

## Submission Programme of Projects

### 1. Purpose

1.1 In summary, the Minister for Education and Skills outlined in his written statement on the 13<sup>th</sup> July 2011 that an intervention rate of 50% of capital grant support from the Welsh Government (WG) would be applied to the 21<sup>st</sup> Century Schools Programme and that there would be a need to prioritise capital investment programmes in the school estate against a criteria of prioritisation.

1.2 Further to this announcement it was agreed that local authorities would be provided with the opportunity to review their forward outline programme of projects provided in their Strategic Outline Programmes (SOPs). Local authorities are being asked to review those programmes/project(s) provided in the first band of investment (i.e. Band A) on an affordability basis (i.e. the provision of 50%) and the prioritisation criteria (i.e. programmes/projects that are tackling estate inefficiencies).

### 2. Update on Capital Funding

#### *Period of Transition*

2.1 The WG and others have made significant investment in transitional projects which have paved the way for the approach to be taken in the 21<sup>st</sup> Century Schools Programme. The projects supported in the first tranche are largely completed. Projects approved in the second tranche are all underway and contracts of funding for the third and final tranche are now being issued to local authorities successful in the final tranche.

2.2 Based upon current delivery profiles of the transitional projects some funding capacity to will become available in 2014-15 which will be used to support a number of projects approved in the first band of investment that are ready to deploy WG funds. The Department for Education and Skills (DfES) will continue to bring forward as many transitional funded projects as and when budget capacity allows. This which will then provide the opportunity to commence any 21<sup>st</sup> Century Schools candidate projects that require early investment support from the programme. The WG, with the support of the Programme Team, will work with local authorities to advance 21<sup>st</sup> Century Schools projects ahead of published timescales; as and when grant funding budgets permit.

#### *Formula Grant Funding*

2.3 In honouring all existing transitional commitments local authorities are also asked to note that there is currently no capacity within the DfES' baseline budget to provide direct capital grant support to each authority for capital maintenance works this financial year (2011-12) or for the next two subsequent financial years (2012-13 and 2013-14). However, the DfES will still continue to provide funding into the General Capital Fund

(GCF) and will continue to seek to secure any additional funds, to support local authorities' capital maintenance programmes as and when opportunities arise.

### ***Single Capital Fund***

2.4 In response to the reduction in capital funding to the WG the DfES has now rationalised all its capital grant schemes and operates a single fund that supports priorities of investment in all the education sectors. The prioritisation of funding from the DfES' capital budget will be determined by the strength of projects and the case made for investment; not by education sectors. Approval of funding for projects from the DfES will be secured through a submission process based on the HM Treasury Five Case model.

### ***Increased Targeting of Programme Funding***

2.5 As a programme of investment the 21<sup>st</sup> Century Schools Programme seeks to: maximise the educational facilities in schools, thus promoting high quality teaching and learning, by addressing the inefficiencies of the school estate.

2.6 To better support local authorities in addressing these inefficiencies funding support from the WG will be prioritised and targeted to support remodelling and reconstruction type projects only. This means that refurbishment projects (i.e. partial up-grading of the existing building and facilities) will be excluded from receiving capital support from the programme at this stage.

2.7 The terminology provided below will help authorities to differentiate between the various types of capital investment that can be made to the schools estate:

**1. Remodelling** – extensive upgrading of the existing building and redesign of the accommodation (e.g. curriculum-led upgrades, new facilities and full DDA compliance).

**2. Reconstruction** – e.g. partial/total demolition and rebuilding to modern standards (i.e. 21<sup>st</sup> Century Schools' standard).

**3. Renovation** – maintenance of existing fabric (e.g. windows, curtains, walling, roof coverings etc).

**4. Refurbishment** – partial upgrading of the existing building and facilities (e.g. partial DDA compliance, asbestos removal, maintenance works - painting, floor coverings etc).

The 21<sup>st</sup> Century Schools Programme supports **1. Remodelling and 2. Reconstruction.**

2.8 This prioritisation will need to be reflected in the submission of the Programme of Projects. By adopting this strategy the risk of a return to a "patch and mend" type programme will be mitigated. It will also enable the programme to promote longer term savings from the reduction in running costs of the estate as by targeting investment this way the programme will primarily support those investment proposals that will reconfigure the school estate (i.e. right school – right place). Further clarification on the terminology can be obtained either from the Programme Director; Melanie Godfrey and/or the Programme Manager: Jason Pritchard.

### **Programme of Investment and Planning Envelope**

2.9 The production of a long-term programme of investment still remains an aim of the programme. The first stage of planning this long term programme is to determine the running order of authorities' programmes/project(s) in the first band of investment. This first round of sequencing will span 6 financial years. The delivery of those programmes/project(s) identified by local authorities in Band A will be the programme's priority.

2.10 The WG, with the support of the Programme Board intends to maintain a strategic approach to investment in the programme but there is a need to plan forward investments against an estimation of financial resources potentially available. The DfES capital budget in 2013-14 after the allocation for the General Capital Fund (GCF) will be circa £100 million. Therefore, in determining the **running order** of the programme, a **planning envelope** of £600 million (based on the WG intervention rate of 50%) will be applied at this initial stage for Band A projects.

2.11 New bands of investment on a 3 year basis will then be announced over forthcoming financial years. However, approval of sequencing in future bands will need to reflect WG and Local Authority funding expectations.

### **3. The Submission Process**

3.1 As detailed in the initial *21<sup>st</sup> Century Schools Information Document May 2010* once the prioritisation profile of the programme is established authorities will be required to submit further business cases against HM Treasury's Five Case standard.

3.2 An additional challenge stage will be built into the business case submission process before the Outline Business Case stage. This stage will be used to ensure that authorities have considered all options of delivery coupled with compliance with key policies(e.g. Voluntary Aided sector, environmental/sustainability, all-age transformation). This stage will be implemented following the Ministerial announcement in December on the sequencing of the programme. The Information Document published in May 2010 will be updated and will include further details on this stage. The revised edition will be published in the New Year.

### **4. SOP Feedback and Support Sessions**

4.1 The SOPs have been assessed and allocated an overall score. Feedback sessions will be now provided to each local authority over the forthcoming weeks. At these feedback sessions local authorities will be advised of their score along with the strengths and weaknesses of their SOP against the Strategic Case of their Submission; the 5 High Level Investment Objectives as outlined in the initial *21<sup>st</sup> Century Schools Information Document May 2010*. Local authorities should still proceed to complete forms prior to these feedback sessions.

4.2 These feedback sessions can also be used by authorities as an opportunity to ask questions and to receive further guidance on completion of the Submission of Programme of Projects. Officials from the WG will be contacting each authority over the next week to organise these sessions.

### **5. Submission of Programme of Projects – Band A**

5.1 Local authorities are not required to review and re-submit their entire SOP. This submission is an opportunity for authorities to revisit the sequencing of their

programmes/project(s) in Band A against the prioritisation criteria and the application of the 50% grant intervention rate.

5.2 It is envisaged that the Programme of Projects provided in Band A submitted last December will not be substantially altered; particularly the quantum estimated capital need outlined by each local authority. It is only the phasing, and/or re-sequencing of those projects within Band A that is being requested against the prioritisation criteria (as detailed below in Section 7.2) and on an affordability basis.

5.3 However, to enable local authorities to tackle the parts of the school estate that may be regarded as the most inefficient (e.g. a school identified with a condition category D) it is permissible to bring forward project(s) that were allocated in terms of delivery into Bands B, C and D in the initial SOP. However, as detailed above the quantum estimated investment need for each local authority's Band A is not expected to increase significantly. Local authorities will need to satisfy any approval processes that are needed to make these amendments by the submission date (i.e. 18<sup>th</sup> November 2011). At this stage it will not be permissible for any new projects/programmes to be incorporated into Band A that were not identified in any of the four bands of the original SOP submission; although it is appreciated that as the programme moves forward into later bands there maybe a need to alter the overall programme to reflect any further changes in budget and/or WG policy.

## **6. Spatial Allocation**

6.1 The Minister for Education and Skills, with the support of the 21<sup>st</sup> Century School Programme Board, is committed to regional fairness on a pan-Wales basis, in the sequencing of the programmes/project(s) and also in the deployment of capital funds as the programme moves into the implementation phase. As a first stage in determining the sequence of the programme the running order will be decided on an ADEW area basis. The WG, with the support of the Programme Team, therefore reserves the right to re-phase or re-scope elements of local authorities' programmes (i.e. where there is more than 1 project).

## **7. Methodology of Assessment**

7.1 In summary the methodology of assessment is to determine the running order of the programme for the first six years of the programme and will consist of the following:

- the overall score of the strategic case of the SOP; and
- an overall score for projects/programmes that are addressing the most inefficient parts of the schools estate and providing estate efficiencies.

It is recognised that the running order of this first wave may alter over time due to factors such as state of readiness, completion of school reorganisation proposals, realisation of capital receipts etc.

### **The Criteria**

7.2 The assessment process will identify which local authorities' projects in Band A are tackling the greatest resource inefficiencies in terms of:

- the poorest condition of the estate (prioritisation will ultimately reside with the authority although the schools survey data will be applied); and
- surplus capacity - the key indicator being surplus places (both as a percentage and as an estimated actual reduction in number of places);

Running efficiencies (e.g. reduction in running costs, backlog maintenance etc) will also be included in the assessment exercise.

7.3 Each of these elements will be allocated a specific score with the exception of condition. The assessment of condition will be a threshold pass. In assessing resource inefficiencies local authorities' programmes will be assessed and provided an overall score for the number of surplus places being removed from the system against £ of capital investment required (The accuracy of estimated capital needs depends how sufficiently advanced and worked up the projects are). It is recognised that authorities are at varied stages. A funding model has therefore been developed to ensure that this assessment is done on a consistent basis between authorities. Investment that provides efficiencies will also be assessed and allocated an overall score. Those parts of the submission which form part of the scoring element to determine the sequence of the programme are identified in the guidance note provided below

7.4 Local authorities will be provided an overall score calculated from each of the 3 metrics: overall SOP score, resource inefficiencies and provision of resource efficiencies. Each local authority will then be ranked highest to lowest with the investment need for each programme identified up to a funding envelope limit of £600 million of WG support.

7.5 The Programme Board will quality assure the assessment process and assess the sequencing process to ensure regional fairness is applied.

## Guidance Note

### Purpose:

This note is to be used by local authorities as support in the completion of the form ***Submission Template - Form Band A***.

Please note that duplication of information is requested in parts of this forms to facilitate the compiling of the WG assessment forms.

### Deadline for Submission:

Local Authorities must submit the form no later than **Noon Friday, 18<sup>th</sup> November 2011** electronically to the following email address: [21stcenturyschools@wales.gsi.gov.uk](mailto:21stcenturyschools@wales.gsi.gov.uk)

Prior to submission the completed template must be approved by the Chief Executive. This approval must be supported by an electronic signature.

An acknowledgement of receipt of the submission will be provided on the afternoon of **Friday, 18<sup>th</sup> November 2011**.

### Form Band A

#### Section 1: Strategy & Investment Aims

This first section (**Box 1**) allows the authority to provide a narrative to explain the extent of any changes to the programme/projects due to prioritisation criteria and application of the 50% intervention rate in Band A. Detail of any de-scoping/omission of elements of the projects should also be provided in this section.

The recommended word limit for this section is 1,000 words.

#### Section 2: Detail of Programme

This section will be used to understand the content and detail of the projects in Band A. It will also be used to determine regional fairness in the sequencing of the programme; which may result in re-phasing or re-scoping of a number of elements of a local authority's programme.

In this section (**Box 2**) local authorities are required to:

- Provide a breakdown of each project in the proposed programme - It is recommended that this is presented in list format in order of priority of projects, together with a brief description of each project and estimated total capital cost;
- Where appropriate identify potential phasing/grouping of projects; and
- Identify any inter-dependencies between each of the projects and links to any post-16 transformational projects.

The recommended word limit for this section is 2,000 words.

### Section 3 - Resource Inefficiencies

***Please Note: This section forms part of the scoring assessment process to determine the running order of the first wave of investment in the programme.***

#### i. Condition

In this section local authorities are required to:

- Apply the definitions of categories used by the School Estate Survey and complete **Table 1** by detailing the number of schools in each of the condition categories that they are currently in and the expected number of schools in the condition categories if the programme was completed. An example, of how to complete this table is shown in **bold red italics** on the form. As shown in the example there may be a reduction in the number of schools due to school reorganisation.
- In **Box 3** local authorities are asked to provide a rationale to explain why any Category Condition D buildings have not been included in the first band. The sequencing of the programme will aim to target investment in the most inefficient parts of the school estate. However, it is for authorities to determine their priorities of investment in their schools estate. There may be valid reasons which may result in a local authorities decision not to include a Condition Category D school in the first band. For example, future school reorganisation proposals.

Recommended word limit for this section is 1,000 words.

#### ii. School Capacity

This section will be used to understand the local authority's overall strategy to address capacity issues in schools, the timeline to achieve this strategy and the impact the Band A programme is likely to have on achieving the strategy. Those authorities who do not have a surplus place issue can demonstrate in this section how they plan to achieve a more efficiently configured school estate through investment in Band A.

In this section authorities are required to:

- If applicable, complete **Box 4** by outlining the authority's strategy to rationalise their schools estate in its entirety (not just for band A); in particular to reduce surplus capacity/surplus places over the next 12 years. In this section authorities should outline the key mechanisms on how they are going to achieve this (including any non-capital interventions) and confirm any targets established by the authority. This section should include details of those proposals/projects that do not require capital investment but are in local authority's programmes. The report of the Independent Task and Finish Group on the Structure of Education Services in Wales recommended a national target at a maximum of 10% surplus places across Wales.

The recommended word limit for this section is 1,000 words.

- Local authorities must complete **Table 2i** by providing the percentage of surplus places before (current) and after (estimated) the programme of investment in the first band.
- Local authorities must complete **Table 2ii** and detail the total Measuring the Capacity of Schools in Wales (MCSW) as a result of the proposed 4 bands of investment. MCSW is defined in the WG Circular 09/2006.
- Complete **Box 5** by detailing the importance and impact that the implementation of the first band will have in helping the schools estate to become more efficient, to implement the authority's school re-organisation plan and the reduction of surplus places where applicable; including the number of school closures.

The recommended word limit for this section is 500 words.

### Tables 3, 4, 5 & 6

***Please Note: Completion of these tables forms part of the scoring assessment process to determine the running order of the first band of projects in the programme.***

In this section local authorities are required to complete each of the four following tables for the appropriate school sectors:

**Table 3** – Community Schools;

**Table 4** – Welsh Medium Schools;

**Table 5** – Voluntary Aided/Foundation Schools; and

**Table 6** – Number of current surplus places and surplus places estimated to be removed on a number and percentage basis that will be removed from the system due to the implementation of Band A.

Examples of completion of these tables are illustrated shown in **bold red italics** on the first table of the form. An additional table can be inserted in this section for dual stream schools. However, there should be no duplication between the tables.

### Section 4 - Resource Efficiencies

***Please Note: Completion of these tables forms part of the scoring assessment process to determine the running order of the first bands of programmes/projects in the programme.***

In this section authorities are required to:

- Complete **Table 7** which provides a breakdown of existing costs and estimated efficiency savings.
- Complete **Box 6** to detail all cash releasing benefits (CRB) due to the investment of the programme. This should include quantification of the total of CRB. CRB are benefits that reduce the costs of the organisation in such a way that the resources can be re-allocated elsewhere – this typically means an entire resource that is no longer needed for the task for which it was previously used.



Recommended word limit is 500 words.

- Complete **Box 7** and detail the number of sites to be rationalised; including projected capital receipts for both primary and secondary schools sectors.

### **Section 5 - Affordability**

This section will be used as the first stage to verify the authority's affordability to deliver the programme/project(s) in the first bands.

In this section authorities will be required to:

- confirm that the authority can match fund 50% of the total estimated cost of the programme/project(s); and
- identify all sources of funding together with estimated amounts.

***Authorisation by the Chief Executive is required before submission.  
Electronic signatures are acceptable.***