable learning environments across Wales that also cater for the wider needs of our communities.

First published

7 February 2019

Last updated

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