

Implementation of the 2010-11 Review of Education Capital (The James Review)

Consultation Response Form

The closing date for this consultation is: 11 October
2011

Your comments must reach us by that date.

THIS FORM IS NOT INTERACTIVE. If you wish to respond electronically please use the online or offline response facility available on the Department for Education e-consultation website (<http://www.education.gov.uk/consultations>).

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes, primarily the Freedom of Information Act 2000 and the Data Protection Act 1998.

If you want all, or any part, of your response to be treated as confidential, please explain why you consider it to be confidential.

If a request for disclosure of the information you have provided is received, your explanation about why you consider it to be confidential will be taken into account, but no assurance can be given that confidentiality can be maintained. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data (name and address and any other identifying material) in accordance with the Data Protection Act 1998, and in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

Please tick if you want us to keep your response confidential.

Reason for confidentiality:

Name	Lesley Lodge
Organisation (if applicable)	Chartered Institute of Public Finance and Accountancy (CIPFA)
Address:	Policy and Technical, CIPFA, 3 Robert Street, London WC2N 6RL

If your enquiry is related to the policy content of the consultation you can contact Jane Power on:

Telephone: 01928 438037

e-mail: CapitalReview.CONULTATION@education.gsi.gov.uk

If you have a query relating to the consultation process you can contact the Consultation Unit on:

Telephone: 0370 000 2288

e-mail: consultation.unit@education.gsi.gov.uk

Please tick one category that best describes you as a respondent.

<input type="checkbox"/> Local Authority Children's Services	<input type="checkbox"/> LA Building Officer	<input type="checkbox"/> Cabinet Member
<input type="checkbox"/> Academy	<input type="checkbox"/> School Applying for Academy Status	<input type="checkbox"/> Voluntary Aided School
<input type="checkbox"/> School Forum	<input type="checkbox"/> Private Sector (construction)	<input type="checkbox"/> Maintained School
<input type="checkbox"/> Campaign Group	<input type="checkbox"/> Governor's Association	<input type="checkbox"/> Other Children's Services Provider
<input checked="" type="checkbox"/> Other		

Please Specify:

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. Our 14,000 members work throughout the public services, in national audit agencies, in major accountancy firms, and in other bodies where public money needs to be effectively and efficiently managed.

As the world's only professional accountancy body to specialise in public services, CIPFA's portfolio of qualifications are the foundation for a career in public finance. They include the benchmark professional qualification for public sector accountants as well as a postgraduate diploma for people already working in leadership positions. They are taught by our in-house CIPFA Education and Training Centre as well as other places of learning around the world.

We also champion high performance in public services, translating our experience and insight into clear advice and practical services. They include information and guidance, courses and conferences, property and asset management solutions, consultancy and interim people for a range of public sector clients.

Globally, CIPFA shows the way in public finance by standing up for sound public financial management and good governance. We work with donors, partner governments, accountancy bodies and the public sector around the world to advance public finance and support better public services.

Use of Basic Need and Condition Data to Determine Local Budget Allocations

Recommendations 'Review of Education Capital: Sebastian James, April 2011'

Rec 1: Capital Investment and apportionment should be based on objective facts and use clear, consistently applied criteria. Allocation should focus on the need for high-quality school places and the condition of facilities.

Rec 8: That the Department:

- gathers all local condition data that currently exists, and implements a central condition database to manage this information; and*
- carries out independent building condition surveys on a rolling 20% sample of the estate each year to provide a credible picture of investment needs, repeating this to develop a full picture of the estate's condition in five years and thereafter.*

1 What data on the condition of the local estate should be used alongside pupil and student numbers data, as the basis of a fair allocation to address need across the range of children's and young people's institutions and facilities?

Comments:

We suggest some kind of standard classification system which is capable of capturing the key features of schools which are relevant to their need for capital expenditure, such as:

- Building use, e.g. pupils only, community use, curriculum suitability
- Information on any recent rebuilding or refurbishment
- The existence or otherwise of asbestos

There needs to be a consistently applied categorisation of existing condition including the urgency of required works and the quality of existing buildings.

Consideration will need to be given to the need to avoid perverse incentives (eg to neglect buildings in order to move up the priority list).

2 Access to, and quality of, condition data can be variable. Do you have robust and complete data available, or have you proposals on how it can be gathered and managed most effectively, but at the same time with minimal cost? Please outline.

Yes

No

Not Sure

Comments:

Thought will need to be given on the best way of collecting data for academies, foundation schools and VA schools. Local Authorities would need funding if required to collate the information.

Flexible capital budget with local decision-making

Recommendations 'Review of Education Capital: Sebastian James, April 2011'

Rec 2: Demand-led programmes, such as Free Schools, are most sensibly funded from the centre and a centrally retained budget should be set aside for them.

Rec 3: The Department should avoid multiple funding streams for investment that can and should be planned locally, and instead apportion the available capital as a single, flexible budget for each local area, with a mandate to include ministerial priorities in determining allocations.

Rec 4: Notional budgets should be apportioned to Local Authority areas, empowering them fully to decide how best to reconcile national and local policy priorities in their own local contexts. A specific local process, involving all Responsible Bodies, and hosted by the Local Authority, should then prioritise how this notional budget should be used.

Rec 5: The local prioritisation decisions should be captured in a short local investment plan. There should be light-touch central appraisal of all local plans before an allocated plan of work is developed so that themes can be identified on a national level and scale-benefits achieved. This must also allow for representations where parties believe the process has not assigned priorities fairly.

Rec 6: Individual institutions should be allocated an amount of capital to support delivery of small capital works and ICT provision. Wherever possible, this should be aggregated up to Responsible Bodies according to the number of individual institutions they represent, for the Responsible Body then to use for appropriate maintenance across its estate, working in partnership with the institutions.

3 Do you think that the Department should move to a system for capital investment that apportions the available capital as a single, flexible budget for each local area, and that investment should then be determined through a specific local process, involving all Responsible Bodies and ultimately hosted by the Local Authority?

Yes

No

Not Sure

Comments:

In CIPFA's view, Local Authorities are best placed to understand local conditions and to determine local priorities. However, capital schemes usually need to take place over more than one year and it is therefore important that the funding can be used flexibly across financial years.

Thought will need to be given to how environmental sustainability and Carbon Reduction can be taken into account in the new system.

It is essential that in whatever system is used that there is a clear understanding at the outset as to whether funding to be deployed in VA schools is inclusive of irrecoverable VAT.

4 a) What do you consider to be the benefits or risks in establishing a single capital funding model of this nature?

Comments:

CIPFA considers local flexibility and a transparent and strategic approach agreed by the relevant partners to be key benefits.

We see possible risks as:

- The potential for disagreements between local partners over priorities
- Whether adequate data can be collated and processed quickly enough
- The potential for perverse incentives

4 b) How would you address the risks you have identified?

Comments:

The set criteria for classifying building condition and needs must be carefully considered from the outset. Statutory and discretionary provision should be clearly identified.

A focus on SEN and access for children with disabilities is needed in local investment plans.

Specific high cost issues such as asbestos should be taken into account, to ensure equitable outcomes.

Environmental sustainability should also included.

The system should take into account where capital funding is needed to achieve efficiencies which will generate revenue savings or revenue income.

4 c) Specifically, how could the local area decision-making arrangements be established to ensure that the process represents the range of Responsible Bodies, takes account of all needs, leads to fair prioritisation of investment within the available resource, and is not unduly bureaucratic?

Comments:

Clear guidance should be provided on the required content of the local investment plan and the responsibilities of Responsible Bodies.

Schools will need to provide timely and accurate data to their Responsible Body on any alterations they have may have made.

5 Would you prefer to see the current funding model used for the 2011-12 allocations retained until at least 2015 or for the foreseeable future? What are the risks and benefits of this approach?

Yes

No

Not Sure

Comments:

The obvious risk is that funding will not be sufficient for some areas, given the cancellation of many Building Schools for the Future schemes and the Primary Strategy for Change programmes. The addition of the new free schools may add to the pressure on funding.

The alternative funding through Private Finance Initiative (PFI) schemes is generally not suitable for smaller schemes and PFI has been criticised recently by the Public Accounts Committee as not representing good value for money in the public sector.

6 Should some of the ring-fenced programmes currently managed centrally, for example maintenance of Academies and Sixth Form Colleges, become ring-fenced programmes managed locally? What would be the risks and benefits?

Yes

No

Not Sure

Comments:

7 a) Would you support a model that includes a fair proportion of maintenance capital being directly allocated to Responsible Bodies that have assets in several local authority areas, so that they can make their own decisions on how best to deploy that maintenance funding across their estate? What are the benefits and risks of this approach?

Yes

No

Not Sure

Comments:

In our view such a move could different allocations, be open to the possibility of – for example - a Responsible Body allocating the bulk of its resources to institutions in one area, adversely affect the viability of schools from other Responsibly Bodies.

The greatest risk will lie ultimately with the LA if there is a major failure of a VA school and the Responsible Body has insufficient funding remaining. The LA will still have the legal obligation to ensure the education of the children.

7 b) How would such Responsible Bodies be identified?

Comments:

As above (7A), CIPFA does not support this proposal.

If the proposal is accepted, however, we suggest such Responsible Bodies could be it identified by factors such as size, legal status and responsibilities, applied consistently over the different types of provider.

8 Do you agree with the principle that there should be a Local Investment Plan to support local and national transparency and better procurement? If so, what should be included in a Local Investment Plan?

Agree

Disagree

Not sure

Comments:

CIPFA agrees that each Local Authority area should provide the department with such an initial Local Investment Plan.

Such a Plan should ideally be strategic above all, should set out the priorities for programmes and projects and should identify projects which will suffer irrecoverable VAT. A five year rolling plan would allow a strategic approach but schools will need some certainty on capital funding if design and planning are to proceed with confidence.

9 Do you agree that each local authority area should provide the department with an initial Local Investment Plan in spring 2012, drawing from the respective plans that all Responsible Bodies make for their own allocations?

Agree

Disagree

Not sure

Comments:

CIPFA agrees that each Local Authority area should provide the department with such an initial Local Investment Plan but we feel it is for Local Authorities to respond on the feasibility of Spring 2012 as the deadline.

10 Do you believe there are other models which incentivise the creative and efficient use of capital at school level?

Yes

No

Not Sure

Comments:

Regardless of model, a key determinant in incentivising a creative and efficient use of capital will depend on the effort put into a collaborative approach.

National Contracting and Procurement

Recommendations 'Review of Education Capital: Sebastian James, April 2011'

Rec 13: That the Central Body should put in place a small number of new national procurement contracts that will drive quality and value from the programme of building projects ahead.

Rec 14: That the Department uses the coming spending review period to establish a central delivery body and procurement model, whereby the pipeline of major projects - to a scale determined by the Department - is procured and managed centrally with funding retained centrally for that purpose.

Rec 15: That the Department quickly takes steps to maximise the value for money delivered through maintenance and small projects and puts in place a simple and clear national contract to make this happen.

11 Do you agree that there are benefits and efficiencies to be gained in building and capital maintenance from using national expertise, national procurement frameworks, a standard contract with suppliers and national project management? What do you consider to be the potential advantages and disadvantages?

Agree Disagree Not sure

Comments:

An obvious advantage of a national approach should be economies of scale, but we are not confident on the issue of how efficiencies can be guaranteed. However, in our view, a national approach can often prove cumbersome in practice and a local approach will allow a better reflection of local circumstances and needs.

12 Do you have evidence to show that local or regional procurement arrangements offer better value for money for certain types of projects or within certain values? If so, please describe.

 Yes No Not Sure

Comments:

While some BSF schemes have been criticised, mainly for delays, in our view there are some BSF schemes which have proved excellent value for money. We expect that Local Authority respondents to this consultation will be in a better position to advise the department of good examples.

BSF projects in respect of VA schools funded via local authorities have created issues surrounding the levels of funding available. Where works are the responsibility of the governing body in many cases VAT will not be recoverable which has effectively reduced the pot of funding available for local authorities. If discrimination against non VAT recoverable projects is to be avoided it must be clear from the outset from the DfE who the funding is being allocated to and whether that funding is inclusive or exclusive of irrecoverable VAT so that schemes can be costed accordingly.

13 Are there limits - contract value or type of project - where you think the case can best be made for local or regional contract procurement? Please specify below.

Yes

No

Not Sure

Comments:

Rather than numerical or type limits, local procurement should be allowed if the LA has a good record of delivering projects on time and within budget.

14 What criteria do you suggest for projects to be potentially exempt from project management by the central body?

Comments:

See 13 above.

Another criterion could be if the partnership arrangements are complex - local knowledge of the stakeholders would be an advantage.

15 Where local or regional procurement or project management is used, how can its benefits and learning be shared so as to achieve the same gains in all procurement?

Comments:

We suggest:

Some kind of web-based forum

The publication of case studies (good practice and “lessons learnt” examples)

Other recommendations not covered specifically by this consultation that are set out in the Review

Review of Education Capital: Sebastian James, April 2011

Rec 7: The Department ensures there is access to clear guidance on legal responsibilities in relation to maintenance of buildings, and on how revenue funding can be used for facility maintenance.

Rec 9: That the Department revises its school premises regulations and guidance to remove unnecessary burdens and ensure that a single, clear set of regulations apply to all schools. The Department should also seek to further reduce the bureaucracy and prescription surrounding BREEAM assessments.

Rec 10: There should be a clear, consistent Departmental position on what fit-for-purpose facilities entail. A suite of drawings and specifications should be developed that can easily be applied across a wide range of educational facilities. These should be coordinated centrally to deliver best value.

Rec 11: The standardised drawings and specifications must be continuously improved through learning from projects captured and coordinated centrally. Post occupancy evaluation will be a critical tool to capture this learning.

Rec 12: As many projects as possible currently in the BSF and Academy pipeline should be able to benefit from the Review's findings to ensure more efficient procurement of high quality buildings. This should be an early priority to identify where this could be done.

Rec 16: That the Department revisit its 2004 Cap Gemini report and implement proposals where they are appropriate.

16 Do you have any immediate further comments you wish us to consider on other parts of the Recommendations from the Review?

Comments:

The guidance will need to be clear on responsibilities, especially the requirement for schools to provide timely data (eg on building condition and any alterations) to their Responsible Body of alterations to the premises.

Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below.

Please acknowledge this reply

Here at the Department for Education we carry out our research on many different topics and consultations. As your views are valuable to us, would it be alright if we were to contact you again from time to time either for research or to send through consultation documents?

Yes

No

All DfE public consultations are required to conform to the following criteria within the Government Code of Practice on Consultation:

Criterion 1: Formal consultation should take place at a stage when there is scope to influence the policy outcome.

Criterion 2: Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible.

Criterion 3: Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.

Criterion 4: Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.

Criterion 5: Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.

Criterion 6: Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.

Criterion 7: Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.

If you have any comments on how DfE consultations are conducted, please contact Carole Edge, DfE Consultation Co-ordinator, tel: 01928 438060 / email: carole.edge@education.gsi.gov.uk

Thank you for taking time to respond to this consultation.

Completed questionnaires and other responses should be sent to the address shown below by 11 October 2011

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