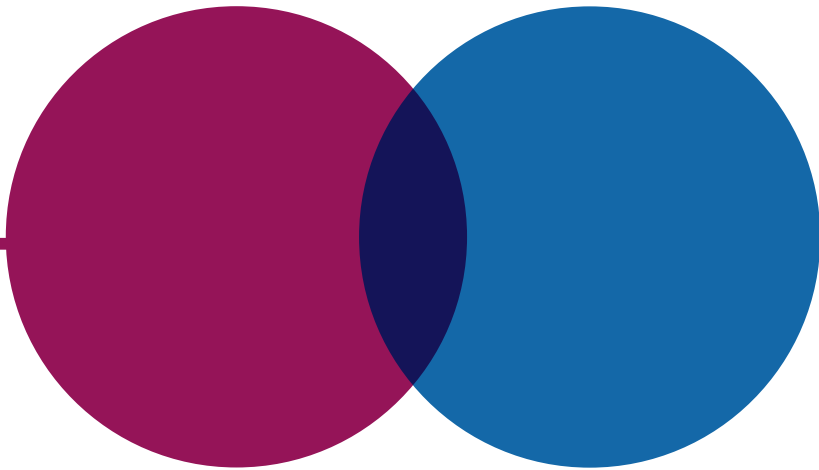




National Audit Office




REPORT

# Condition of school buildings

Department for Education

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HC 1516



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## Report by the Comptroller and Auditor General

Ordered by the House of Commons  
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This report has been prepared under Section 6 of the  
National Audit Act 1983 for presentation to the House of  
Commons in accordance with Section 9 of the Act

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**Gareth Davies**  
**Comptroller and Auditor General**  
**National Audit Office**

**20 June 2023**

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## Key facts

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**64,000**

individual buildings across 21,600 schools in England

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**3,600**

system-built blocks for which the Department for Education (DfE) has more concerns because they may be more susceptible to deterioration

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**£5.3bn**

annual funding that DfE recommended in 2020 would be required longer term to maintain schools and mitigate the most serious risks of building failure

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**£2.3 billion**

average amount of annual capital funding for school rebuilding, maintenance and repair spent by DfE between 2016-17 and 2022-23

**38%**

proportion of school buildings that are believed to be past their estimated initial design life, which could be extended with adequate maintenance

**700,000**

number of pupils learning in a school that the responsible body or DfE believes requires major rebuilding or refurbishment

**600**

number of assessments that DfE has planned, by December 2023, on school buildings that may have reinforced autoclaved aerated concrete (RAAC) – a lightweight form of concrete that is susceptible to failure

**500**

number of schools in the most urgent need that are due to have major rebuilding or refurbishment under the School Rebuilding Programme

**15%**

proportion of eligible schools that made no applications for maintenance and repair funding between 2016-17 and 2022-23

Throughout this report, central government financial years are written as, for example, '2022-23' and run from 1 April to 31 March; school academic years are written '2022/23' and run from 1 September to 31 August.

## Summary

**1** In January 2023, there were 21,600 state schools in England, educating 8.4 million pupils. Around 11,400 state schools (53% of the total), with 3.5 million pupils, were maintained schools funded and overseen by local authorities. The remaining 10,200 schools (47%), with 4.9 million pupils, were part of an academy trust, directly funded by the Department for Education (DfE) and independent of the local authority. Academy trusts have significant freedoms and responsibilities that local authorities do not, such as how they distribute funding to their schools and whether they follow the national curriculum.

**2** Between them, the 21,600 state schools have around 64,000 buildings, which vary in age and design. Overall, the condition of the school estate is declining, and there are safety concerns about some types of buildings. The 'responsible body' in control of the school, usually the relevant local authority, academy trust or voluntary-aided body, must manage the condition of its buildings and ensure they are safe. As DfE has overall responsibility for the school system in England, it sets the policy and statutory framework and has ultimate accountability for securing value for money from the funding provided to schools, including for school buildings. DfE distributes funding to local authorities, academy trusts and voluntary-aided bodies, and also delivers some programmes itself.

**3** DfE has a clearly articulated principle to rebuild schools in the worst condition while allocating enough funding to allow responsible bodies to maintain the rest of the school estate. It considers that exclusively spending money on the poorest condition buildings would not deliver best long-term value for money. DfE does not report externally on how well it is delivering its overarching principle.

**4** In 2017, we reported that DfE was making progress in improving school buildings in the worst condition.<sup>1</sup> But we also found that the school estate's overall condition was expected to worsen as buildings in poor, but not the worst, condition deteriorated further. We concluded that, to deliver value for money, DfE needed to make best use of the capital funding it had available and continue to increasingly use its data to inform funding decisions.

<sup>1</sup> Comptroller and Auditor General, *Capital funding for schools*, Session 2016-17, HC 1014, National Audit Office, February 2017.

**5** This report examines whether DfE is achieving its objective to ensure the school estate contains the safe and well-maintained school buildings that it regards as essential for a high-quality education. Our evaluative criteria for assessing value for money include whether DfE has: a good understanding of the condition of school buildings; appropriate arrangements to allocate funding for school buildings in line with need; and effective ways to support the sector. In line with DfE's policy responsibilities, we only consider schools in England. The report covers:

- the school system and DfE's overarching school building maintenance approach (Part One);
- DfE's understanding of the condition of school buildings (Part Two); and
- how DfE matches funding to need (Part Three).

Details of our evidence base are set out in Appendix One.

## **Key findings**

The school system and DfE's approach to school buildings

**6 In recent years, funding for school buildings has not matched the amount DfE estimates it needs, contributing to the estate's deterioration.** Between 2016-17 and 2022-23, DfE spent on average £2.3 billion a year, with most of this (76%) for maintenance and repair and the remaining 24% to carry out major rebuilding and refurbishment projects. In its Spending Review 2020 case, drawing on external estimates, DfE reported that £7 billion could represent the best-practice level of annual capital funding. It recommended £5.3 billion a year as the capital funding required to maintain schools and mitigate the most serious risks of building failure once it had expanded its School Rebuilding Programme. Since it would take time to achieve this expansion, DfE requested an average of £4 billion a year for 2021 to 2025. HM Treasury subsequently allocated an average of £3.1 billion a year. Given limited funding, responsible bodies are more likely to prioritise elements of school buildings in the worst condition leaving less to spend on effectively maintaining the other buildings and enhancing or developing their estate. Stakeholders told us that current funding levels mean responsible bodies may delay carrying out remedial work, leading to poor longer-term value for money (paragraphs 3.2, 3.3 and 3.5).



**7 DfE does not have a full understanding of estate management capability across responsible bodies, which could make it difficult to target guidance and support.**

Responsible bodies' capability and approach to managing their buildings varies significantly. While DfE has considerable anecdotal evidence on estate management capability and practice, it has little quantitative evidence, which makes it very difficult to understand the level of guidance and support required and target it effectively. However, it has a range of initiatives designed to support the sector including a comprehensive and well-regarded online manual and a small but expanding programme to provide academy trusts dedicated support from capital advisers. Many estate managers report that they struggle to interest school leaders in the strategic management of their buildings (paragraphs 1.10 to 1.13).

## Understanding the condition of school buildings

**8 Since we last examined this topic in 2017, DfE has been continually enhancing its insights on the general condition of school buildings.**

Between 2017 and 2019, DfE significantly built up its information on almost all school buildings through a major and complex data collection programme. DfE is now in the process of carrying out a further exercise to develop its insights on the school estate, including how the estate condition has changed over time. Through this work, DfE has improved the completeness and granularity of its information. The work mainly consists of visual inspections rather than structural inspections. The latter provide more assurance about the condition of a building, but are more expensive, take longer to carry out, and can be disruptive (paragraphs 2.2 and 2.3, and Figure 2).

**9 Around 24,000 school buildings (38% of the total) are beyond their estimated initial design life so generally require more maintenance than newer buildings.**

This includes 10,000 buildings constructed before 1940, with an estimated initial design life of 60 to 80 years; and an estimated 13,800 'system-built' blocks constructed between 1940 and 1980, with an estimated initial design life of 30 to 40 years. Buildings can normally be used beyond their initial design life with adequate maintenance, but can be more expensive to maintain and, on average, have poorer energy efficiency leading to higher running costs. Many school buildings also contain asbestos, which presents a safety risk if not managed carefully and increases the cost of maintenance and repair work (paragraphs 2.4 to 2.6, and Figure 3).

**10 Around 700,000 pupils are learning in a school that the responsible body or DfE believes requires major rebuilding or refurbishment.**

This work can be required because of safety issues or general building condition. DfE considers that poor-quality school buildings have a negative impact on several important measures, including pupil attainment levels and teacher retention. Stakeholders we consulted emphasised how factors such as buildings being too hot or cold, insufficient ventilation, and disruption caused by parts of a school being unusable, can adversely affect pupils' experience. This is especially the case for those who struggle academically or have special educational needs and disabilities (paragraph 2.9).

**11 DfE currently lacks comprehensive information on the extent and severity of potential safety issues across the school estate, although it has made progress in the last year.** Understanding and overseeing safety issues can be challenging for DfE given the size and complexity of the estate, and as responsible bodies have responsibility for ensuring their schools are safe. DfE has been considering reinforced autoclaved aerated concrete (RAAC) – a lightweight form of concrete that is susceptible to failure – as a potential issue since late 2018 following a school safety incident. Between then and early 2021, it worked with other bodies to issue warning notes, expanded its data collection programme, and issued a guide for identifying RAAC. In March 2022, DfE sent all responsible bodies a questionnaire asking whether their buildings contained RAAC. It is now focusing on around 14,900 schools with buildings constructed between 1930 and 1990. As at May 2023, around 6,300 (42%) of these schools had told DfE they had completed work to identify RAAC. Through this, and wider work, DfE had identified 572 schools that may contain RAAC. It is working with these schools to confirm mitigations are in place for pupil and staff safety. A specialist will assess all schools with suspected RAAC, and DfE has allocated £6 million for 600 assessments by December 2023. By May 2023, specialists had completed 196 assessments and confirmed the presence of RAAC in 65 schools, of which 24 required immediate action. In May 2023, DfE announced that, where RAAC is present in schools, it would provide funding to ensure that it does not pose an immediate risk. In May 2023, DfE announced that, where RAAC is present in schools, it would provide funding to ensure that it does not pose an immediate risk. Separately, by 2019 DfE had identified an estimated 13,800 system-built blocks. It has more concerns about an estimated 3,600 of these because they may be more susceptible to deterioration. In September 2022, DfE approved plans for an invasive structural assessment of system-built blocks in 200 schools, but it is yet to procure specialists to carry out the first 100 visits (paragraphs 2.12 to 2.19, and Figure 6).

**12 Since summer 2021, DfE has assessed the threat to safety in school buildings as a critical risk. It does not consider its existing mitigations as sufficient to bring the likelihood of this risk materialising down to acceptable levels.** DfE considers that insufficient capital funding to address structural issues, and the condition of some buildings at the end of their initial design life, contribute to the severity of the risk. In addition to the steps explained in paragraph 11, DfE's main mitigations have involved funding maintenance and rebuilding, offering additional financial support in exceptional circumstances, and providing responsible bodies with support and guidance. It believes the most effective further mitigation would be an expanded School Rebuilding Programme. DfE's corporate risk features prominently on the government risk register, as part of a broader risk relating to 'unsafe public property' (paragraphs 2.22, 2.24 and 2.25).

## Matching funding to need

### **13 DfE is behind its initial schedule for awarding contracts on its programme of major rebuilding and refurbishment, which will impact on completion rates.**

In 2020, DfE announced a 10-year programme to rebuild or refurbish 500 of those schools with buildings in the most urgent need. DfE has already selected 400 schools, with 100 of these schools chosen upfront – 22 because they had buildings of a type which has a high risk of collapse, and 78 because they had the highest 'condition need' per m<sup>2</sup> (the modelled cost of bringing buildings up to a good standard of repair). As at March 2023, DfE had awarded 24 contracts, compared with its forecast of 83, with one project completed compared with its forecast of four. Reasons for this slower than planned progress include providers not taking up contracts given instability in the construction sector and inflationary risks. DfE has taken steps to address these issues, including by changing its project funding policy to reflect market conditions (paragraphs 2.5, 3.11, 3.12 and 3.16).

**14 DfE is continuing to improve its formula for calculating maintenance and repair funding.** Prior to 2021-22, DfE primarily based funding on pupil numbers, with around one-third of schools allocated additional funding based on having the highest condition need. In 2021-22, DfE updated its formula to include the results of its most recent data collection exercise on the condition of school buildings, which means funding allocations are now more closely correlated with condition need for all schools. However, our exploratory analysis suggested that the updated formula may not fully reflect the actual work needed, as identified in schools' bids for funding (paragraphs 3.23 and 3.24, and Figure 11).

**15 DfE directly allocates maintenance and repair funding to some responsible bodies but it has not formally assessed the appropriateness of its threshold for doing so.** For each local authority, and all those academy trusts and voluntary-aided bodies with at least five schools and 3,000 pupils (representing 79% of all schools), DfE calculates funding for maintenance and repair at a school level, which it then aggregates to allocate a total amount directly to the responsible bodies. They may decide how to allocate this funding across their school buildings. DfE believes these responsible bodies receive a large enough allocation to carry out substantial capital works and are more likely to have the capacity and skills to effectively maintain their estates. Responsible bodies that do not receive a direct allocation may apply for capital funding from DfE for specific projects. However, DfE has not carried out a formal assessment of whether smaller responsible bodies eligible for a direct allocation have the capacity and skills to use the funding effectively, or of the minimum funding levels required. For example, all local authorities receive funding regardless of their size, and this includes 10 of a similar size to other bodies who would need to apply for specific projects (paragraphs 3.19, 3.21 and 3.22, and Figure 8).

**16 Schools in smaller academy trusts may be missing out on funding for**

**maintenance and repair.** Schools whose responsible bodies do not automatically receive funding allocations may apply to DfE for capital funding for up to two projects per school each year. Of the 2,493 schools eligible every year between 2016-17 and 2022-23, one-quarter made more than 10 applications while 15% (368 schools) made no applications at all. Although schools in the poorest relative condition were slightly more likely to have made at least one application, 22 of these schools made no applications. In 2021, DfE analysed why schools most needing maintenance had not applied. It found that some schools assessed their buildings to be in a good condition, while others lacked the capacity to apply. A small number of schools were not aware of this funding (paragraphs 3.19, 3.25 and 3.26, and Figure 12).

**Conclusion on value for money**

**17** DfE is accountable for providing those bodies responsible for school buildings with the funding and support to enable them to meet their responsibility to ensure school buildings are safe and well maintained. Following years of underinvestment, the estate's overall condition is declining and around 700,000 pupils are learning in a school that the responsible body or DfE believes needs major rebuilding or refurbishment. Most seriously, DfE recognises significant safety concerns across the estate, and has escalated these concerns to the government risk register. Although it has made progress in the last year, DfE currently lacks comprehensive information on the extent and severity of these safety issues, which would allow it to develop a longer-term plan to address them. It has announced that, where RAAC is identified in schools, it will provide funding to mitigate any immediate risk.

**18** DfE has improved its understanding of the general condition of school buildings. This has helped it to allocate funding based on better estimates, and target schools assessed to be in the poorest condition. However, there is a significant gap between the funding available and that which DfE assesses it needs to achieve its aim for school buildings to be safe and in a good condition for those who learn and work there. Funding is also often used for urgent repairs rather than planned maintenance which, as DfE itself acknowledges, risks not offering good long-term value for money. DfE must ensure that its approach delivers the best value from the resources it currently has available.

## Recommendations

**19** We recommend that government, led by DfE and with support from responsible bodies, should:

- a** determine by when, and through what means, it plans to have fully dealt with RAAC as a safety issue across the school estate so that it is no longer a critical risk.

**20** We recommend that DfE should:

- b** identify a set of high-level measures that would allow it to summarise and externally report on how well it is delivering its overarching principle to rebuild schools in the worst condition while allocating enough funding to allow responsible bodies to maintain the rest of the school estate;
- c** reconsider the appropriateness of its assumptions on the balance between rebuilding and maintenance, given the declining condition of the estate and the funding it has available;
- d** assess whether its current plan to carry out 200 invasive structural assessments on system-built blocks remains the best approach to provide an accurate and comprehensive understanding of the nature and the scale of the risks associated with the blocks, and therefore how best to mitigate these risks across the estate;
- e** use new data, including the results of its second data collection programme when available, to assess whether its current formula for allocating funding for maintenance and repair is sufficiently aligned with need;
- f** formally assess the appropriateness of the threshold which determines whether responsible bodies receive maintenance and repair funding directly or through applying for specific projects; and
- g** ensure that schools and responsible bodies, particularly those who must apply for specific maintenance and repair funding and have poor condition or potentially unsafe buildings, are aware of the funding, guidance and support available, so they use it when needed.