



National Audit Office




REPORT

Condition of school buildings

Department for Education

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Department for Education

Report by the Comptroller and Auditor General

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Gareth Davies
Comptroller and Auditor General
National Audit Office

20 June 2023

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The National Audit Office study team consisted of:


Phil Hyde, Areti Poleni and Ashleigh Thorius, with assistance from Hassan Ayoub, Dean Fonseca-Bashford, Sue Leveson and Ethan Wright, under the direction of Laura Brackwell and Emma Willson.

For further information about the National Audit Office please contact:

National Audit Office
Press Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

 020 7798 7400

 www.nao.org.uk

 @NAOorguk

Key facts

64,000

individual buildings across 21,600 schools in England

3,600

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

£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

£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.¹ 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.

¹ 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 m² (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.

Part One

The school system and the Department for Education's approach to maintaining school buildings

1.1 With overall responsibility for the school system, the Department for Education (DfE) provides those bodies responsible for schools the funding and support to maintain school buildings. This part of the report describes the school system and DfE's overarching approach towards maintaining school buildings.

Schools and pupils

1.2 In January 2023, there were 21,600 state schools in England, educating 8.4 million pupils. Of these, 20,200 were mainstream primary and secondary schools teaching 8.3 million pupils. The remaining 1,400 schools were special schools or alternative providers, teaching 160,000 pupils, most of whom had special educational needs and disabilities. Between them, the 21,600 state schools have around 64,000 buildings, which can vary in age and design even on the same school site.

1.3 Of these state schools, around 11,400 (53%), with 3.5 million pupils, were maintained schools funded and overseen by local authorities.² The remaining 10,200 schools (47%) were academies, with 4.9 million pupils. Each academy school is part of an academy trust, directly funded by DfE and independent of the relevant local authority. Academy trusts have significant freedoms and responsibilities that local authorities do not have, such as how they distribute funding to their schools and whether they follow the national curriculum.

² This includes voluntary-aided schools that typically have a religious character.

Roles and responsibilities

1.4 DfE has overall responsibility for the school system in England. It sets the policy and statutory framework and is ultimately accountable for securing value for money from the funding provided to schools, including for school buildings. It provides guidance and support, and collects information relating to building condition and safety, which it uses to inform funding allocations. DfE distributes funding to local authorities, academy trusts and voluntary-aided bodies,³ and also delivers some programmes itself (**Figure 1** overleaf).

1.5 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. Responsible bodies use DfE funding to discharge these duties – maintaining and repairing buildings across their schools, and sometimes commissioning more significant rebuilding work.

DfE's approach

1.6 The overall condition of the school estate has been in decline for many years. In 2017, we reported that DfE expected the condition of the estate to deteriorate despite its planned investment.⁴ At that point, its indicative modelling suggested that, even with the then-current levels of funding, the cost of returning all school buildings to satisfactory condition would double between 2015-16 and 2020-21 as many buildings neared the end of their original design life.

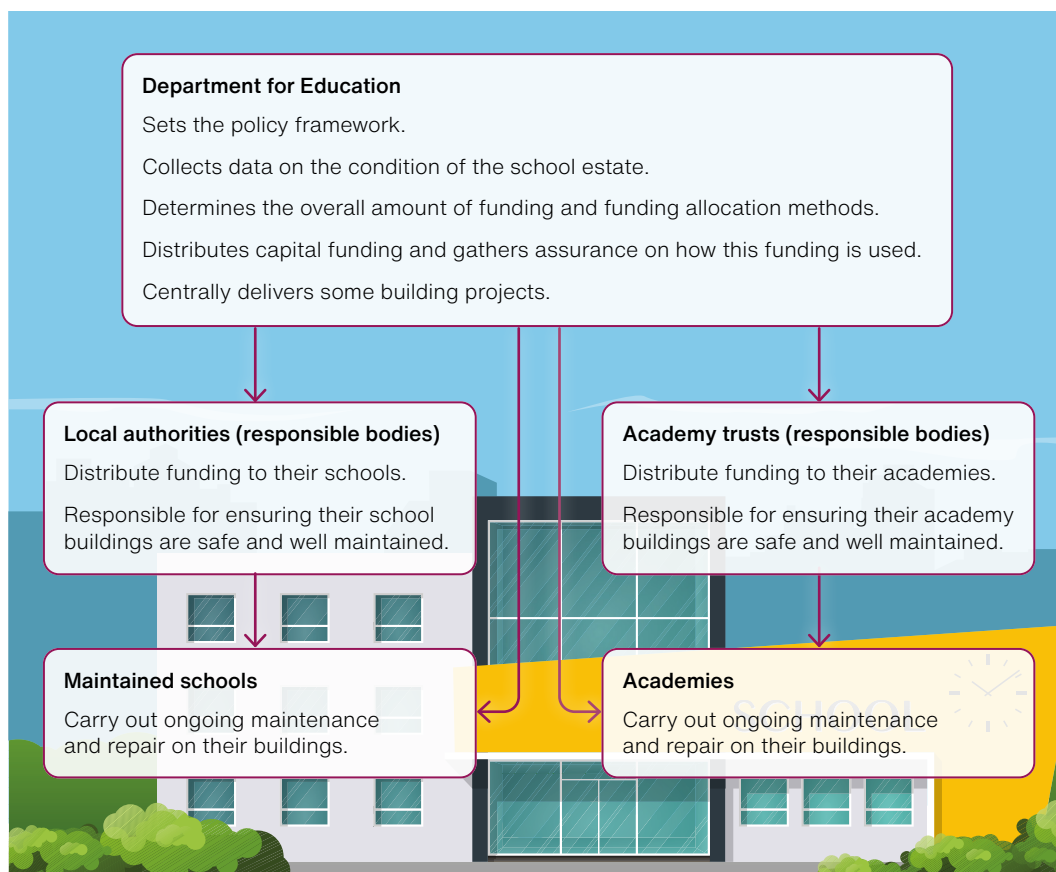
1.7 Given affordability constraints, in recent years DfE's overarching principle has been to rebuild schools in the worst condition while allocating enough funding to allow responsible bodies to maintain the rest of the school estate and keep buildings safe and operational. It considers that exclusively spending money on the poorest condition buildings would not be the best approach, as it would mean ignoring ongoing maintenance, leading to inefficiencies and poor longer-term value for money.

³ Voluntary-aided schools are funded on a similar basis to other maintained schools for revenue funding, but the voluntary-aided body is responsible for capital works to its buildings, and DfE can only grant-fund 90% of these costs, unless ministers decide that exceptional circumstances apply.

⁴ Comptroller and Auditor General, *Capital funding for schools*, Session 2016-17, HC 1014, National Audit Office, February 2017.

Figure 1

Main bodies involved in overseeing the condition of school buildings and providing funding for their maintenance



→ Funding for school building condition

Note

1 In addition, voluntary-aided bodies, maintained schools often with a religious nature that are overseen by local authorities, act as a responsible body for the capital funding of their schools and are responsible for ongoing building maintenance and repair.

Source: National Audit Office

1.8 Effective decision-making relies on a performance framework which draws together relevant, clearly defined and timely measures that include leading indicators and relate to higher-level outcomes.⁵ DfE's internal board reporting on progress maintaining the school estate focuses on three metrics: the modelled cost of bringing all buildings up to a good standard of repair; the modelled cost per m² of bringing the worst 15% of the estate up to a good standard of repair; and the number of pupils learning in the worst 15% of the estate. These measures use data collected between 2017 and 2019 and will be updated once sufficient information has been collected from a subsequent exercise that runs through to 2026. In addition, DfE produces detailed internal management information on its progress with estate-related programmes, such as its School Rebuilding Programme. This reports progress against forecasts but does not set out, for example, the thresholds for success or when DfE may need to take further action, or the interdependencies between strands of activity. It is also unclear how this management information feeds into objectives and business planning. DfE separately reports on its work to investigate safety issues. Nevertheless, DfE believes its processes allow senior management to oversee the range of work impacting the condition of the school estate effectively.

1.9 To deliver its approach, DfE has three broad strands of activity. They are:

- providing guidance and support for schools and responsible bodies;
- collecting information about the estate's condition, and using this information to develop better insights and risk mitigations; and
- drawing on available information to better use its funding to meet the needs of the estate.

Guidance and support for schools and responsible bodies

1.10 Many school estate managers report that they struggle to interest school leaders (such as academy trust chief executive officers and governors) in the strategic management of the school estate. They see DfE as not signalling building condition as a priority, when compared with issues such as pupil attainment and financial management. These factors make it particularly important for DfE to engage with the sector in a way that encourages schools to manage their buildings more strategically.

5 National Audit Office, *Performance measurement: Good practice criteria and maturity model*, 2016. Available at: <https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.nao.org.uk%2Fwp-content%2Fuploads%2F2016%2F11%2FPerformance-Measurement-Good-practice-criteria-and-maturity-model.docx&wdOrigin=BROWSELINK>

1.11 Responsible bodies vary greatly in their ability to manage their estate and how they go about it. Local authorities and larger academy trusts may employ dedicated staff with professional estate management qualifications, whose breadth of experience means they are better placed to identify problems across the estate and understand how to use capital funding effectively. By contrast, staff in smaller responsible bodies may cover building issues alongside other duties. As many schools become academies, leading to local authorities no longer directly overseeing schools, estates expertise may be diluted. Some local authorities have responded to greater academisation by reducing the size and profile of their school estates teams and may now lack the necessary capacity and skills. Some stakeholders concerned with buildings issues in the sector have told DfE that estate management practice is poor.

1.12 DfE has a range of initiatives designed to support the sector. These include:

- the **Good estate management for schools (GEMS)** online manual intended to help all those responsible for overseeing or managing the school estate. DfE launched the manual in 2018. It has been updated numerous times and includes modules on: strategic estate management; understanding and managing land and buildings; performance management and sustainability; and health and safety. From 2021, DfE began to ask school leaders about the value of GEMS and found that around two-thirds were aware of the manual and used it. Stakeholders responding to our consultation exercise generally expressed positive views about GEMS; and
- **Capital Advisers' Programme (CAP)**. Through questionnaires and on-site visits to academy trusts selected by DfE, capital advisers offer support and recommendations to help them improve their estate management capability and practices; make best use of capital funding; and improve building safety. In 2021, DfE piloted the programme in 20 trusts (out of more than 2,500) and expanded this to a further 50 trusts in 2022-23. As the programme is resource intensive, limited numbers of trusts have been involved, but DfE expects to significantly expand numbers given increased funding for 2023-24 and 2024-25. DfE also plans to use information from the programme to enhance its understanding of the capability of trusts.

1.13 DfE does not have a full understanding of estate management capability across responsible bodies. While it 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.

Part Two

Understanding the condition of school buildings

2.1 The Department for Education (DfE) collects information about the condition of school buildings to develop better insights, which it can use to mitigate building safety risks and allocate funding in line with need. Responsible bodies should also collect their own information on the condition of their buildings and use it, alongside information provided by DfE, to effectively plan and carry out maintenance and building works. This part of the report covers how DfE gathers information on the general condition of buildings and wider buildings issues that could affect the safety of pupils and staff. It also describes what this information shows about the risks held by DfE.

Overarching building condition

DfE's data collection process

2.2 Since our last report, DfE has significantly enhanced its insights on the condition of school buildings. In 2017, we found that DfE had made some improvements to its data but did not yet have sufficient information to understand how the condition of buildings had changed over time.⁶ Subsequently, between 2017 and 2019, DfE visually surveyed almost all school buildings through its first Condition Data Collection programme (CDC1). DfE has used this information to improve its understanding of the condition of school buildings, including analysing how the condition had changed since the previous survey carried out between 2012 and 2014. DfE is now undertaking a second programme (CDC2) to further develop its understanding. Through these programmes, DfE has improved the completeness and granularity of information, compared with that collected previously (**Figure 2** overleaf).

6 Comptroller and Auditor General, *Capital funding for schools*, Session 2016-17, HC 1014, National Audit Office, February 2017.

Figure 2

Department for Education (DfE) data collections on the condition of school buildings, from 2012 onwards

DfE has refined and improved its approach to collecting data

	Property Data Survey (PDS)	Condition Data Collection 1 (CDC1)	Condition Data Collection 2 (CDC2)
Date of survey visits	2012–2014	2017–2019	2021–2026 Currently ongoing
Coverage	85% of schools. DfE did not visit 15% of schools which it considered 'modernised'.	99.8% of schools. DfE did not visit 46 schools with ongoing building works.	Will include 100% of schools. DfE intends to visit 100% of schools by 2026.
Information collected	A visual inspection carried out by a surveyor. This included: <ul style="list-style-type: none"> identifying the construction type of each block; and an assessment of the condition of each block considering 12 key building elements including: electrical services; mechanical services; roofs; and external walls, windows and doors. 	A visual inspection carried out by a surveyor. As with the PDS visits, the survey included identification of the construction type of each block and an assessment of the condition of 12 key elements in each block. CDC1 collected data at a more granular level than PDS. It allowed surveyors to break down each element into different sections and increased the number of construction types that could be identified.	A visual inspection carried out by a surveyor. As with the PDS visits, the survey included identification of the construction type of each block and an assessment of the condition of 12 key elements in each block. As with CDC1, CDC2 collects data at a more granular level than PDS. CDC2 will collect additional information on key capital priorities, including the presence of reinforced autoclaved aerated concrete (RAAC) and asbestos.
Survey design limitations	Surveys are non-invasive by design and therefore only assess visible building condition. Surveys are not structural and therefore are not designed to identify critical structural repairs.		
Cost	£25 million	£38 million	£42 million

Source: National Audit Office analysis of Department for Education data

2.3 DfE's large-scale data collections have been visual in nature and are therefore not designed to provide comprehensive data on structural issues. It would not be practical to carry out a structural survey of every school building given the time and cost implications and the potential disruption to schools. This is because structural surveys take longer to complete than visual inspections and DfE would not be able to cover all schools in a reasonable timeframe. In addition, structural surveys cost much more than visual surveys. DfE is planning to carry out a small number of invasive structural assessments to better understand the potential safety risks of some buildings (see paragraph 2.19).

Findings from DfE's data collections

2.4 DfE's inspections and data collection have found that around 24,000 school buildings (38% of the total) are beyond their estimated initial design life, based on when they were constructed. These buildings can normally continue to be used if they are adequately maintained. The figure comprises:

- 10,000 school buildings constructed before 1940, with an estimated initial design life of 60 to 80 years. DfE told us that the quality of buildings constructed before 1940 varies, with many continuing to function safely and effectively; and
- an estimated 13,800 'system-built' blocks constructed between 1940 and 1980, with an estimated initial design life of 30 to 40 years.⁷ During this period, population growth and increases in the school-leaving age created a need for more school places. Many local authorities used system builds, as they were quick and simple to construct, but were not designed to be long-lasting.

2.5 DfE uses a measure called 'condition need', which represents the modelled cost, based on the results of its data collections, of bringing buildings up to a good standard of repair. DfE uses condition need as a proxy to understand the state of school buildings and how this varies between schools and over time.

2.6 School buildings constructed between the 1950s and 1970s contribute disproportionately to the condition need of the estate (**Figure 3** overleaf). As well as being more expensive to maintain, using buildings beyond their initial design life can be more expensive given, on average, higher running costs because of poor energy efficiency. Many school buildings also contain asbestos, which presents a safety risk if not managed carefully and increases the cost of maintenance and repair work.

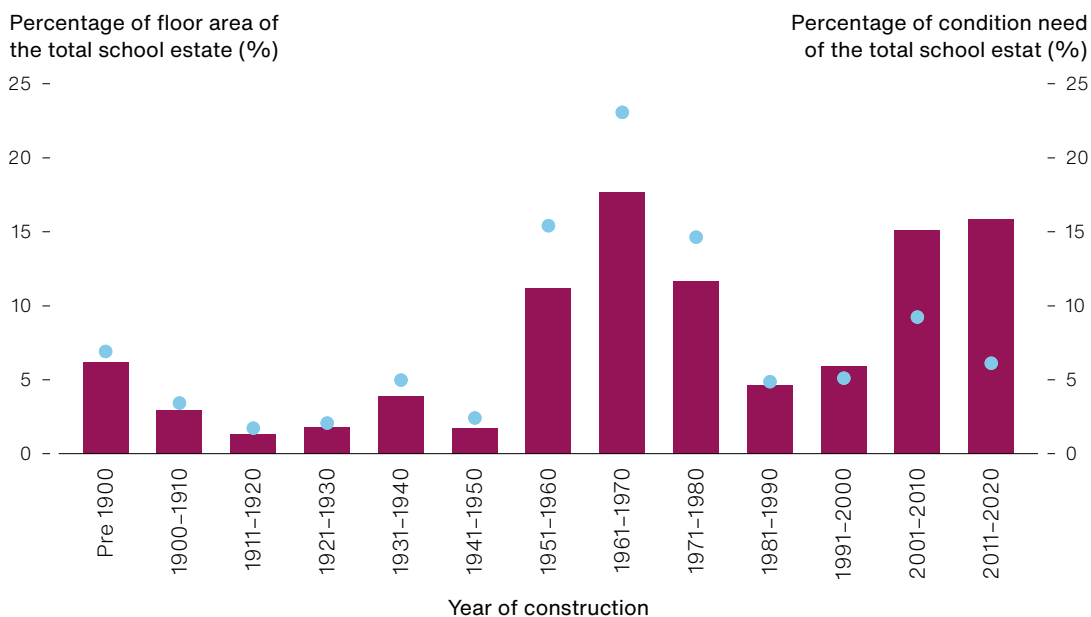
2.7 In 2020, DfE used CDC1 data to estimate that the condition need of the whole school estate was £11.4 billion. Electrical services had the highest condition need at £2.5 billion, followed by mechanical services at £2.1 billion (**Figure 4** on page 21). This total does not include the cost of rectifying structural or asbestos-related issues.

⁷ 'System-built' refers to a type of construction that uses different methods and materials from the brick and stone walls traditionally employed. It involves materials such as concrete, steel and timber, being cast or assembled, and then transported to the site.

Figure 3

Breakdown of the school estate by age, floor area and condition need, 2020

Buildings constructed between the 1950s and 1970s have a disproportionately high level of condition need



■ Percentage of floor area of the total school estate	6.2	3.0	1.3	1.8	3.9	1.7	11.2	17.7	11.7	4.6	6.0	15.1	15.9
● Percentage of condition need of the total school estate	6.9	3.4	1.7	2.1	5.0	2.4	15.4	23.1	14.6	4.9	5.1	9.2	6.1

Note

1 Condition need is the modelled cost of bringing school buildings up to a good standard of repair, using the results of the Department for Education's 2017 to 2019 Condition Data Collection programme (CDC1).

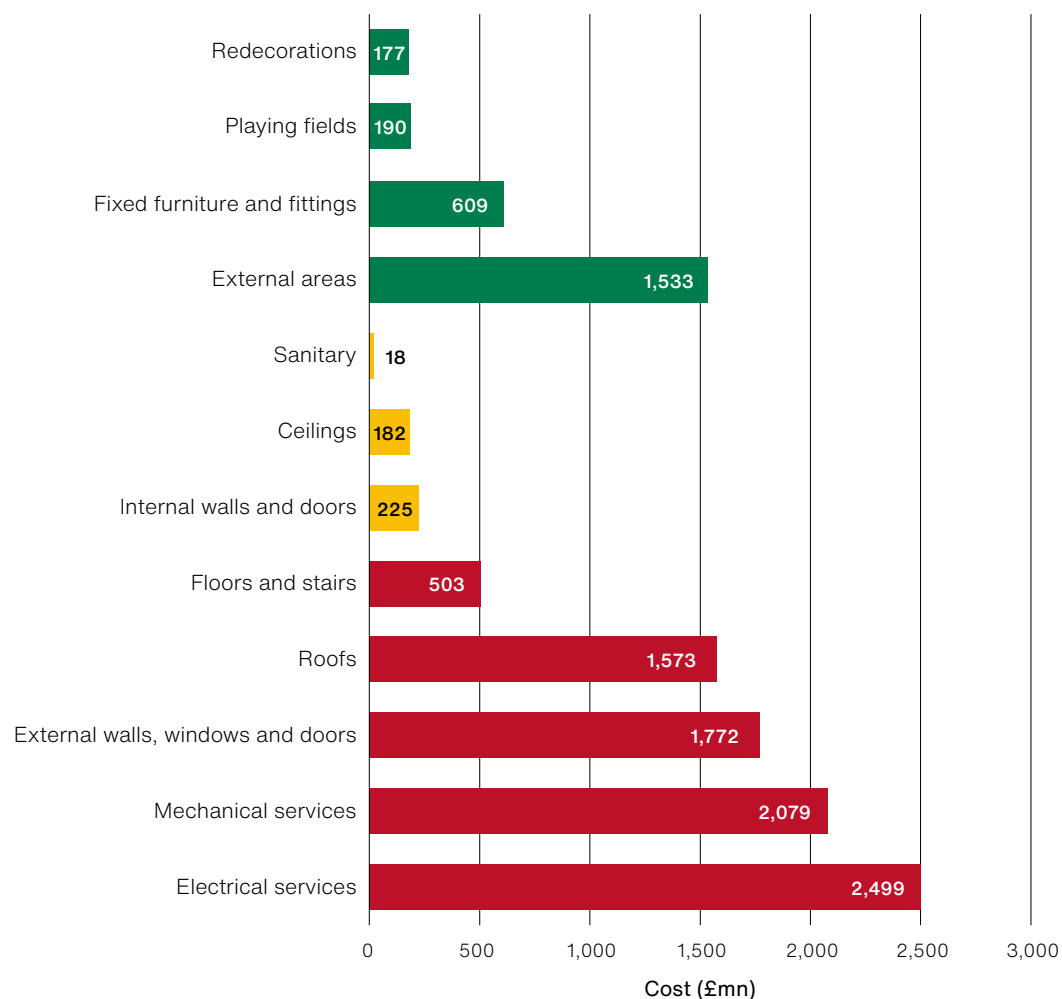
Source: National Audit Office analysis of Department for Education data

Figure 4

Condition need across the school estate by building element, 2020

The elements with the highest condition need are electrical and mechanical services

Building element



■ Elements that have the least impact on the operation of the school

■ Elements that could present major issues

■ Elements that are key to the building remaining usable and safe

Notes

- 1 Condition need is the modelled cost of bringing school buildings up to a good standard of repair, using the results of the Department for Education's 2017 to 2019 Condition Data Collection programme (CDC1).
- 2 Mechanical services are elements such as heating, ventilation and air conditioning systems. Electrical services are elements such as cables, generators and solar panels.

Source: National Audit Office analysis of Department for Education data

2.8 Condition need varies significantly across different local authorities. In 114 local authorities (75% of the total), average condition need per pupil was between £1,000 and £2,000. However, schools in eight local authorities (5%) had an average condition need of more than £2,000 per pupil, while in 30 local authorities (20%) the figure was less than £1,000 per pupil. Schools in Staffordshire had the highest estimated condition need, at £2,600 per pupil, compared with £530 per pupil in Torbay (**Figure 5**). DfE could not identify statistically significant factors that explain regional variations. It is difficult to find clear causes, as multiple factors – including historical variation in funding, differing building types, and inconsistency in the capability of responsible bodies – will have contributed to the condition of school buildings over time. More widely, our analysis did not indicate significant variation in the condition of school buildings across areas with different deprivation levels or types of school.

2.9 Around 700,000 pupils are learning in a school which the responsible body or DfE believes requires major rebuilding or refurbishment, given safety issues or the general building condition. This figure is derived from the 1,200 schools that responsible bodies have nominated, or DfE has selected, for the latest major school rebuilding and refurbishment programme (paragraphs 3.11 to 3.16). DfE believes that poor quality school buildings have a negative impact on several important measures, including pupil attainment levels and teacher retention. The stakeholders we consulted emphasised how buildings being too hot or cold, insufficient ventilation, and disruption caused by parts of a school being unusable, can adversely affect pupils' experience, especially those struggling academically or those with special educational needs and disabilities.

Building issues impacting safety

2.10 DfE recognises three structural issues relating to building design and construction that may generate safety risks: reinforced autoclaved aerated concrete (RAAC); system-built school buildings; and asbestos. These issues differ in terms of the likelihood of the risk materialising and their potential impact. In line with their responsibilities, DfE expects responsible bodies to identify, assess and manage safety issues. It does not generally provide additional funding for responsible bodies to address these safety concerns although it provides additional financial support where a school finds itself in exceptional circumstances. 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.

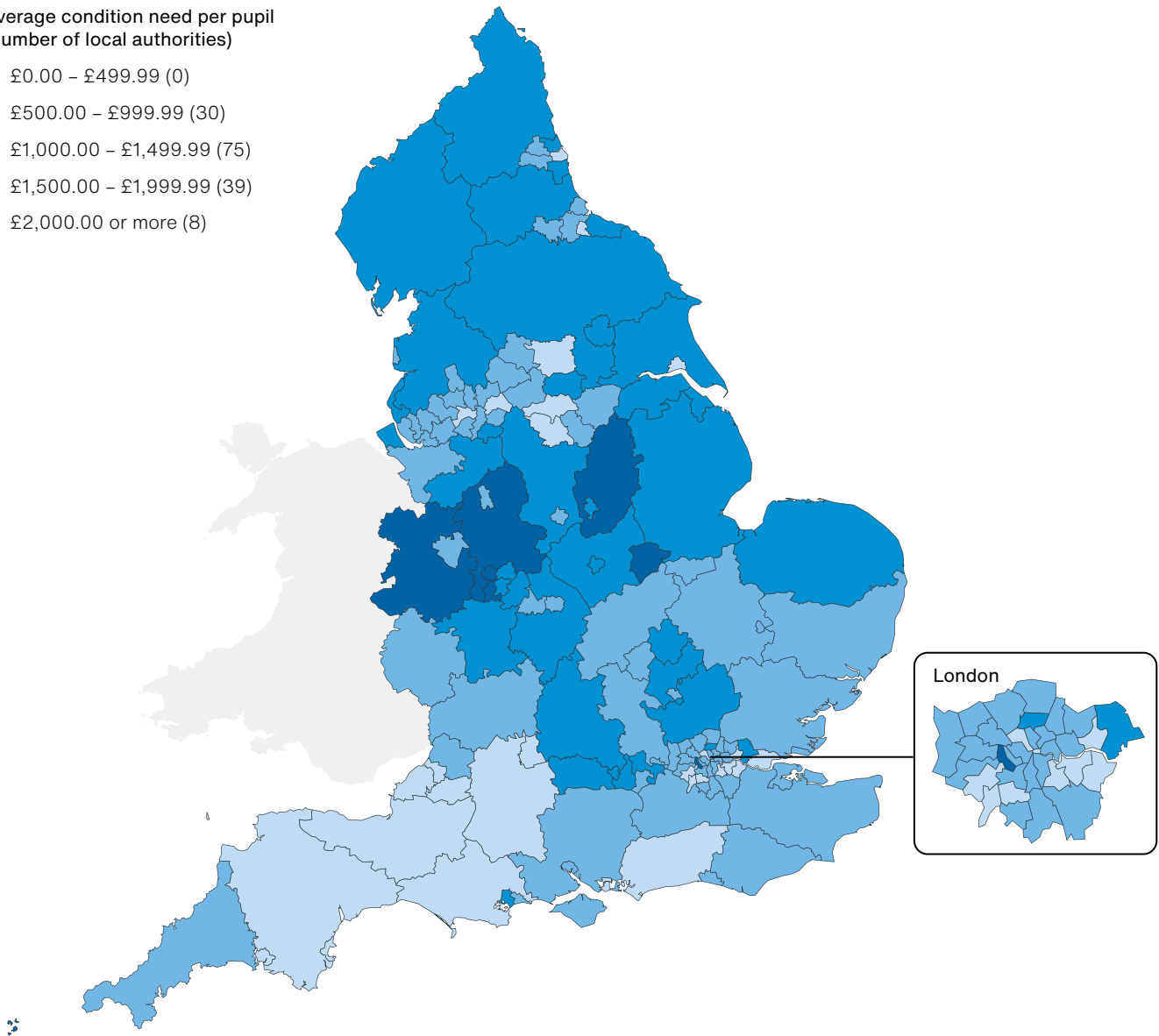
Figure 5

Average condition need per pupil by local authority area, 2020

Average condition need per pupil is highest in the East and West Midlands, and generally lower in the South

Average condition need per pupil
(number of local authorities)

- £0.00 – £499.99 (0)
- £500.00 – £999.99 (30)
- £1,000.00 – £1,499.99 (75)
- £1,500.00 – £1,999.99 (39)
- £2,000.00 or more (8)

**Notes**

- 1 Condition need is the modelled cost of bringing school buildings up to a good standard of repair, using the results of the Department for Education's (DfE's) 2017 to 2019 Condition Data Collection programme (CDC1). The map therefore shows the average cost per pupil to restore school buildings to a good condition.
- 2 The average cost per pupil is calculated based on DfE's modelled cost data from CDC1 and school census data from January 2019. The school census data include state-funded nursery, primary and secondary schools, special schools and pupil referral units.
- 3 The map is based on counties and unitary authorities (upper-tier local authorities) as at December 2018.
- 4 The '£2,000.00 or more' band includes the Isles of Scilly which has only one state-funded secondary school. The '£500.00 – £999.99' band includes the City of London which has only one state-funded primary school.

Source: National Audit Office analysis of Department for Education data and map boundaries from the Office for National Statistics licensed under the Open Government Licence v.3.0. Contains OS data © Crown copyright and database right 2018

2.11 DfE carries out work to identify safety issues across the school estate and support responsible bodies to put in place sufficient mitigations. In 2021, DfE wrote to all responsible bodies asking them for details of buildings with serious structural issues.⁸ By May 2023, 191 responsible bodies had replied and DfE had started highlighting to them available advice and funding routes. However, DfE's biggest concern is that some responsible bodies do not know they have a problem, as structural weaknesses are often hidden.

Reinforced autoclaved aerated concrete (RAAC)

2.12 DfE sees RAAC as the greatest risk to safety across the school estate. RAAC is a lightweight form of concrete that was used in school construction from the 1950s to the mid-1990s. School buildings constructed using RAAC have an increased risk of structural failure, which can happen with little or no warning. In late 2018, DfE was notified when a roof containing RAAC suddenly collapsed at a school. **Figure 6** sets out key events relating to RAAC.

2.13 Recently, DfE has increased its focus on understanding and addressing the existence of RAAC, which includes senior departmental boards starting to regularly review progress in 2022. To develop its strategy, DfE plans to improve its understanding of the prevalence of RAAC across the school estate and how responsible bodies are currently mitigating the risks. RAAC is also present in other parts of the public sector estate. In 2020, the Department of Health & Social Care committed to removing RAAC from the NHS estate by 2035.

2.14 In March 2022, DfE sent all responsible bodies a questionnaire to understand whether they had carried out work to identify RAAC in their schools. DfE is focusing on around 14,900 schools with buildings constructed between 1930 and 1990.⁹ As at May 2023, 86% of these schools had responded. Around 6,300 (42%) of the schools on which DfE is focusing stated that they had completed work to identify RAAC. The remaining 8,600 schools (58%) had not responded, had not completed work, or were unaware of the risks posed by RAAC. DfE has been following up with this group of schools. In December 2022, it updated its guidance for responsible bodies to help them better identify, assess and manage RAAC.

2.15 DfE will ensure that a specialist visits all schools where RAAC has potentially been identified, to assess its presence and condition. As of May 2023, DfE had identified 572 schools, either through the questionnaire or from other sources, where it believed RAAC may be present. Specialists had completed 196 assessments (34%), with RAAC confirmed at 65 schools, of which 24 required immediate action. DfE is working with the bodies responsible for all schools with RAAC to confirm that mitigations are in place to ensure pupil and staff safety. It has allocated £6 million to undertake 600 assessments by December 2023.

⁸ Each year, there are around 3,000 responsible bodies.

⁹ Although RAAC was used in building schools from the 1950s, DfE decided to focus on buildings dating from 1930 given the age of buildings can be misidentified.

Figure 6

Timeline of events relating to reinforced autoclaved aerated concrete (RAAC) in schools, 1999 to 2022

Date	Event
February 1999	The Standing Committee on Structural Safety (SCOSS) recommends that those responsible for buildings, including schools, with pre-1980 RAAC plank roofs should have these roofs inspected.
October 2018	The Department for Education (DfE) is informed of a sudden roof collapse at a school in Kent that had occurred in July 2018.
December 2018	DfE, with the Local Government Association, issues a warning note bulletin to all responsible bodies.
May 2019	SCOSS issues an alert that pre-1980 RAAC planks are now past their expected service life and calls on owners to locate buildings where RAAC planks are present and assess their condition and structural adequacy.
November 2019	The Office of Government Property issues a warning note, stating that SCOSS recommends all RAAC planks installed before 1980 are replaced.
February 2020	DfE expands its second Condition Data Collection programme (CDC2), which runs from 2021 to 2026, to consider RAAC.
February 2021	DfE issues a guide to identifying RAAC (updated in December 2022).
July 2021	DfE assesses whether existing data allow it to understand the extent of RAAC across the estate. It concludes that, given insufficient data, it would need to issue a questionnaire.
March 2022	DfE issues a questionnaire to responsible bodies.

Notes

- 1 RAAC is a lightweight form of concrete that was used in school construction from the 1950s to the mid-1990s.
- 2 Since 2021, SCOSS has been known as Collaborative Reporting for Safer Structures (CROSS).

Source: National Audit Office

System-built school buildings

2.16 DfE has fast-tracked onto its School Rebuilding Programme 23 schools whose build types it considered posed the greatest risk of structural instability. DfE carried out research, and consulted schools and responsible bodies, to identify Laingspan and Integrid system builds. These were system-built types involved in two reported urgent building closures – one followed the collapse of a wall and the other the identification of severe structural weaknesses. For future rounds of the School Rebuilding Programme, DfE will prioritise any similar buildings that it identifies.

2.17 DfE's data collection work between 2017 and 2019 reported the construction type for each school building, including whether it was system-built. DfE believes that a small number of construction types were misidentified as some surveyors did not have the required specialist knowledge and training, and the visual survey which had been undertaken would not identify system-built blocks that had been re-clad with a modern exterior. DfE has provided additional training to surveyors to increase the accuracy of their assessments during data collection work for the CDC2 programme.

2.18 Of the estimated 13,800 system-built blocks DfE has identified, it has more concerns about an estimated 3,600 because they may be more susceptible to deterioration which could lead to a higher risk of hidden structural defects. These blocks use concrete or timber frames, while the remaining system-built blocks use steel frames. DfE considers the latter are generally structurally sound if they have been well maintained.

2.19 DfE is planning research to better understand the safety risks of system-built blocks, which will include invasive structural assessments. In September 2022, DfE agreed plans to select primarily concrete- and timber-framed system-built blocks in 200 schools for these assessments, at a total cost of around £2 million. However, DfE is yet to procure specialists to carry out these assessments. It aims to carry out 100 assessments in 2023 and a further 100 in 2024.

Asbestos

2.20 In 2018, DfE started surveying schools to understand the prevalence of asbestos across the school estate. As at March 2023, 93% of schools had responded and more than 80% had identified asbestos, including 97% of system builds.

2.21 The building industry widely used asbestos as a building material from the 1950s to the mid-1980s, but any school built before the year 2000 may contain asbestos. Where carefully maintained, asbestos does not pose a significant health risk, but disturbed asbestos may release fibres which can cause serious diseases. Asbestos may be more difficult to manage where buildings are deteriorating or require repair work, given an increased risk of disturbing asbestos. In addition, where repair works are required, the presence of asbestos can significantly increase the cost. In March 2015, DfE published guidance to help responsible bodies safely manage asbestos in their schools, which it updated in October 2020.

School safety as a corporate risk for DfE

2.22 Since summer 2021, DfE has recognised the significant safety risk across the school estate – its corporate risk register shows as ‘critical and very likely’ the risk that building collapse or failure could cause death or injury. This would mean the collapse of one or more buildings, causing serious harm alongside public concern about the safety of schools, and widespread school closures or pupils being withdrawn. 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.

2.23 Schools do not need to tell DfE if they close temporarily due to buildings issues – some of which may have safety implications. However, DfE is aware of 56 temporary closures since 2017, largely where a school has needed urgent additional support or funding to address problems. DfE has records of six concrete- and timber-framed system-built blocks which have fully or partially closed due to the identification of structural instability. As at March 2023, DfE was not aware of any injuries to staff or pupils in schools due to structural issues.

2.24 To date, DfE’s main mitigations have involved gathering intelligence on the estate, funding maintenance and rebuilding, offering additional financial support in exceptional circumstances, and providing responsible bodies with support and guidance. It has assessed that these mitigations would still not bring the risk likelihood down to acceptable levels. It believes the most effective further mitigation would be an expanded School Rebuilding Programme.

2.25 DfE’s corporate risk features prominently on the government risk register, as part of a broader risk relating to ‘unsafe public property’. DfE described how including the risk at cross-government level had brought several benefits, including encouraging departments to discuss building safety issues with each other and reinforcing to senior officials the severity of the risk.

Part Three

Matching funding to need

3.1 The Department for Education (DfE) has responsibility for providing and allocating to schools or their responsible bodies capital funding for rebuilding, maintaining and repairing buildings. This part of the report describes DfE's approach to prioritising and allocating capital funding in line with its overall aims.

Overarching funding needs

3.2 In 2019, the Office of Government Property (OGP) estimated that DfE would require between £4 billion and £8 billion a year to maintain the school estate in line with best practice, with the most likely requirement being £7.1 billion a year. This estimate used data from DfE's Property Data Survey. In its Spending Review 2020 case, DfE drew on the OGP's work alongside other sources of evidence and reported that £7 billion could represent the best-practice level of annual funding.

3.3 DfE has received significantly less funding for school buildings than it estimated it needed. Between 2016-17 and 2022-23, it spent on average £2.3 billion a year, with most of this (76%) allocated to maintenance and repair and the remaining 24% to major rebuilding and refurbishment. In its Spending Review 2020 case, DfE recommended capital funding of £5.3 billion a year to maintain schools and mitigate the most serious risks of building failure. It assessed that this would allow for around £2.2 billion of annual maintenance and repair funding and £3.1 billion for the major rebuilding and refurbishment of around 200 schools each year once the programme reached a steady state. As DfE considered it would need time to expand the School Rebuilding Programme, it requested an average of £4 billion a year for 2021 to 2025, which would then increase in later years. In its funding settlement, HM Treasury allocated £1.8 billion for 2021-22 for maintenance and repair, and agreed to fund the rebuilding of 500 schools over 10 years – an average of 50 schools per year – which equated to an average of £1.3 billion a year. This funding remained the same in 2022-23. DfE bids for separate funding for rebuilding and for maintenance and repair. Without HM Treasury approval, DfE cannot move funding between these categories.

3.4 DfE's analysis indicates that funding levels are a key determinant in maintaining the condition of the school estate. It found that the modelled cost to return buildings to a good standard of repair (the 'condition need' of the school estate) increased by 9%, from £133 per m² between 2012 and 2014 to £145 per m² between 2017 and 2019.¹⁰ A small number of schools with the highest condition need received additional funding. DfE found that condition need for these schools had decreased from £307 per m² to £196 per m² over the five-year period, which suggests that funding levels are a factor in responsible bodies' ability to effectively maintain their school buildings.

3.5 DfE told us that funding levels have meant, in some cases, capital spending is not leading to good value for money, and it expects the overall condition of school buildings to continue to decline. 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 remaining 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.

3.6 Schools have contributed significant revenue funding towards capital projects, although this may not be as possible in the future. In 2021-22, 23% of maintained schools used revenue funding for capital projects.¹¹ They transferred £115 million (an average of £9,400 per school). In 2021/22, 71% of academy trusts used revenue funding for capital projects. They transferred £518 million (an average of £55,200 per school). DfE told us some local authorities also contribute reserves to fund capital projects in schools, but it does not collect data on the value of this funding. Stakeholders who responded to our consultation exercise emphasised the growing pressures on revenue funding, including from increases to teachers' pay and rising energy costs.

School rebuilding

3.7 DfE has adopted a continuous cycle of overlapping rebuilding programmes. This means that annual expenditure on school rebuilding varies according to the phase of each programme, with lower expenditure in the earlier planning phases and higher expenditure when multiple rebuilding projects are under way (**Figure 7** overleaf). DfE has used lessons learned from previous programmes to improve its approach to school rebuilding.

3.8 The rate of school rebuilding is significantly below what DfE estimates is required to maintain the school estate. There is also an unknown number of schools that may need rebuilding due to reinforced autoclaved aerated concrete (RAAC).

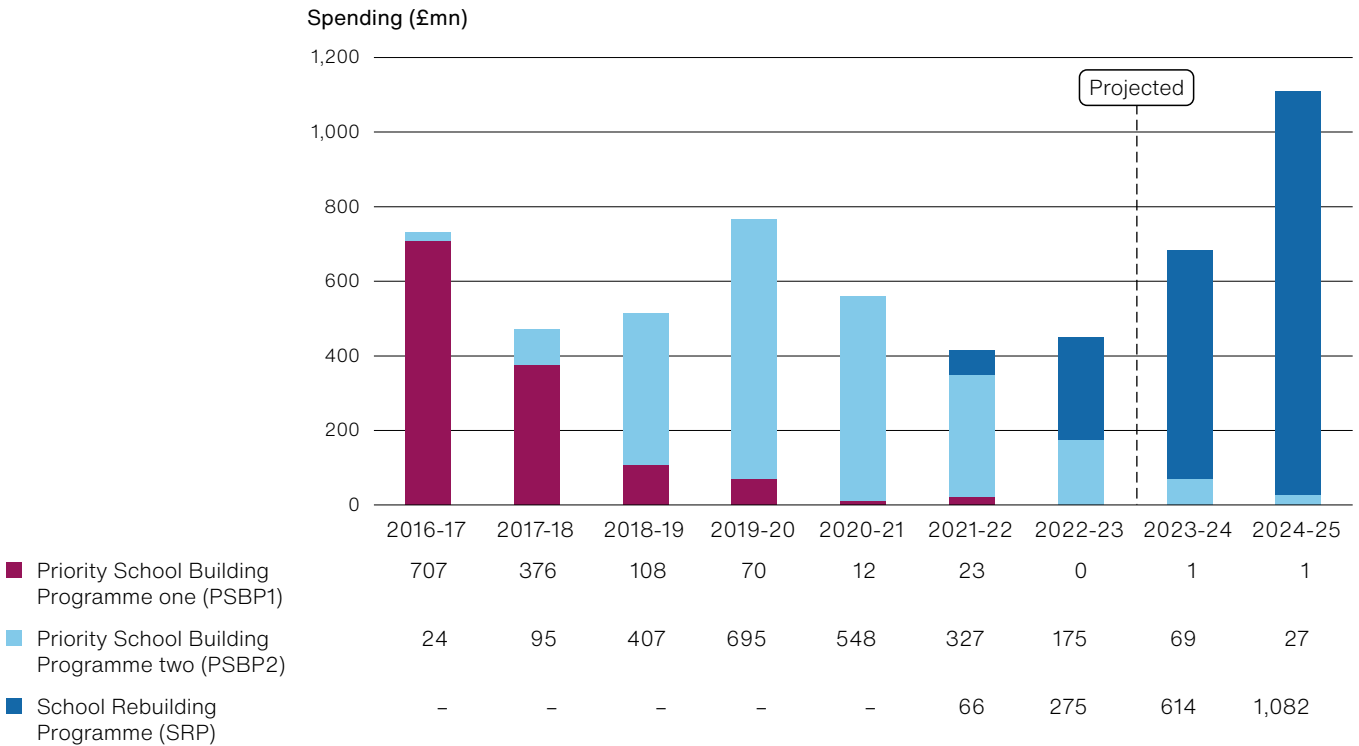
¹⁰ DfE's estimated condition need of £11.4 billion drawn from its 2017 to 2019 data collection exercise. This differs from its estimated cost to effectively maintain the estate, as condition need estimates the cost of returning buildings to a good condition.

¹¹ Bodies' use of revenue funding for capital projects largely relates to the repair, maintenance and rebuilding of school buildings, but this figure also covers IT investment.

Figure 7

Actual and projected spending, in nominal terms, on the Department for Education’s (DfE’s) school rebuilding programmes, 2016-17 to 2024-25

Between 2016-17 and 2024-25, DfE expects to spend £5.7 billion on school rebuilding



Notes

- 1 PSBP1, beginning in 2012, was the first phase of the programme.
- 2 In 2016-17, an additional £325 million was spent on PSBP schools through Private Finance Initiative (PFI) schemes.
- 3 Spending for 2023-24 and 2024-25 reflects DfE’s projections as at May 2023.
- 4 Figures are rounded to the nearest million.

Source: National Audit Office analysis of Department for Education data

Priority School Building Programme

3.9 In 2014, DfE launched the second wave of its Priority School Building Programme (PSBP2) to reconstruct those buildings in most urgent need. Schools could apply for the programme, with applications assessed based on a school’s estimated condition need according to DfE’s latest property survey, and the estimated cost to address structural and asbestos-related issues. DfE initially selected 35 schools from the 1,299 applications, given their serious and urgent structural issues. It selected a further 237 schools based on those with the highest estimated condition need per m².

3.10 DfE did not meet its initial target for completing PSBP2 by March 2021. As at March 2023, 256 of the 272 rebuilds had been completed. Of the remaining projects, 14 had a contract in place and two had no contract agreed. In July 2022, the Infrastructure and Projects Authority (IPA) found that delays had primarily resulted from COVID-19 disruption and the complexity of some projects. The IPA concluded that DfE had demonstrated strong project management, with most schools rebuilt to a good quality within budget and expected timescales. As at March 2023, DfE had spent £2.3 billion, and budgeted for a further £0.1 billion to 2025 when it expects all projects to be completed (Figure 7).

School Rebuilding Programme

3.11 DfE announced the next 10-year phase of school rebuilding, the School Rebuilding Programme (SRP), in June 2020. DfE intends to undertake major rebuilding or refurbishment of blocks in the most urgent need, and the programme aims to address blocks in 500 schools. As at March 2023, DfE had selected 400 schools through four selection rounds.

3.12 In 2021, DfE selected 100 schools in the first two selection rounds – 22 because they were of a build-type which has a high risk of collapse, and 78 because they had the highest condition need per m². In 2022, following consultation with the sector, DfE selected the next 300 schools based on applications from responsible bodies who:

- raised issues such as asbestos or structural concerns that presented an imminent risk of closure which could only be resolved through the programme; or
- nominated one or more buildings for consideration based on DfE's latest visual survey data.

3.13 DfE prioritised applications from schools where structural or safety issues meant that a building was at risk of closure or posed a risk to staff and pupils. It received 623 applications based on structural or asbestos concerns. Technical advisers reviewed the supporting evidence for each application, and carried out some site visits, to assess whether the building was likely to need closing in the near future or would be significantly challenging to manage. Advisers also considered whether rebuilding was the only reasonable solution to address these issues. Through this review, DfE approved 267 (43%) of the 623 applications. It approved 208 of these applications based on the structural or safety issues raised in the application. It then considered applications that did not meet this threshold, based on building condition need per m² in its latest visual survey. DfE approved a further 59 applications on this basis. It then approved a further 33 (7%) of the 474 building applications, which was based on those with the highest condition need per m² in its latest visual survey. In line with its Spending Review 2020 settlement, DfE has still to select a further 100 schools where buildings need replacing.

3.14 Our analysis found variation in the type of schools that were selected. Almost half (49%) of the selected schools were secondary schools. As at May 2021, secondary schools accounted for 15% of schools in England, but 47% of the internal space across the estate given they are larger on average. Academy schools, across both primary and secondary level, were more likely to be selected compared with maintained schools. DfE has not been able to explain the reason for this variation, but its selection methodology did not prioritise applications based on the type of school or governance arrangements. Our analysis did not find significant regional variation in selected schools.

3.15 A significant minority of schools with the highest condition need, based on DfE's first Condition Data Collection programme (CDC1), did not apply for this latest rebuilding programme. Following the selection of the first 100 schools, DfE only considered schools if the responsible body made an application. DfE analysed the 1,000 schools with the highest level of need based on CDC1 data. It found responsible bodies had not made applications for 345 of these schools, with no identifiable reasons why not. DfE plans to carry out work to better understand why some responsible bodies did not engage in the process.

3.16 DfE is behind its initial schedule on its programme forecasts, largely due to construction providers not taking up contracts given instability in the construction market and inflationary risks. DfE has taken steps to address these issues, including by changing its approach to project funding policy to reflect market conditions. As at March 2023, it had awarded 24 contracts, well below its August 2021 forecast of 83, with one project completed compared with its forecast of four. In addition, DfE forecasts that it will complete fewer projects in 2023-24 than initially planned. As at May 2023, DfE had spent £0.3 billion on the SRP and forecasts expenditure of £1.7 billion over the next two years (Figure 7).

Funding for maintenance and repair

Total funding

3.17 In 2022-23, DfE allocated just over £2.2 billion for the maintenance and repair of school buildings (**Figure 8**). This consisted of:

- £214 million of Devolved Formula Capital (DFC) provided directly to schools for small-scale capital projects and building maintenance;
- £1,576 million of School Condition Allocations (SCA) funding for responsible bodies to spend on improving the condition of their schools; and
- £444 million in a one-off capital grant to help schools carry out capital works which improve their energy efficiency.¹² Schools can use this funding for any capital project.

¹² This figure differs from the published £447 million, which includes special post-16 institutions and non-maintained special schools that are outside the report scope.

Figure 8

Department for Education (DfE) funding streams for the maintenance and repair of school buildings, 2022-23

There were three main funding streams, amounting to just over £2.2 billion of funding

	School Condition Allocations (SCA)			2022-23 one-off capital grant
	Devolved Formula Capital (DFC)	Direct SCA allocation	Funding through the Condition Improvement Fund (CIF)	
Value	£214 million	£1,089 million	£486 million	£444 million
Calculation method	<p>All schools receive a lump sum of £4,000.</p> <p>Schools also receive a per-pupil sum:</p> <ul style="list-style-type: none"> • £11.25 per primary pupil • £16.88 per secondary pupil • £22.50 per post-16 pupil • £50.63 per special school pupil 	<p>The SCA funding formula is used to calculate funding at a school level. The formula uses indicators of condition need including pupil numbers, whether a school is a primary, secondary or special school, and Condition Data Collection information, to calculate a school-level funding allocation.</p> <p>Total funding for all schools in each responsible body is then aggregated.</p>		<p>All schools receive a lump sum of £10,000.</p> <p>Schools also receive a per-pupil sum:</p> <ul style="list-style-type: none"> • £20.06 per primary pupil • £30.09 per secondary pupil • £40.12 per post-16 pupil • £90.27 per special school pupil
Purpose	For small-scale capital projects and building maintenance.	For responsible bodies to spend across their schools based on need and in line with funding terms and conditions.	Funding for specific capital projects in schools.	Funding for capital projects and building maintenance. DfE expects schools to prioritise projects which improve energy efficiency. However, schools can spend the funding on other capital projects in line with funding terms and conditions.
Eligibility	All schools.	All local authorities. Academy trusts and voluntary-aided bodies of at least five schools and 3,000 pupils. 17,315 schools (79%).	Academy trusts and voluntary-aided bodies of fewer than five schools or 3,000 pupils. 4,673 schools (21%).	All schools.
Distribution	Funding is provided to local authorities and academy trusts to distribute directly to their schools.	Funding is provided directly to responsible bodies.	Eligible schools must bid for CIF funding for specific projects.	Funding is provided to local authorities and academy trusts to distribute directly to their schools.

Notes

- 1 This analysis does not include funding provided to non-maintained special schools (NMSS) or specialist post-16 institutions (SPI).
- 2 Voluntary-aided schools are funded on a similar basis to other maintained schools for revenue funding, but the voluntary-aided body is responsible for capital works to its buildings, and DfE can only grant-fund 90% of these costs, unless ministers decide that exceptional circumstances apply.

Source: National Audit Office analysis of Department for Education data

3.18 DfE's capital funding for maintenance and repair rose in nominal terms from £1.4 billion in 2016-17 to just over £2.2 billion in 2022-23 (**Figure 9**). During this period:

- up to 2020-21, combined DFC and SCA funding remained stable at £1.4 billion per year, which represented a real-terms decrease of 5.6%. In 2021-22, it increased by £0.3 billion (24%) to £1.8 billion a year. However, high levels of inflation mean that baseline funding in 2022-23 was just 1.0% higher in real terms than in 2016-17; and
- DfE made additional one-off grants to schools and responsible bodies in 2018-19, 2020-21 and 2022-23.

Allocation of funding

3.19 DfE provides SCA funding through two different routes, depending on the size and type of the responsible body (**Figure 10** on pages 36 and 37):

- All local authorities, along with those academy trusts and voluntary-aided bodies of at least five schools and 3,000 pupils (representing 79% of all schools), receive their SCA funding allocation directly.
- Academy trusts and voluntary-aided bodies with fewer than five schools or 3,000 pupils (representing 21% of all schools) may bid for SCA funding for specific capital projects through the Condition Improvement Fund (CIF).

SCA allocations for larger responsible bodies

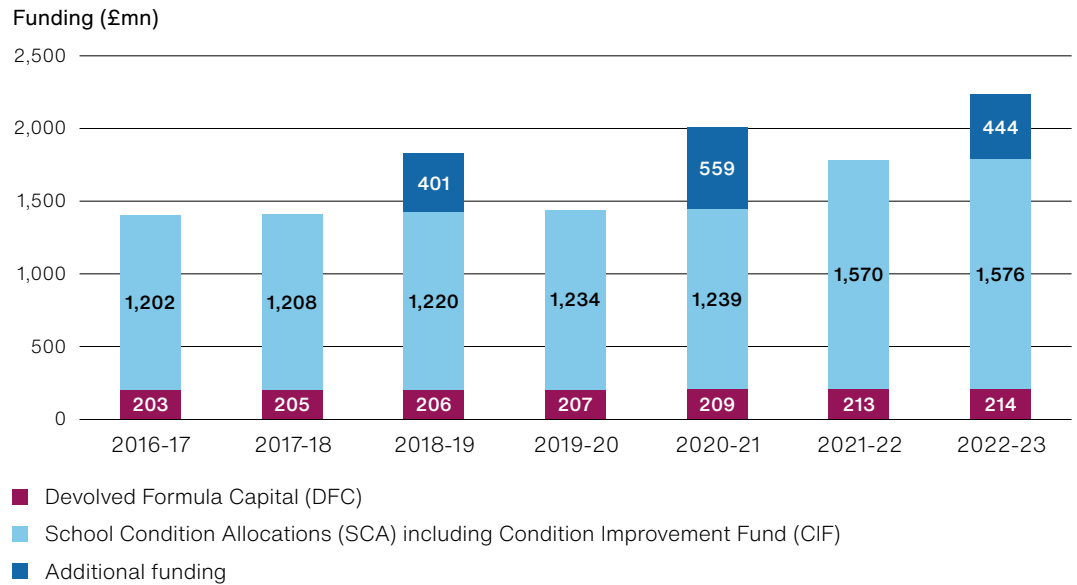
3.20 There is significant variation in the nature of the responsible bodies who receive SCA funding. In 2022-23, DfE allocated it to 586 responsible bodies, including 149 local authorities and 437 academy trusts and voluntary-aided bodies. Hampshire County Council, which is responsible for 410 schools, received the highest level of SCA funding (£23.1 million). By contrast Hull City Council, which is responsible for three schools, received the lowest level of SCA funding (£62,000) in 2022-23. In keeping with its approach to revenue funding, DfE does not collect detailed data on how responsible bodies spend their SCA funding.

3.21 DfE believes that academy trusts and voluntary-aided bodies meeting the 'five schools and 3,000 pupils' threshold receive a large enough allocation to carry out substantial capital works and are more likely than smaller bodies to have the capacity and skills to effectively maintain their estates. Although DfE calculates SCA funding for each school, it does not expect responsible bodies to allocate each school its specific funding allocation. Instead, it expects them to distribute funding on capital projects across their schools based on need and in line with funding terms and conditions.

Figure 9

Department for Education funding, in nominal terms, for the maintenance and repair of school buildings, 2016-17 to 2022-23

Funding rose in nominal terms from around £1.4 billion in 2016-17 to around £2.2 billion in 2022-23



Notes

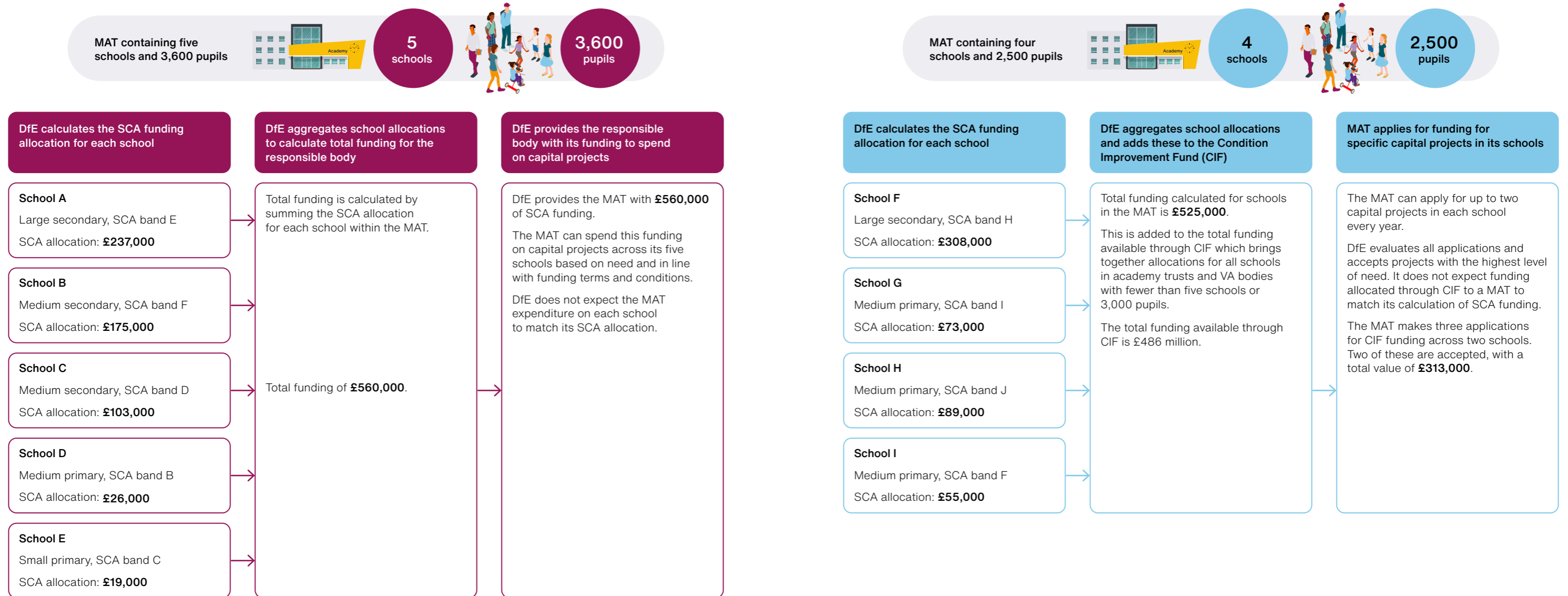
- 1 This analysis does not include funding provided to non-maintained special schools (NMSS) or specialist post-16 institutions (SPI).
- 2 Additional one-off payments were made to responsible bodies for capital projects in 2018-19, 2020-21 and 2022-23.

Source: National Audit Office analysis of Department for Education data

3.22 All local authorities receive SCA funding regardless of their size. However, because of academisation, which takes schools out of local authority control, 10 local authorities now fall below the ‘five schools and 3,000 pupils’ threshold applied to academy trusts and voluntary-aided bodies. This means there is a risk that these local authorities lack the capacity and funding levels needed to effectively manage their estate. DfE told us that it believes this risk is mitigated by these local authorities’ ability to be flexible across funding pots and take on borrowing. DfE has not carried out a formal assessment of whether smaller responsible bodies eligible for SCA have the capacity and skills to use this funding effectively, or of the minimum funding levels required.

Figure 10
Illustrative example of the processes for multi-academy trusts (MATs) and voluntary-aided (VA) bodies to receive maintenance funding (School Condition Allocations, SCA), 2022-23

The funding route that the Department for Education (DfE) applies for MATs and VA bodies is determined by the number of schools and pupils for whom they have responsibility



Notes

- 1 Figures are illustrative and based on how DfE uses collected data to place schools in condition bands from A (schools in the best condition) to Y (schools in the worst condition). A funding multiplier is applied so that schools in the worst condition are allocated more funding than those in the best condition.
- 2 This figure is illustrative but based on two MATs' actual allocations and funding in 2022-23.
- 3 All local authorities, regardless of the number of schools and pupils they are responsible for, receive a direct SCA funding allocation.

3.23 DfE has improved its formula for calculating SCA funding so that it more accurately reflects a school's overall condition need. 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. A new formula, introduced in 2021-22, uses pupil numbers and data from the latest data collection exercise (**Figure 11**).¹³ DfE places each school into a band and applies a funding multiplier to reflect relative need, ranging from five for schools with the highest condition need to 0.4 for those with the lowest condition need. This means a school in the highest band attracts for its responsible body more than 10 times the funding of a school in the lowest band, when all other factors are kept equal. Schools built under the Private Finance Initiative (PFI) receive half the funding they would have done if not PFI, since significant capital maintenance costs should be covered by the PFI arrangement.

3.24 Despite improvements, weaknesses remain in DfE's funding formula. For example:

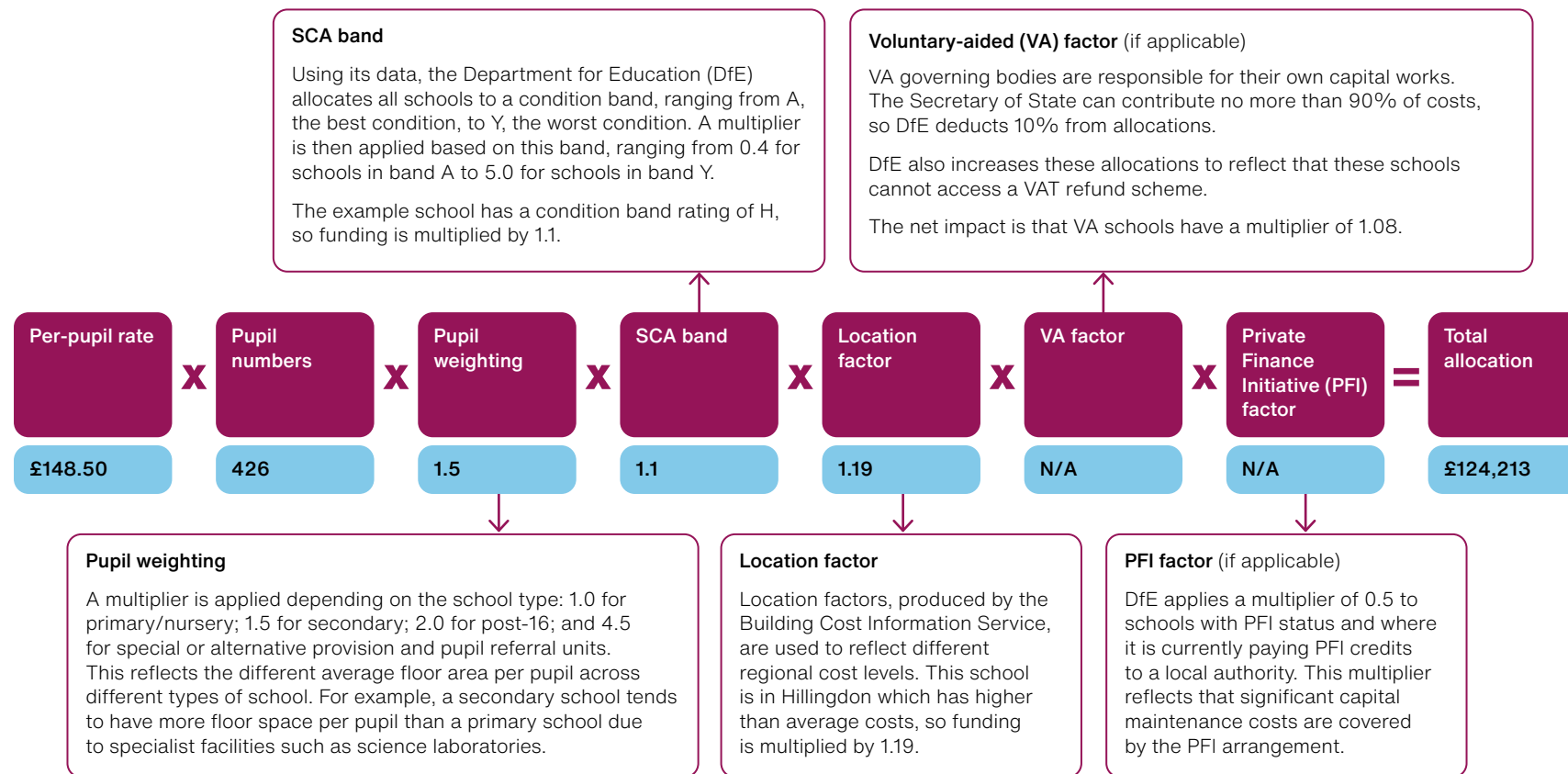
- DfE uses pupil numbers and school type as a proxy for floor area. This means schools that are below capacity, or have only a few pupils, are allocated less funding than an identical school with more pupils. Our analysis estimated that, on average, schools with fewer than 250 pupils would require more than seven years of their SCA funding allocation to meet the condition need identified by CDC data, compared with five years for schools with more than 2,500 pupils. DfE told us that it uses pupil numbers rather than floor area because these numbers are updated annually, are more understandable, and promote efficient building use; and
- we carried out exploratory analysis which showed that the CDC-driven condition bands are not fully correlated with indicators of actual condition need in schools. We did not find a significant correlation between the level of need according to condition band and the 'actual' need as represented by CIF applications, insurance claims and schools accepted for the SRP. DfE told us that SCA banding is an indicator of the relative condition need across schools, so those in a relatively poorer condition attract a higher funding weighting. However, responsible bodies can use their knowledge of an individual school's condition to allocate funding in line with actual need.

¹³ The first Condition Data Collection programme (CDC1) was carried out between 2017 and 2019 and assessed a school's general condition need. More information can be found in paragraph 2.2 and Figure 2.

Figure 11

Illustrative example of the School Condition Allocations (SCA) funding formula, 2022-23

SCA funding for an example secondary school



Notes

- 1 This figure is illustrative but based on an actual calculation for a secondary school located in Hillingdon.
- 2 All local authorities, along with those academy trusts and VA bodies of at least five schools and 3,000 pupils (representing 79% of all schools), receive their SCA funding allocation directly.
- 3 Academy trusts and VA bodies with fewer than five schools or 3,000 pupils (representing 21% of all schools) may bid for SCA funding for specific capital projects through the Condition Improvement Fund (CIF).

Source: National Audit Office analysis of Department for Education data

Condition Improvement Fund (CIF)

3.25 Responsible bodies with schools that fall within CIF arrangements can apply for up to two capital projects per school each year. DfE considers a range of factors when assessing applications, including urgency and level of need, appropriateness of the solution presented, and whether estimated costs are reasonable. It scores each application and provides funding to projects with the highest scores. DfE requires a higher level of assurance for projects funded through CIF than through SCA. For example, schools must provide DfE with evidence of their expenditure to receive CIF funding.

3.26 Some eligible schools have not applied for CIF funding even though DfE's most recent CDC programme indicated they had buildings in the highest relative condition need and are therefore likely to require more maintenance. Each year between 2016-17 and 2022-23, around 5,000 schools were eligible to bid for CIF funding, with these schools changing year on year.¹⁴ We analysed bids from the 2,493 schools eligible to bid 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 with the highest level of condition need based on CDC data were slightly more likely to have made at least one application, 22 of these schools made no applications (**Figure 12**). In 2021, DfE analysed why schools most needing maintenance had not applied. It found that some schools assessed their buildings to be in good condition, while others lacked the capacity to apply. A small number of schools were not aware of CIF funding.¹⁵

3.27 Since 2016-17, each year around half of all eligible schools made at least one application for CIF funding. Nearly two-thirds (61%) of the 11,700 applications between 2020-21 and 2022-23 were for building elements that needed replacement, including mechanical and electrical systems, roofs and windows, with half of these applications reporting a risk of building closure with no action.¹⁶ Just over one-third (34%) of applications related to compliance with legislation and health and safety issues. A small number of applications were to improve the standard of buildings, such as enhancing toilet blocks or addressing accessibility issues, or for expansion of the school.

3.28 DfE prioritises applications relating to safety and the need for critical replacements in buildings. Between 2020-21 and 2022-23, it approved 49% of applications relating to compliance with legislation and health and safety regulations, and 42% of applications relating to building elements that needed replacement. In comparison, it approved fewer than 15% of applications for improved standards or expansion.

¹⁴ The number of schools changes as, for example, some schools may join trusts or voluntary-aided bodies that are eligible for SCA.

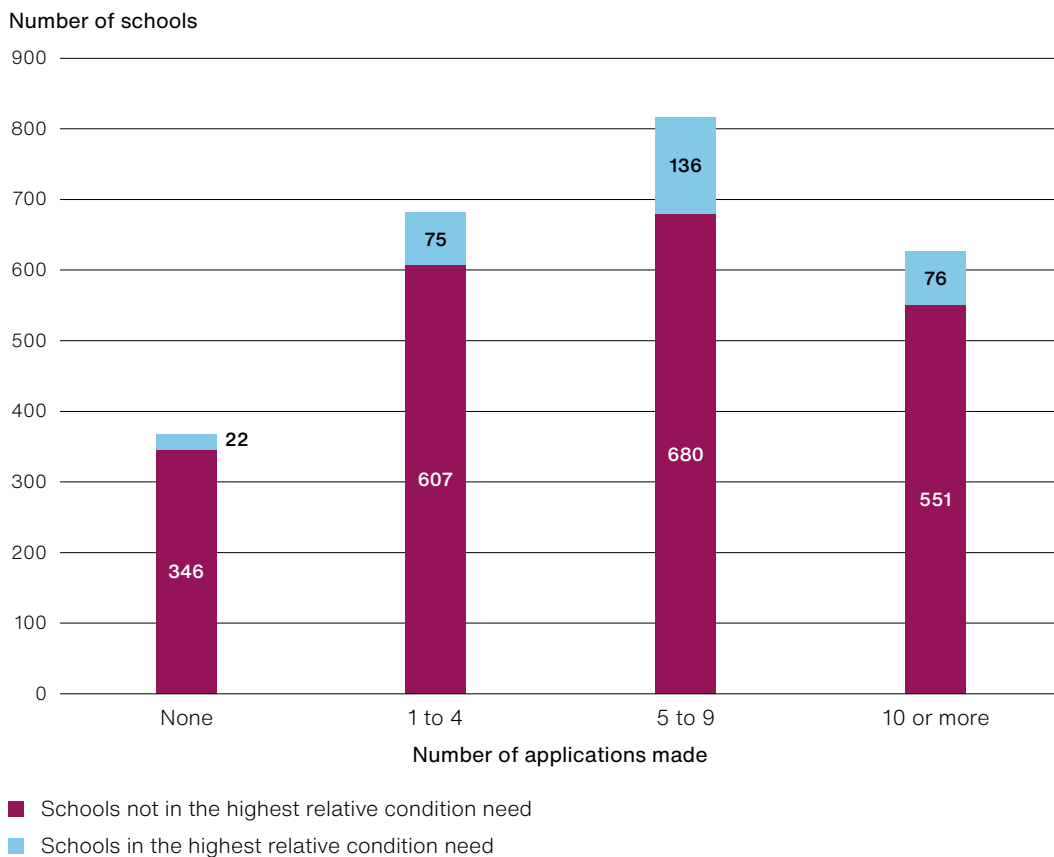
¹⁵ DfE wrote electronically to 200 eligible schools who had not bid for CIF funding in 2021-22 and received 76 responses.

¹⁶ We analysed the reason for CIF applications for 2020-21 to 2022-23 only. This is because DfE recorded the reason for applications in a different way between 2016-17 and 2019-20, which means that consistent analysis for the full period is not possible.

Figure 12

Total Condition Improvement Fund (CIF) applications by schools eligible to apply every year between 2016-17 and 2022-23

Fifteen per cent of schools made no applications for CIF funding between 2016-17 and 2022-23



Notes

- 1 Each financial year, an estimated 5,000 schools are eligible to apply for CIF, with changes every year. This analysis considers the 2,493 schools eligible to apply for CIF for each of the seven years between 2016-17 and 2022-23.
- 2 Condition need has been calculated using the results of the Department for Education’s first Condition Data Collection programme (CDC1). Schools are placed into School Condition Allocations (SCA) bands based on their relative condition need, with band A being the lowest level of need based on CDC1 and band Y the highest level of need.
- 3 Schools in the highest relative condition need are those with an SCA band of M or below. This includes 309 schools (12% of all schools in this analysis).

Source: National Audit Office analysis of Department for Education data

Appendix One

Our evidence base

Scope

- 1** We reached our independent conclusions on whether the Department for Education (DfE) is effectively overseeing the condition of school buildings, following our analysis of evidence collected mainly between November 2022 and May 2023.
- 2** The evaluative criteria that we used to assess value for money included 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.
- 3** This report follows up elements of our February 2017 report on capital funding for schools.¹⁷ As with our previous report, we focus on schools in England, in line with DfE's policy responsibilities.

Methods

- 4** In forming our conclusions, we drew on a variety of evidence sources, as described in the paragraphs below. We collated and analysed the evidence we obtained, using our evaluative criteria as a framework. We looked across different sources of evidence to support each of our findings.

Interviews

Interviews with DfE

- 5** We interviewed departmental officials to understand DfE's approach to supporting the condition of school buildings. Those we spoke to were selected based on their current or past roles within DfE and were, or had been, responsible for policy in the following areas: formulating strategy; measuring the condition of the estate; monitoring building safety risks; providing funding for maintenance and repair; delivering rebuilding programmes; and engaging with the sector. These interviews took place online.

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

Interviews with other bodies

6 We interviewed staff from the following bodies:

- **HM Treasury**

We conducted an online interview with an official from the education spending team within HM Treasury, to understand the history of DfE's bids for funding and the reasoning behind recent funding decisions.

- **Infrastructure and Projects Authority (IPA)**

We conducted an online interview with an official from the IPA, to establish its views on how well DfE had managed, and was currently managing, its major school rebuilding programmes.

- **Ofsted**

Ofsted's school inspection framework does not require it to examine the condition of school buildings. However, we conducted an online interview with senior Ofsted staff, to gather their informal views on the school estate and the link between building quality and educational experience.

Document review

7 We reviewed a range of published and unpublished documents to develop our understanding of: DfE's strategies and aims for maintaining and improving the school estate; the supporting evidence for programmes; the rationale behind funding methodologies; how information on the condition of school buildings is gathered and analysed; and oversight and reporting arrangements. The documents included:

- unpublished DfE material such as business cases, board papers and internal briefings;
- published DfE documents such as condition survey results, funding announcements and guidance to schools and responsible bodies;
- material supporting DfE's modelling of the condition of school buildings and the costs of remedial action; and
- lessons learned from previous projects and programmes.

Quantitative analysis

Data on the condition of school buildings

8 We analysed data on the condition of schools, including by individual buildings and building elements (for example, internal walls and doors, roofs or electrical services) using the results of the first Condition Data Collection programme (CDC1) in order to identify:

- total 'condition need' across the school estate (the modelled cost of bringing buildings up to a good standard of repair);
- modelled costs for different types of condition need;
- variation in condition need by region and local authority;
- variation in condition need by school type (primary/secondary/special); and
- variation in condition need based on the age of buildings.

9 We used DfE's estimate of the initial design life of different build types, including 'system-built' blocks as well as its estimate of the number of such blocks, based on data from CDC1, to estimate the number of buildings beyond their estimated initial design life.

Data on funding

10 We analysed published funding data over time, at responsible body level (that is, by local authority, academy trust and school), broken down by:

- funding stream;
- local authority area; and
- region.

Our analysis did not include funding on non-maintained special schools (NMSS) or specialist post-16 institutions (SPI).

11 We analysed forecast future spending on school rebuilding programmes provided by DfE alongside published funding data, to understand funding trends over time.

Funding application data

12 We analysed applications and acceptances over time for application-based capital funding, using data provided by DfE, considering:

- reason for application;
- likelihood of success;
- regional variation; and
- variation by school type (primary/secondary/special).

Combining funding data with condition data

13 We analysed the relationship between school building condition and funding allocations, considering variation by school type (primary/secondary/special).

Case example visits

14 We conducted three case example visits, to local authorities and an academy trust. We selected them to provide some geographical coverage, and also to offer some contrast between urban and rural locations. The purpose of the visits was to hear about local challenges in maintaining and improving school buildings, and to establish how DfE's approaches to providing funding and support for the school system work in practice. The bodies we visited were:

- Alexandra Park School, in north London;
- East Riding of Yorkshire Council; and
- Hampshire County Council.

Stakeholder consultation

15 We wrote to selected stakeholder bodies, inviting them to provide their views on any or all of the following questions:

- How well do schools and responsible bodies understand the condition of their school buildings and the work that is required to maintain and repair them?
- What impact does the condition of school buildings have on educational provision?
- Are DfE's arrangements for schools and responsible bodies who want to apply for capital funding clear and easy to understand?
- What influences schools and responsible bodies to use revenue funding for capital projects, and how have these factors changed over time?
- What are the main challenges for schools and responsible bodies in spending capital funding efficiently and effectively?
- Does DfE provide good support and guidance to schools and responsible bodies with regard to: encouraging effective estate management; submitting accurate data on their buildings; sources of funding available to make improvements to school buildings; and investing in capital projects that are efficient in the long term?

16 In selecting the bodies we wrote to, we aimed to acquire a cross-section of views from those representing different types of stakeholder. We met or received written submissions from:

- the Association of School and College Leaders;
- the Catholic Education Service;
- the Confederation of School Trusts;
- DBE Services (representing six diocesan boards of education);
- the Educational Building and Development Officers Group (EBDOG);
- the Institute of School Business Leadership;
- the Local Government Association;
- London Councils;
- NASUWT, the Teachers' Union;
- the National Association of Head Teachers;
- the National Education Union;
- the National Foundation for Educational Research;
- the National Society (representing Church of England schools);
- the Trust Network; and
- the UK Schools Sustainability Network.

Comparison with other government departments

17 We engaged with staff in the National Audit Office's health team, to understand how the Department of Health & Social Care is delivering the New Hospital Programme.

Benchmarking against other parts of the United Kingdom

18 We spoke to staff in Audit Scotland, Audit Wales and the Northern Ireland Audit Office, and examined relevant publications, to understand how school capital issues are handled in other parts of the United Kingdom.

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