



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU



21st Century Schools and Education Programme in Wales

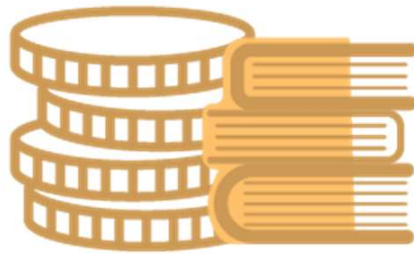
Matthew Mortlock
Director – Performance Audit



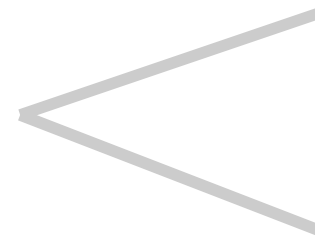


Education in Wales

Identifiable public expenditure (inc. training) 2017-18



£4.28bn



**£3.84bn
revenue**

**£443m
capital**





Education in Wales



1,494

■ **Maintained schools**



468,398

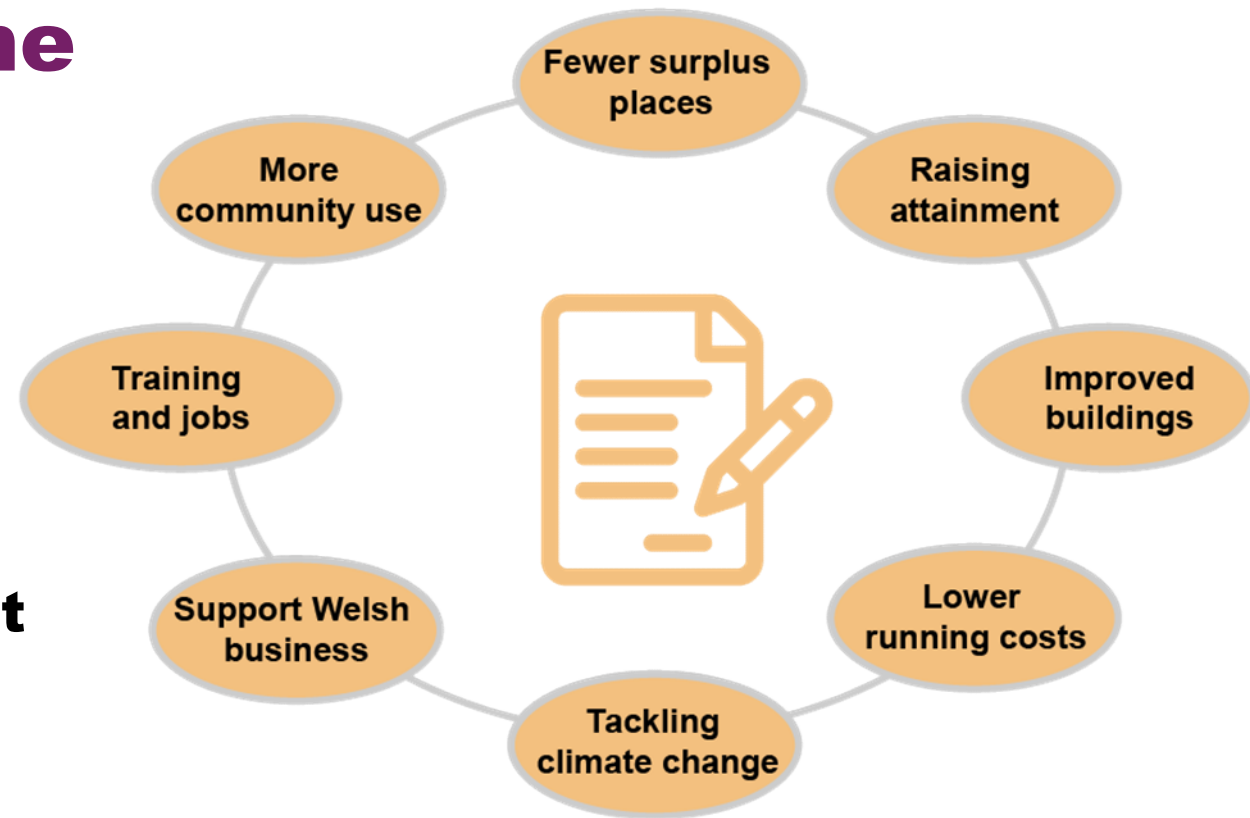
■ **Pupils in maintained schools**





The programme

- **21st century standard**
- **Enhanced teaching & learning**
- **Sustainable environment**
- **Community benefits**





Band A: 2014 – 2019



£1.6bn (€1.8bn)



Circa **176**
projects

From **£67k**
to **£48m**



Minimum
£19m
per council





Band A: 2014 – 2019



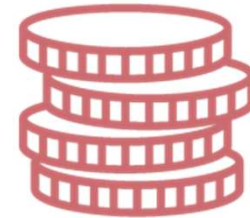
Projects



Refurbished



New build



Funds



Welsh Gov.



Partners





Band A: 2014 – 2019



Primary



Secondary



Sixth form centres 7%



FE colleges 6%



Special schools 2%





Our audit: why / how?

- **FOLLOW-UP** issues raised in 2010
- **ASSURANCE** on a significant programme
- focused on overall **DESIGN & DELIVERY**
- **RECOMMENDATIONS** at an early stage
- **‘WELL-BEING of FUTURE GENERATIONS’**
- supporting **SCRUTINY**

Archwilydd Cyffredinol Cymru
Auditor General for Wales

The 21st Century Schools and
Education Programme





Well-being in Wales



Long term



Collaboration



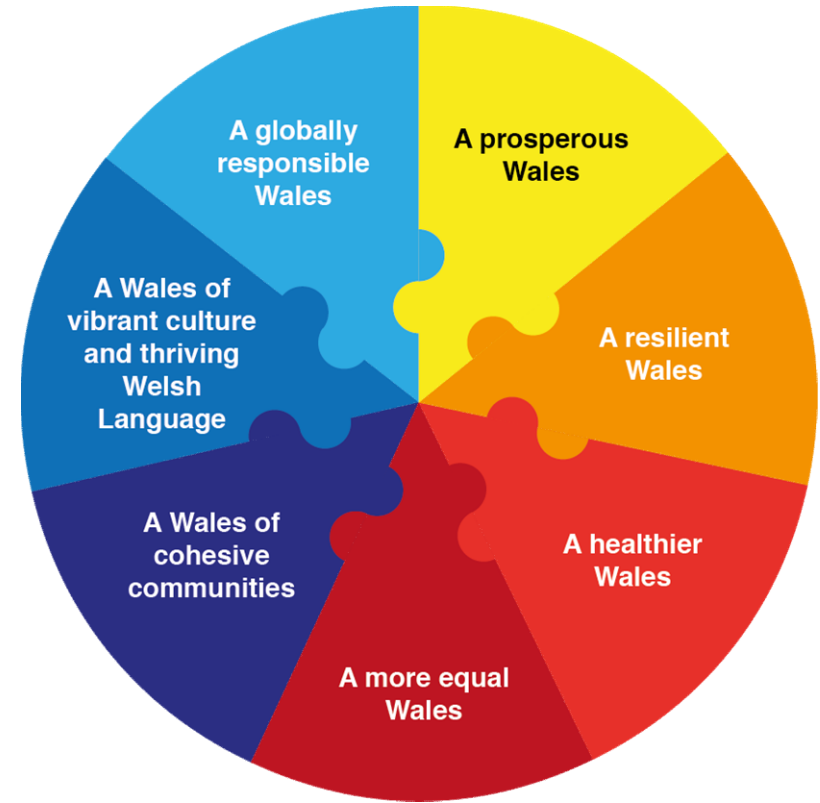
Involvement



Prevention



Integration





NAO: framework to review programmes



<https://www.nao.org.uk/report/framework-to-review-programmes/>





Our audit: findings

- **Challenges for the future but generally well managed**
 - **clear long-term direction and collaborative ethos**
 - **shift in focus from 'patch and mend'**
 - **flexible pipeline to deal with uncertainty**
 - **regional procurement frameworks**
 - **specialist technical support available to councils**
 - **robust business case process**





Our audit: findings

- **Areas for improvement, including:**
 - **getting better data about school condition**
 - **evidencing wider benefits**



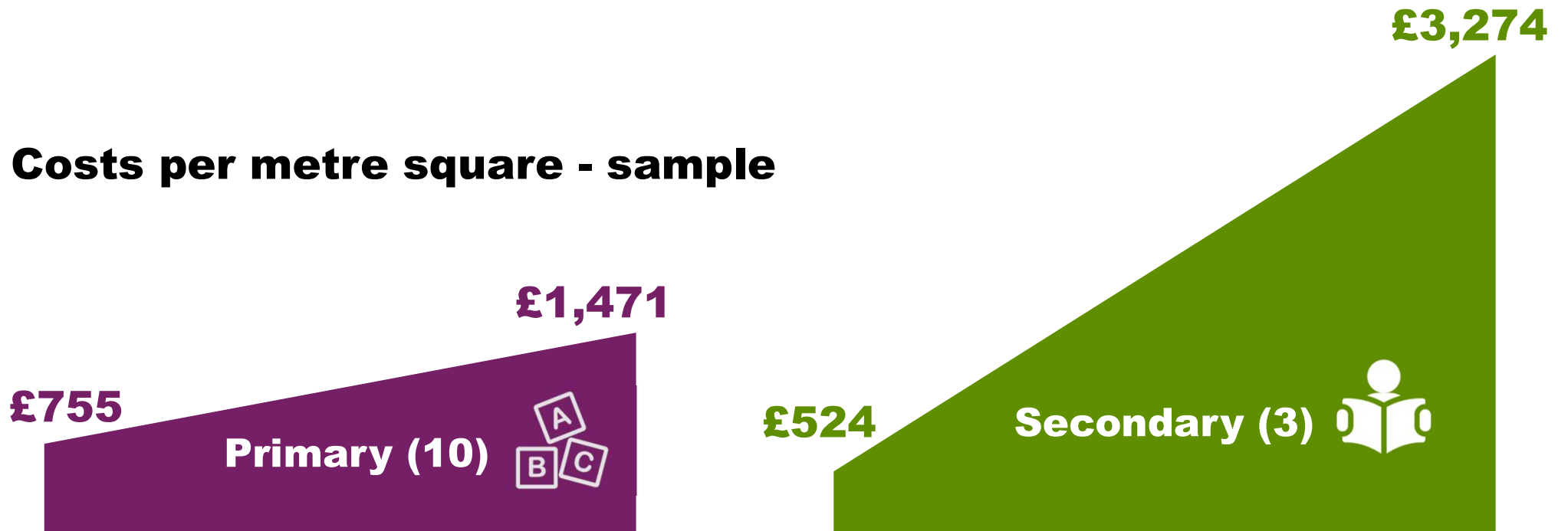
- **project cost variation**





Cost variation - refurbishment

Costs per metre square - sample





Possible savings for new builds

Not exceeding maximum area guidance could have saved...



More standardised ICT specifications







Band B: 2019 – 2024



£2.3 bn



Standardised size and cost benchmarking



Stronger integration – e.g. active travel, community hubs



Revenue financing option – Mutual Investment Model





Band B: intervention rates



**Mainstream schools / colleges
(capital funded)**



**Special schools / referral units
(capital funded)**



Mutual Investment Model



MIM

The Mutual Investment Model

- **Welsh Government invests in company created to design, build, finance and maintain asset**
 - **up to 20% – able to appoint director to the Board**
 - **classified as off balance sheet**
- **Service payment – monthly revenue charge over 25 years**
- **Community benefits built into project bids and contracting**





MIM: value for money long-term?

- **Inherent risks – similar to other revenue financing?**
- **Schools programme – best fit?**
- **Market interest and resilience?**
- **Are other capital & borrowing options exhausted?**
- **National Assembly Finance Committee viewpoint?**

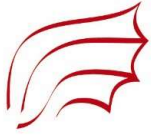




Our plans: reporting on Band B?

- **Right time and right scope?**
- **Right knowledge and skills?**
- **Learning from other UK audit bodies?**
 - **Private Finance Initiative (PFI) and PF2**
 - **Non-profit distributing (NPD) and Hub model**





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Questions?

