

20 April 2018

Dear Colleague

Public Accounts Committee: Inquiry into 21st Century Schools and Education Programme

The Auditor General for Wales published a Report on [The 21st Century Schools and Education Programme](#) in May 2017. The Report concluded that the Welsh Government is generally managing the 21st Century Schools and Education Programme well but needs to clarify some detailed expectations and make adjustments in response to proposed changes in approach and funding for the programme to get better value from future public sector investment.

The Public Accounts Committee have agreed to consider the effectiveness and value for money of the programme to date, with the aim of making recommendations to enhance the programme ahead of the Band B funding starting which is scheduled to start in April 2019.

In particular, the Committee would welcome your views on the following areas that the inquiry will focus on:

- **Setting Expectations and Targets.** The Committee would welcome your views on areas where the Welsh Government has not been clear in setting out its expectations or monitoring the standards set. For example, we understand from the Auditor General's report that the Government did not detail the wider benefits that they hoped to get from the large investment and that there are some concerns that some of the new buildings are not achieving the high environmental standards expected of them.
- **The funding model.** The Welsh Government has indicated that it will provide capital funding of £640 million for the next phase of investment (Band B) over five years from April 2019. In addition it proposes also providing around £500 million of revenue funding through a new approach to public-



private finance known as the Mutual Investment Model. Under this model, contractors would design, build and maintain the new buildings and the public sector would pay a service charge for 25 years. The Welsh Government intends to put in place arrangements to ensure it shares in any profits from the model. The Committee would welcome your views on the proposed funding model.

- **The Welsh Government plans to get better value for money by encouraging more standardised elements to the new builds and by standardising costs.** The Committee understands the value for money arguments for greater standardisation, we would welcome your views on whether the Welsh Government are managing the risk that centralisation may undermine the collaborative ethos that has characterised the programme to date.
- **Welsh Government consultation:** The Committee would welcome your views on the Welsh Government consultation on the programme to date and in planning for the future roll out. There are important decisions still to be made, not least of which is the proportion of costs that will be met by the Welsh Government, and therefore we are keen to establish how the Welsh Government is exploring with councils, further education institutions and the Church authorities their appetite for revenue funding as well as their priorities for their local programmes.
- **Areas to consider in the next phase of investment:** The Auditor General emphasised that as the Welsh Government finalises its plans for the next phase of investment, there is a need to focus now on some key areas such as managing the risks of a new type of funding and ensuring that the good collaborative working between Welsh Government and local government continues. The Committee would welcome your thoughts on what areas may need considering as part of the next phase.



I am writing to ask for your views on the above points together with any views you may have on the findings of the Auditor General's Report, reflections on the Welsh Government's initiative, and any general comments you may have on the 21st Century Schools and Education programme **by 18 May**.

I look forward to hearing from you.

Yours sincerely,

A handwritten signature in black ink, reading "Nick Ramsay". The signature is fluid and cursive, with a long horizontal flourish extending from the end of the name.

Nick Ramsay AM
Chair

