

Managing the Schools' Estate

Report by the Comptroller
and Auditor General

Published
12 November 2024



**For further information about the
Northern Ireland Audit Office:**

Northern Ireland Audit Office
106 University Street
Belfast, BT7 1EU

028 9025 1000
info@niauditoffice.gov.uk
www.niauditoffice.gov.uk

© Northern Ireland
Audit Office 2024

This report has been prepared under Article 8 of the Audit (Northern Ireland) Order 1987 for presentation to the Northern Ireland Assembly in accordance with Article 11 of the Order.

The Comptroller and Auditor General is the head of the Northern Ireland Audit Office. She, and the Northern Ireland Audit Office are totally independent of Government. She certifies the accounts of all Government Departments and a wide range of other public sector bodies; and she has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with which departments and other bodies have used their resources.

Dorinnia Carville
Comptroller and Auditor General

Northern Ireland Audit Office
12 November 2024

Contents

	List of Abbreviations	7
	Key Facts	9
	Executive Summary	11
Part One	Introduction	19
	The schools' estate is a valuable public sector asset	20
	The structure and ownership of the NI schools' estate is complex	20
	There are over 1,100 schools and 350,000 pupils in Northern Ireland	21
	The Department of Education has ultimate accountability for the schools' estate	21
	The EA has significant operational responsibility for the schools' estate	22
	The Department provides the funding for the estate	22
	Past attempts at transformation have failed to significantly change the education system	25
	Scope of our report	25
	Methodology	26
Part Two	Estate Management	27
	Managing the schools' estate is complicated and requires a strategic approach	28
	The Department does not follow estate management guidance	29
	Existing best practice guidance advocates a strategic estate management approach	29
	The Department has recently developed a capital investment vision	29
	The Department does not have an estate management strategy	30
	The Department has recently developed an Asset Management Plan	30
	There is no long-term maintenance plan	31
	There is no designated group to coordinate estate-wide activities	31
	Poor data is a key barrier to a more strategic estate management approach	32
	The Department does not have an adequate system for data management	32
	The EA is in the process of acquiring a new data management system	33

Contents

	There was no rolling programme of condition surveys in the EA before 2023-24	33
	The Department has now implemented a planned programme of condition surveys	34
	Suitability surveys require an update following changes to the schools' Building Handbook	35
Part Three	Estate Capital and Maintenance	37
	Estate Capital	38
	The structure across two organisations is complex and not integrated	39
	The Department selects capital projects based on a 'call for applications' from school authorities	40
	Major capital works projects can take ten or more years to complete	41
	None of the second call School Enhancement Programme (SEP) projects have been delivered	42
	Fresh Start Agreement Projects have not made best use of the available funding	42
	While capital projects await delivery, assets continue to deteriorate and put pressure on maintenance budgets	43
	Minor Capital works	43
	The Department only progressed the first tranche of the 6,100 applications received in 2017	44
	Only unavoidable Minor Works that meet the Minister's first priority are being progressed	45
	Maintenance	45
	There is no programme of planned preventative maintenance	45
	Progress in the delivery of maintenance was recognised in a recent review of the EA	46
	Maintenance Funding	47
	Statutory Compliance Inspections and Statutory Remedial Work	48
	Response Maintenance	49
	Emergency Maintenance	49
	Unavoidable Maintenance	49
	The EA uses Term Services Short Contracts to deliver maintenance	50

Contents

	Internal Audit raised concerns about contract monitoring and contractor performance	50
	The backlog figure can be an indicator of the health of a maintenance programme	51
	The Department does not have a reliable estimate of the maintenance backlog	51
	Despite its unreliability, the backlog is increasing	52
Part Four	Other Issues relevant to the Estate	53
	Reinforced Autoclaved Aerated Concrete (RAAC)	54
	PPP/PFI expenditure and contract expiry	55
	Net zero requirements	57
Appendices		59
NIAO Reports 2024		69

List of Abbreviations

AMP	Asset Management Plan
BoG	Board(s) of Governors
C&AG	Comptroller and Auditor General
CCMS	Council for Catholic Maintained Schools
CFS	Common Funding Scheme
CPCNI	Construction Professionals Council for Northern Ireland
CPD	Construction and Procurement Delivery
Department	Department of Education
DfE	Department for Education (in England)
DE	Department of Education (Northern Ireland)
DoF	Department of Finance
EA	Education Authority
ELB	Education and Library Board
ETI	Education and Training Inspectorate
FSA	Fresh Start Agreement
FSM	Free School Meals
GEMS	Good Estate Management for Schools
GMI	Grant Maintained Integrated
H&S	Health and Safety
HSENI	Health and Safety Executive for Northern Ireland
IA	Internal Audit
ICD	The EA's Infrastructure and Capital Development Division
ICT	Information and Communication Technology
IDAR	In Danger and At Risk
IID	The Department's Infrastructure and Investment Directorate
IPA	Infrastructure and Projects Authority

List of Abbreviations

IWMS	Integrated Workplace Management System
KPI	Key Performance Indicator
LMS	Local Management of Schools
MCWP	Major Capital Works Programme
MoA	Memorandum of Agreement
NAO	National Audit Office
NI	Northern Ireland
NIAO	Northern Ireland Audit Office
NICS	Northern Ireland Civil Service
OED	Operations and Estates Directorate
PAC	Public Accounts Committee
PPP/PFI	Public Private Partnerships / Private Finance Initiative
QSHE	Quality, Safety, Health and Environment
RAAC	Reinforced Autoclaved Aerated Concrete
SEN	Special Educational Needs
SEP	Schools' Enhancement Programme
TSSC	Term Services Short Contracts
UK	United Kingdom
VG	Voluntary Grammar

Key Facts

**1,100
schools**

make up the Northern
Ireland schools' estate



**350,000
children**

The approximate
number of children
in schools in
Northern Ireland

**£4.6
Billion**

The approximate value
of the schools' estate



**£276.4
Million**

The Department's
2023-24 capital
outturn

**£450
Million**

The Department's current
estimate of the maintenance
backlog (a 50% increase from
£300 million in 2017-18)



**£26.7
Million**

The Department's 2023-
24 resource maintenance
allocation for the £4.6
billion estate

Key Facts

**£3.2
Billion**

The estimated capital funding required to complete the current pipeline of announced new build and refurbishment school projects



**£1.5
Billion**

The estimated total cost of building, operating, and maintaining the 20 PPP/PFI school projects

Nil

The number of Northern Ireland schools built or refurbished to a net zero standard



**Over £2
Billion**

The estimated cost of retrofitting the schools' estate to achieve net zero compliance

Executive Summary

The schools' estate is a valuable public asset

1. The schools' estate is a valuable asset and should be actively managed and maintained to meet the full needs of educational provision. In Northern Ireland, funding constraints present a key challenge to management and maintenance of the estate. There are over 1,100 schools in Northern Ireland, educating 356,000 pupils. The estate has been valued at approximately £4.6 billion. Individual school buildings can vary in age and design, even on the same site, and many of them require significant repair and upgrades to meet modern standards of safety, accessibility, and functionality.
2. The complexity of the Northern Ireland school system is well recognised and impacts the approach to estate management. There is complexity in the varied ownership and range of sectors, managing authorities and sectoral support bodies. Past attempts at transformation have failed to significantly change the system and the Department has continued to follow a strategic investment approach rather than an estate management approach. This is largely driven by the level of funding available within a difficult overall financial position. The Department has told us it fully recognises that the decisions being taken to control expenditure are having a significant impact on pupils and schools and that the current approach is unsustainable.
3. The Department of Education (the Department) provides the funding for education, including school buildings, and has ultimate accountability for securing value for money from that funding. Its responsibility involves the provision of both a viable and sustainable school system (in terms of educational provision and school finance) and a fit for purpose schools' estate (in terms of the condition and suitability of the infrastructure).
4. The Department shares the responsibility for managing the estate with the Education Authority (EA). It sets the strategic direction and policy framework, and the EA delivers the annual capital investment programmes and operational functions and services.
5. In 2023-24, the Department's total expenditure (outturn) of £3.3 billion included capital funding of £276 million (8.4 per cent), of which £243 million was spent on major (new build and refurbishment) and minor works programmes. The annual resource expenditure for maintenance was £28.4 million. In addition, schools' delegated budgets, calculated via the Common Funding Scheme (CFS), included a total of £77 million estate related funding (however, outturn statements indicate that only £5 million is spent on maintenance).

A more strategic estate management approach could deliver better value for money

6. There are many challenges in managing the estate effectively, including budget availability, rising energy and construction costs, contractor availability, and other resource pressures. There is also a wider need to decarbonise the education estate while continuing to address the condition and compliance challenges contributing to an increasing maintenance backlog.

- 7.** The Department's current estate management activities address some aspects of good practice but fundamentally lack an overarching strategic estate management approach and the data and analysis to support it. The report emphasises the need for a clear estate vision aligned with the Department's educational goals, a comprehensive estate management strategy, and a robust Asset Management Plan. The Department has already begun some development work in this area. In May 2024, the Minister approved a Capital Investment Strategy, including a vision and mission statement.
- 8.** We believe that structured guidance to develop and support an effective strategic estate management approach would help improve the use of limited resources and provide better value for money. Without effective estate management, the quality of buildings is deteriorating, and the lifespan of school buildings, even new buildings, will be considerably reduced.

Estate data and data management are inadequate

- 9.** Good data underpins a strategic estate management approach. The Department does not have a good system for data management and, to varying degrees, lacks complete, accurate, timely and accessible information on the estate. Full condition surveys are at the core of estate data collection and are critical to good estate management. While some ad hoc surveys have been carried out, the Department does not have reliable data from a rolling programme of condition surveys and only began a five-year rolling programme in 2023-24. While this is a welcome development, the surveys are limited in their coverage when considered against industry standards.
- 10.** In the absence of full and regular condition surveys, estate data is insufficient to provide a comprehensive understanding of the estate's condition and does not support effective strategic decision-making and planning based on a comprehensive understanding of the entire estate. The Department is unable to adequately define the true state of the estate. Without an appropriate strategic approach to estate management, capital and maintenance programmes are only replacing and repairing critical estate issues.
- 11.** The Department must also be cognisant of the suitability of the estate for the provision of education. Suitability surveys assess the conformity of assets at an individual school in line with the existing handbook specifications. However, due to budget constraints, these surveys have not been carried out for several years. Nevertheless, while there are suitability assessments at school-level, the Department cannot determine the proportion of the estate that is unsuitable for the delivery of education.

Selection of Capital projects is based on the assessment of applications from schools, not comprehensive condition data held in the Department

12. The structural complexities of the education system, in the form of controlled and non-controlled sectors, are reflected in the roles and responsibilities of the Department and the EA for managing the estate. Multiple teams across the two organisations are involved in the process and while governance and project management exist at operational levels, they are less visible at the strategic level.
13. The capital programmes focus on schools assessed to be in the greatest need. Assessment is based on applications submitted rather than up to date condition data already held by the Department. This reactive process, combined with delays in project completion, is adversely affecting the educational infrastructure and increasing pressure on an already constrained maintenance budget. Despite efforts to streamline processes, the average time to complete major works ranges from six to more than ten years, with costs escalating accordingly. The Department has estimated that completing the current list of approved capital projects would require £3.239 billion and take a minimum of 30 years to deliver.
14. In 2017, more than 6,100 applications for minor works, from schools across all sectors, were received, assessed and prioritised. Only the first tranche of 550 prioritised applications were addressed before budgetary pressures made the Department stop working systematically through the prioritised list and only deal with 'unavoidable' minor works. There is no estimate of the capital required to complete unavoidable minor works and no backlog figure for overall minor works. The Department told us that to establish a value for the minor works backlog would not be a good use of limited budget or staff resources.

There is no planned preventative maintenance and no long-term maintenance plan

15. There are currently a range of challenges in managing and monitoring maintenance work, including limited resources, the lack of comprehensive data, and the need to balance reactive and planned maintenance. Maintenance is currently prioritised on the basis of health and safety, statutory compliance, and the need to address urgent and emergency repairs. Works not meeting these criteria cannot be addressed within current budgets.
16. From a recurrent maintenance budget of £20.5 million, only £8 million (39 per cent) is spent on response maintenance. The remainder covers staff costs and statutory inspection costs. The remedial work identified through the inspections is generally capital in nature and Maintenance Service must bid for funding from the capital budget, as it is not provided with a capital allocation. Maintenance Service received £24 million for statutory remedial works in 2023-24.
17. Without comprehensive condition data, prioritisation is not based on a comprehensive assessment of need but the identification of issues in poorest condition. Identifying only priority works promotes a reactive approach to maintenance and means that unactioned works are subject to further deterioration until they meet the definition of priority. This is not an effective strategic approach. There is no long-term maintenance plan and no programme of planned preventative maintenance.

18. A new maintenance regime has shown progress in consistent and coordinated delivery of prioritised maintenance, but it sits within a system that is complex and fragmented and is subject to the challenges outlined. Despite some limited progress focusing on the most critical maintenance, considerable improvements are required. The new rolling programme of condition surveys may improve the availability of data and a proposed new integrated workplace management system (IWMS) may improve data management and accessibility.
19. There is currently an estimated maintenance backlog of £450 million and, although it is not a reliable estimate, it has increased from around £300 million in 2017-18. Delays in capital project completion contribute to this worsening maintenance backlog as prolonged periods of deferred maintenance can lead to escalating repair costs and deepen infrastructure issues. This is a significant risk for the Department and poses a risk to the safety and functionality of the schools' estate.
20. Maintenance Service uses Term Services Short Contracts (TSSC) for the provision of response maintenance, statutory remedial works, minor building works, and mechanical and electrical works across the schools' estate. New contracts are being negotiated and put in place, but Internal Audit identified some issues with the performance monitoring in existing contracts, which will need to be addressed in the new contracts.

Other estate related issues

21. Part Three of the report addresses concerns regarding Reinforced Autoclaved Aerated Concrete (RAAC), Public-Private Partnerships (PPP) and Private Finance Initiatives (PFI), and the net zero agenda. These topics are linked to understanding the broader implications on capital and maintenance within the education sector.

Reinforced Autoclaved Aerated Concrete (RAAC)

22. RAAC, a material used in school construction between the 1950s and 1990s, presents significant structural and safety challenges due to its tendency to weaken over time, and requires immediate attention and remediation efforts. The issue became a media headline in 2023, but despite industry warnings, notification from the Department for Education (DfE) in England and the media coverage, the Department did not have the information readily available to react with urgency to the risk. Ultimately, when commissioned to investigate, Maintenance Service was quick to identify and complete surveys and to date, only one instance of RAAC has been identified in Northern Ireland. The costs of identifying and remedying issues such as RAAC can put an undue burden on already limited capital and maintenance budgets. The latest cost estimate for surveys is approximately £1.2 million.

Public-Private Partnerships (PPP) and Private Finance Initiatives (PFI)

23. The Department has used Public-Private Partnerships/Private Finance Initiatives to fund the construction and maintenance of 20 schools across nine separate contracts. However, the approach has not been used by the Department since 2013, as these arrangements often result in higher long-term costs compared to traditional funding mechanisms. The initial private sector capital investment for building the 20 schools was £375 million, but we do not have the operation and maintenance costs over the 25-30 years of the contracts. However, actual and projected public sector costs, to the end of all contracts, will be in the region of £1.5 billion for the 20 schools.

- 24.** The PPP/PFI schools remain in private ownership until the contracts end, when their ongoing maintenance becomes a public sector responsibility. The first contract ends in 2025 and brings an additional maintenance burden. Based on the current approach, it is unlikely that maintenance will be available on the same basis as during the contract, therefore there is a risk that assets will be left to deteriorate until critical issues arise. We are also concerned that if contract expiry is not sufficiently well managed then assets may not be in an appropriate condition at handover putting additional pressure on the current system.

Net zero

- 25.** The built environment is a big contributor to the carbon footprint across the UK and there is a need to decarbonise the education estate. Like the UK, Northern Ireland set a target to reach net zero emissions by 2050. However, progress has been slow across Northern Ireland and the targets are challenging. The Department has set out its policies and proposals for its contribution across a range of designated sectors, including buildings. However, without additional funding it may not be able to implement the necessary actions.
- 26.** No schools in Northern Ireland have been built or refurbished to a net zero standard and the Department estimates that retrofitting the schools' estate will cost upwards of £2 billion. The three main challenges for the school estate are to measure and improve energy efficiency, align all new buildings with net zero standards and retrofit existing buildings.

Purpose of our report

- 27.** Our report reviews the current approach to capital investment and maintenance funding in the context of estate management best practice and finds that significant improvements are required to manage the estate effectively. The following sections of the report examine the main issues outlined in this summary, considering further detail and offering recommendations. By adopting the recommendations, it is hoped that some of the current barriers to effective estate management can be addressed and the delivery of high-quality education for all children and young people in Northern Ireland can be supported more effectively.

Conclusion

- 28.** A well-managed schools' estate not only provides operational efficiency but also delivers a conducive environment for effective teaching and learning, enhancing educational outcomes. The Department has a strategic investment approach but lacks a strategic approach to estate management and does not currently know the estate's true condition. It is currently firefighting to keep schools open and safe using an approach that is not providing value for money.
- 29.** Estate management, asset management and maintenance are interdependent and rely on comprehensive and up-to-date data on all assets for which the Department has financial or maintenance responsibility. An effective strategic approach, with better data, would direct resources to identified need and improve decision-making to achieve short, medium and long-term goals in line with strategic objectives. Ultimately, this would provide better value for money than the established approach. We welcome the fact that the Department has already begun work in this area.

30. The report's recommendations are outlined below. During clearance of this report the Department commented that "to continue to recommend detailed plans for preventative maintenance; plans to immediately reduce the maintenance backlog; plans for the proactive maintenance of PFI buildings when they return to the schools' estate; and plans to target funding or other sustainability interventions to achieve the targets set out in the Climate Change Act (Northern Ireland) 2022, in the absence of significant additional funding and with escalating costs and SEN pressures is neither realistic nor helpful."

Recommendations



Recommendation 1

We recommend that the Department adopts a strategic approach to estate management. It should develop or adopt, and follow, guidance based on existing best practice in estate management appropriate to the Northern Ireland schools' estate. We suggest that the related estate vision, asset management strategy and a fully costed asset management plan align with best practice expectations.



Recommendation 2

We recommend that the Department and the EA review structures and estate management responsibilities to enable a more strategic, coordinated and efficient approach to estate management, aligned to its estate and asset management strategy.



Recommendation 3

We recommend that the Department ensures it has appropriate information systems in place which meet its data requirements for effective estate management and the delivery of complete, accurate and up-to-date estate information to support effective decision-making and action.



Recommendation 4

We recommend that the Department ensures the completion of condition surveys in line with targets and builds a reliable understanding of the entire estate condition. This should be a priority and ensure that the necessary information is available to inform decision-making and to support the development, and continuous improvement, of an estate management strategy and asset management plan. The surveys should be comprehensive to allow categorisation of condition to assist better estate planning and should be regularly updated to support the estate strategy.



Recommendation 5

We recommend that the Department and EA establish effective maintenance plans (informed by condition survey data). The plans should include appropriate objectives, targets and benchmarks with a view to enhancing asset lifecycles and ensuring value for money. The plans should clarify the data requirements to report on progress and demonstrate effectiveness.



Recommendation 6

We recommend that the Department puts processes in place to demonstrate that maintenance contracts are delivering value for money. This will include developing and tracking robust contract KPIs and actively measuring and regularly reporting on contractor performance.



Recommendation 7

We recommend that the Department analyses and quantifies its maintenance backlogs (across all maintenance types) and uses this information to determine the most appropriate allocation of maintenance expenditure for the benefit of the estate's assets and to ensure value for money. The Department should put a plan in place immediately to reduce its maintenance backlogs to within acceptable levels.



Recommendation 8

We recommend that the Department ensures it is fully prepared for PPP/PFI contract expiration and the handover of school assets. It should have clear plans for the pre-handover and post-handover periods to ensure transferred assets are appropriately managed and maintained going forward.



Recommendation 9

We recommend that the Department baselines the sustainability position of the schools' estate and develops plans to target funding or other sustainability interventions to achieve the targets set out in the Climate Change Act (Northern Ireland) 2022 (legislation.gov.uk). The Department should also ensure it has the appropriate information to report effectively against its climate action plans.

Part One:

Introduction

Introduction

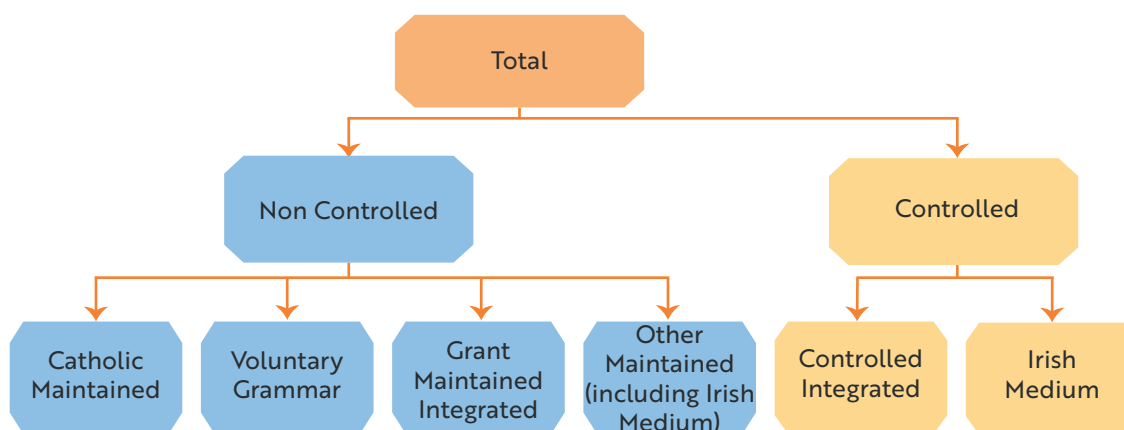
The schools' estate is a valuable public sector asset

- 1.1** The schools' estate is a critical element in the educational infrastructure of any region. Each school building is an important and valuable long-term asset. Recognising the schools' estate as a strategic asset underscores its pivotal role in delivering high quality education to current and future generations. The Northern Ireland schools' estate has an estimated value of £4.6 billion.
- 1.2** Managing the schools' estate effectively can help to prioritise investment and promote value for money from capital expenditure; and good maintenance regimes can protect the value of the assets and ensure the provision of a fit for purpose, healthy, safe and sustainable school environment.

The structure and ownership of the NI schools' estate is complex

- 1.3** The system of schools in Northern Ireland, and its estate, is sub-divided into different school types (**Figure 1**) but to simplify the estate in terms of ownership and estate management, the system can be more broadly viewed as two groups – controlled schools (owned) and non-controlled schools (vested).

Figure 1: The broad structure of schools in the Northern Ireland Education System



Source: NIAO from information provided by the Department

1.4 While it does not own the schools' estate, the Department of Education (the Department) provides the funding for all controlled and non-controlled schools, via the Education Authority (EA), under the local management of schools (LMS) arrangements, where each school receives a delegated budget. It also provides the capital and maintenance funding for the majority of schools (refer paragraph 1.14). Additional detail on school sectors and ownership is included as **Appendix 1**.

There are over 1,100 schools and 350,000 pupils in Northern Ireland

1.5 There are 1,113 schools in Northern Ireland, across all stages and management types, excluding pre-school centres and preparatory departments (**Figure 2**). Figures provided by the Department show that there were 348,800 pupils enrolled. The schools vary in size, location, age and condition, and have different levels of demand and capacity.

Figure 2: Number and percentage of pupils attending nursery, primary, post primary and special schools 2023-24

	Northern Ireland	Controlled (including controlled integrated)	Catholic Maintained	Grant Maintained Integrated	Voluntary	Other maintained
Schools						
Number	1,113	545	439	38	61	30
%		49.0	39.4	3.4	5.5	2.7
Pupils						
Number	348,800	148,431	124,280	18,120	52,459	5,510
%		42.6	35.6	5.2	15.0	1.6

Source: Department of Education

The Department of Education has ultimate accountability for the schools' estate

1.6 The Department has ultimate accountability for securing value for money from the funding provided to schools, including for school buildings. It is responsible for the planning, management and delivery of an estate in the context of the Department's policy 'Schools for the Future: A Policy for Sustainable Schools' (the Sustainable Schools Policy - SSP, 2009).

1.7 The responsibility involves the provision of both a viable and sustainable school system (in terms of educational provision and school finance) and a fit for purpose schools' estate (in terms of the condition and suitability of the infrastructure). Condition refers to the physical state of a building and suitability refers to its compatibility with the Department's school Building Handbook (which specifies school design - [Building Handbook | Department of Education \(education-ni.gov.uk\)](#)) and its ability to meet the full needs of education provision.

- 1.8** The Department is directly responsible for overseeing, planning and grant-aiding capital works in non-controlled schools. However, the EA is responsible for landlord maintenance in both Catholic maintained and other maintained (largely Irish Medium) schools. Grant-maintained integrated (GMI) and voluntary grammar (VG) schools are responsible for their own maintenance.
- 1.9** The Department's Investment and Infrastructure Directorate (IID) is responsible for management of the Department's capital budget and delivery of the Department's capital investment (excluding the Strule Shared Education Campus Programme). It also monitors the capital budgetary position, including capital receipts, and has responsibility for asset management.

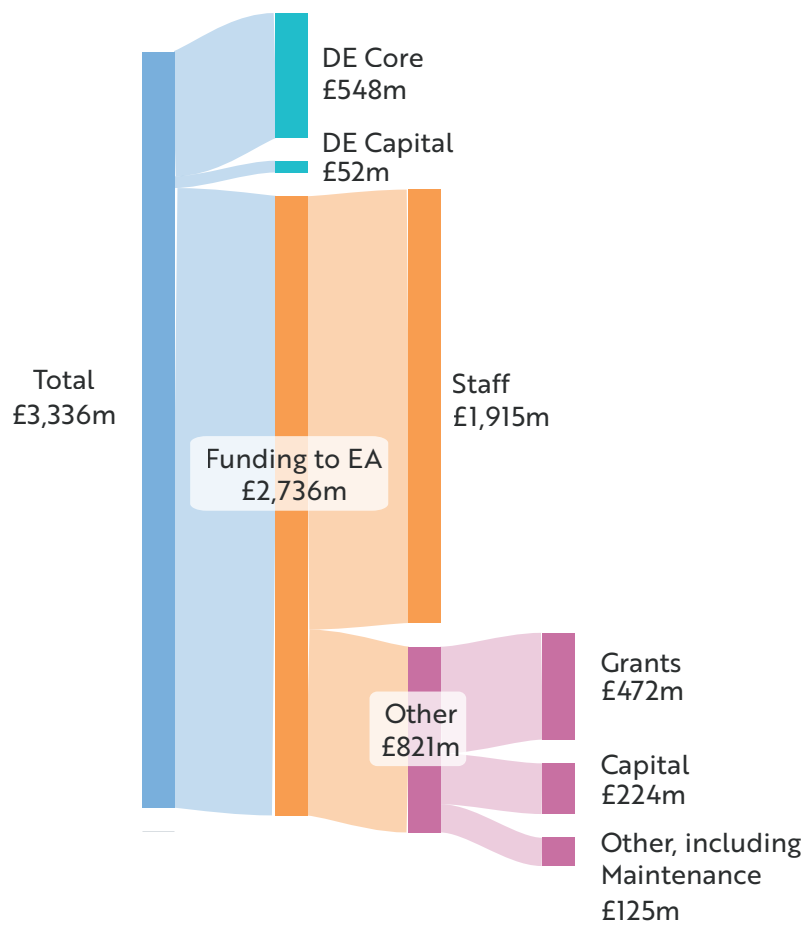
The EA has significant operational responsibility for the schools' estate

- 1.10** The EA is the managing authority for controlled schools, the overall planning authority for the schools' estate and is responsible for funding all grant-aided schools. See **Appendix 1**.
- 1.11** The EA's Operations and Estates Directorate (OED) has operational responsibilities for works (Infrastructure and Capital Development team) and maintenance (Facilities Management team) across the estate. It owns and manages the controlled sector schools on behalf of the Department, including maintenance, building (capital works), disposal, and the strategic overview of how these schools are utilised to meet the needs of the controlled sector.
- 1.12** Under a Memorandum of Agreement (MoA) the EA acts as delivery agent on behalf of the Department for various works within the non-controlled school and youth sectors. It procures and provides the services necessary to undertake any works requested by the Department.

The Department provides the funding for the estate

- 1.13** The Department funds running costs and capital costs, either directly or through the EA as follows:
- Controlled schools are fully funded by the EA.
 - Catholic maintained schools and vested Irish Medium schools are funded by the EA for their running costs and maintenance works and by the Department for capital building works.
 - Voluntary Grammar (VG) and Grant-maintained Integrated (GMI) schools are funded by the EA for their running costs and funded by the Department for capital building works. They are responsible for their own maintenance works and receive an element of landlord maintenance funding in their delegated budget (**refer paragraph 1.17**).
- 1.14** The Department's total expenditure (outturn) for 2023-24 was almost £3.3 billion, of which £2.7 billion (83 per cent) is provided to the EA. This includes £1.9 billion (70 per cent) for school staff costs (**refer Figure 3**).

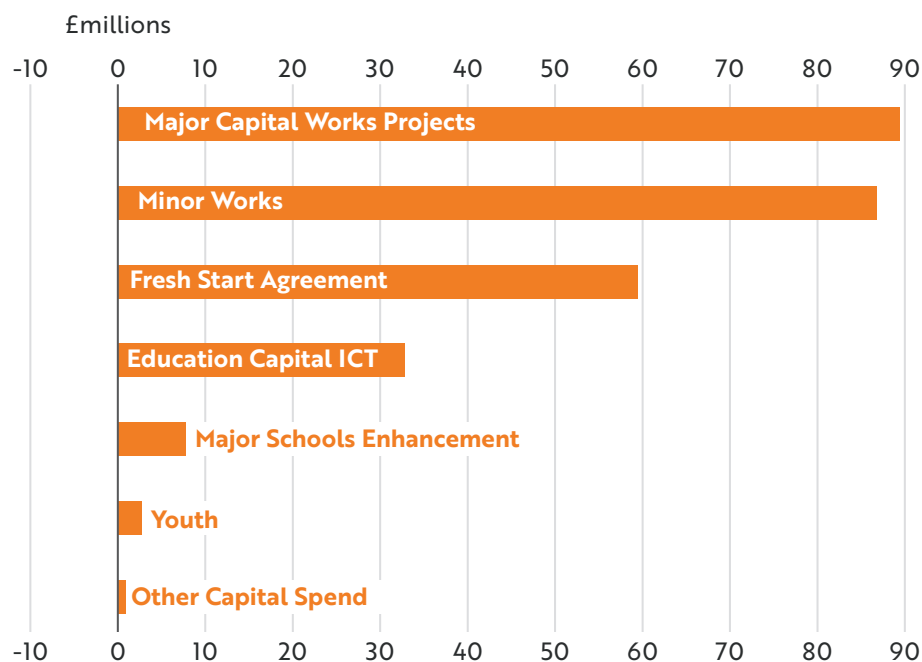
Figure 3: Split of DE's 2023-24 Resource Outturn across the main areas of expenditure



Source: NIAO from information provided by the Department

1.15 Within the £3.3 billion, the Department's total capital expenditure was £276.4 million (8.4 per cent), comprising £59.4 million Fresh Start Agreement Funding and £217.1 million Executive funding (**Figure 4**). Overall, this represents a 30 per cent increase on the 2022-23 expenditure of £212 million. However, the Executive funding element decreased by £16.5 million, a nine per cent reduction on the previous year. In 2023-24, the Department notified the Department of Finance (DoF) of funding pressures in the region of £180 million against its capital requirements.

Figure 4: The Department's spend on schools' estate capital programmes in 2023-24 totals £276 million



Source: NIAO from information provided by the Department

- 1.16** The 2023-24 opening maintenance budget was £20.5 million (0.68 per cent of total recurrent) and the Department provided the EA with £500,000 additional funding to begin a rolling programme of condition, suitability and energy surveys.
- 1.17** These figures do not include estate related funding paid directly to schools, via their delegated budget. The premises factor within the common funding scheme allocated total funding of more than £66.5 million across all schools in 2023-24. A further amount of £10.3 million was allocated to Voluntary Grammar (VG) and Grant-Maintained Integrated (GMI) schools via the Landlord Maintenance Factor. This funding is fully delegated to the Boards of Governors, who are responsible for the planning and monitoring of expenditure. As such, funding allocated under these factors is not ring-fenced for use on maintenance. School expenditure returns show that only £5.2 million was recorded as maintenance expenditure in 2022-23, from a total allocation of £76.7 million. The Department did not provide a figure to show how much of the 2023-24 allocation (£76.8 million) was recorded as maintenance expenditure.
- 1.18** The Department is also committed to unitary charges for education PFI/PPP contracts, which totalled £59.4 million in 2023-24.
- 1.19** The Department has made it clear that there is insufficient capital funding to deliver against identified and emerging needs. These include statutory health and safety, Disability Discrimination Act requirements, Fire Safety, as well as the growing pressures on Special School provision in both mainstream and in special schools.
- 1.20** Many of the estate buildings require significant repair and upgrade to meet modern standards of safety, accessibility, and functionality. The current maintenance backlog is estimated by the Department at £450 million and it has grown significantly over recent years.

Past attempts at transformation have failed to significantly change the education system

- 1.21** The complexity of the Northern Ireland School System is well recognised. In 2006, the Bain Report stated that the complex ownership and management structures of the system impeded efficiency and effectiveness. Prior to the Bain Report, in 2005, the vision of a single Education and Skills Authority (ESA) was proposed to reduce the complexity of educational administration and make significant savings. After incurring £17 million of expenditure, this vision was eventually abandoned and, as a compromise, the five Education and Library Boards (ELBs) were merged into the Education Authority (2015) with the complexities of the system intact.
- 1.22** In an indication that little had changed, the Northern Ireland Affairs Committee (2019) reiterated that the complicated structure of education in Northern Ireland meant that money was not being spent in the most efficient way. The Committee saw a clear need to reduce duplication across the education sector and for consolidation of the schools' estate.
- 1.23** At that time (2018-19), the Department had established an Education Transformation Programme. It acknowledged that to deliver an education system to meet the needs of all children and young people, an ambitious and radical programme of change was required. However, the Transformation Programme was suspended in 2020, due to the Covid-19 pandemic, and closed in 2021. The subsequent Independent Review of Education (2023) and Landscape Review of the Education Authority (2022) have highlighted the lack of progress and continuing need for meaningful change.

Scope of our report

- 1.24** This report seeks to clarify the current roles and responsibilities in managing the schools' estate. Part One sets out some background. Part two provides a strategic overview of the Department's approach to estate management when considered against the main elements of best practice. Part Three focuses on the Department's current capital and maintenance processes. Finally, Part Four deals with other key issues relating to the estate.
- 1.25** The Northern Ireland school system is recognised for its complexity and the report attempts to sets out the full complexity of estate management and how the Department's current process relates to accepted best practice. It also examines the Department's ability to meet the current maintenance needs of the estate, given an estimated £450 million estate maintenance backlog. Area Planning is not in the scope of this report.
- 1.26** The report also touches on the Department's response to the critical issue of Reinforced Autoclaved Aerated Concrete (RAAC) crisis that arose in 2023; the extent of the Department's PFI/PPP commitments, the first of which are nearing contract end; and the impending issue of net zero requirements. We assess the Department's actions and plans to address these issues going forward.

Methodology

1.27 The review used a combination of quantitative and qualitative methods for gathering evidence, including:

Document review:

- Review a range of documents to develop our understanding of the Department's strategies and aims for maintaining and improving the school estate; the rationale behind funding methodologies; how information on the condition of school buildings is gathered and analysed; and oversight and reporting arrangements.

Interviews:

- Conduct interviews with departmental officials to understand the Department's approach to asset management (including principals, policy, strategy, asset management, oversight of estate condition and investment strategy)
- Conduct interviews with Education Authority officials to understand EA's responsibilities in supporting the condition of school buildings.

Collation and analysis:

- Collation and analysis of the evidence gathered.

Part Two:

Estate Management

Estate Management

- 2.1** This section of the report is a strategic overview of the Department's approach to estate management when considered against the main elements of best practice. It also identifies a number of barriers to achieving a more strategic approach.

Managing the schools' estate is complicated and requires a strategic approach

- 2.2** Estate management, asset management, and maintenance services are distinct but interconnected aspects of managing physical assets, particularly in the context of facilities, buildings and infrastructure. Definitions vary depending on sectors and the assets being managed but generally align with the following.
- 2.3** **Estate management** involves the strategic planning, development, and overall control of estate assets, from acquisition to disposal. It should consider the strategic goals and objectives of an organisation in relation to the property assets for which it has responsibility. These objectives should include optimising the use of the assets to support strategic goals, ensuring compliance with regulations and standards, and enhancing the value and performance of the estate.
- 2.4** **Asset management** involves managing the entire lifecycle of assets, see **Figure 5**. It is responsible for implementing the strategic estate management objectives.

Figure 5: Asset Management Life Cycle



Source: NIAO

- 2.5** **Maintenance services** involve the prevention, correction and routine inspection tasks required to keep assets in good working condition. Maintenance activities are essential for ensuring the reliability, availability, and longevity of assets. At its most effective, it should extend the lifespan of assets, reduce the likelihood of breakdowns, and minimise any downtime and disruptions caused by asset failures.

The Department does not follow estate management guidance

- 2.6** The Department does not have any overarching guidance in place for this complex area of activity. The UK Government (Department for Education - DfE) has published best practice guidance on designing, constructing and maintaining educational estates. The 'Good Estate Management for Schools' (GEMS) is an example of structured guidance providing a framework for strategic estate management activity. The primary goal of the guidance is to enable responsible bodies to manage their land and buildings effectively and ensure a safe, healthy and sustainable environment for educational purposes. It provides step-by-step guidance, tools and documentation to support responsible bodies to develop an effective estate model. The key principles outlined by GEMS are attached at **Appendix 2**.
- 2.7** The Department's current capital investment approach to its estate responsibilities is reactive, achieving what it can from the annual budget allocated. Both our Major Capital follow-up report (February 2024) and our Budgeting and Accountability report (May 2024) acknowledge that the absence of multi-year budgets impacts on the ability to plan and deliver capital projects. However, the Department needs a more proactive estate management approach and while it does not have to follow the guidance published by the UK Government, consideration of a framework similar to that outlined in GEMS, could help improve the use of limited resources and provide better value for money.

Existing best practice guidance advocates a strategic estate management approach

- 2.8** The GEMS guidance advocates a strategic estate management approach with a clear vision, a strategy and an asset management plan together with a structured strategic review process to understand whether the estate is meeting the needs of all stakeholders and whether it is performing effectively. Without an understanding of the whole estate, there is a risk of poor decision-making, poor value for money and missed opportunities to deliver efficiencies.
- 2.9** As it stands, the Department is fundamentally lacking a strategic estate management approach and the data and analysis to support it. Without effective estate management the quality of buildings is deteriorating and the lifespan of school buildings, even new buildings, will be considerably reduced.

The Department has recently developed a capital investment vision

- 2.10** The Department's educational vision is that 'Every child and young person is happy, learning and succeeding'. Some strategic priorities supporting this relate to the estate but there is no clear vision for the future size of, or investment in, the estate. Over the past year, the Department has taken forward work to develop a vision for investment, together with a mission statement, that will form the basis of a new capital investment strategy. In taking forward this work, the Department has been mindful of progress within the context of available funding and existing commitments. The vision is that 'Every child is educated in a high-quality learning environment'. However, this vision does not describe how the estate will support the educational vision or set out the ambition for the estate 5-10 years into the future. The development of a vision is welcomed but there is still significant work required to deliver a more strategic estate management approach.

The Department does not have an estate management strategy

- 2.11** Long-term estate planning needs a strategy. The Department does not have an estate management strategy that explains how it would achieve its vision over a specified period, usually 3-5 years. A more strategic estate management approach would ensure the estate supports the Department's education needs and goals. A strategic framework will improve decision-making supported by evidence, improve the allocation of resources and maximise the estate's efficiency.
- 2.12** In February 2024, acknowledging the need to urgently deliver a range of much-needed investment projects, the Minister commissioned a Capital Investment Strategy for Education to set out a vision for a responsive, agile, and innovative programme of capital investment. We acknowledge that the Department has been working to develop a draft capital investment vision to underpin the capital investment strategy requested by the Minister. However, this is only one element of a much-needed strategic approach to the management of the whole estate and will need to be appropriately aligned with best practice requirements for an estate strategy.

The Department has recently developed an Asset Management Plan

- 2.13** Many factors influence the approach to estate management, and these should be set out and addressed in a comprehensive Asset Management Plan (AMP). The Department's last AMP was developed in 2017-18. It was not aligned with an estate vision and strategy and fell short of best practice expectations. Existing asset management functions were not coordinated in an asset management plan capable of informing day to day operational activities and managing the entire lifecycle of assets.
- 2.14** An AMP should be based on up-to-date data and information about the estate and should set out the work necessary to maintain the estate. It should be reviewed and updated annually based on new information about the estate from all capital and maintenance related activities. The Department has recently completed a new AMP but still lacks sufficient up-to-date estate information to meet best practice expectations for a robust and comprehensive plan.



Recommendation 1

We recommend that the Department adopts a strategic approach to estate management. It should develop or adopt, and follow, guidance based on existing best practice in estate management appropriate to the Northern Ireland schools' estate. We suggest that the related estate vision, asset management strategy and a fully costed asset management plan align with best practice expectations.

There is no long-term maintenance plan

- 2.15** Maintenance of the estate is an important element of asset management planning and as much maintenance as possible should be planned, rather than carrying out works reactively. Effective and well-planned maintenance can mitigate the risks associated with the deteriorating condition of estate assets. In line with best practice, to effectively prioritise issues and make the best use of available funding, it is essential to have an up-to-date assessment of the entire estate's condition. The contents of a long-term maintenance plan should flow from the condition survey data and drive a programme of planned preventative maintenance.
- 2.16** It is also essential to have clear asset management and maintenance regimes to protect the value of assets and ensure they remain safe and fit for purpose throughout their life. Without them, there will inevitably be a decline in the condition of the estate and an increase in safety risks for those using school properties. Across the Department and the EA, these functions are separate but need to be closely aligned in a more strategic approach to estate management.

There is no designated group to coordinate estate-wide activities

- 2.17** Across the Department and the EA there are a range of teams with different estate related responsibilities. The teams report within their respective organisations and interact at a project and operational level. There are monthly meetings covering minor works and maintenance, as well as a fortnightly meeting on major works. There are also oversight groups to which financial and project related information is reported. However, there is no designated estate manager or designated group with responsibility for management and oversight of the entire estate and related decision-making.
- 2.18** The Department told us that there was no formal reporting structure between the Department and the EA, other than the overview and direction provided through the Asset Management Forum, which has not met since 2019. Current financial and project progress is monitored by groups including a Capital Programme Oversight Group (CPOG), a Capital and Maintenance Investment (CMI) meeting, the Top Management Group (TMG), and the Departmental Board.
- 2.19** The current structures are not cohesive enough to provide the necessary strategic oversight and achieve value for money.



Recommendation 2

We recommend that the Department and the EA review structures and estate management responsibilities to enable a more strategic, coordinated and efficient approach to estate management, aligned to its estate and asset management strategy.

Poor data is a key barrier to a more strategic estate management approach

2.20 Data and information about the estate is the foundation of estate management and requires good robust management. Good data underpins an estate strategy and asset management plan, helps make informed decisions and assists in performance monitoring and reporting. It is important to have complete, accurate, timely and accessible information collected from many sources. It should be treated as a valued resource and managed appropriately. In the absence of adequate data, the Department is unable to assess the condition of the estate.

The Department does not have an adequate system for data management

2.21 The Department does not have a central database with adequate data on the entire estate for estate management purposes. It relies on the EA to provide it with estate information and told us that the EA maintains a database of all controlled (owned) schools but does not have a database of non-controlled (vested) properties. The Department could not provide us with basic information to report estate characteristics such as size, age, condition, and suitability. This is information that we would expect to find in an asset management plan.

2.22 The EA Maintenance Service works across the entire estate and has a database (Manhattan) to; record maintenance requests; facilitate the online review and authorisation of works orders; and provide information for operational maintenance, in line with the available budget. It was never configured to capture condition and suitability data; it is a maintenance database and not a central asset management database for the entire schools' estate.

2.23 Condition and suitability information is held separately. A database of legacy condition data is out of date and unreliable, while a database from a recently established rolling programme of condition surveys is, as yet, incomplete. A separate database also exists for suitability information and provides a suitability rating on a school-by-school basis, but not at an estate level.

2.24 Other data from the statutory compliance inspections also sit outside the Manhattan system but any resulting works orders and the related committed expenditure details are held within Manhattan. The EA uses software (Power BI) to turn these unrelated sources of data into dashboards.

2.25 The Department told us it has sufficient information to give an assessment on the condition, suitability and sustainability of all buildings in the estate, but was working with the EA to improve the data. While the Department may consider the available data sufficient for operational purposes, it does not provide complete, accurate and up-to-date estate-level data to develop strategic planning, inform strategic decision making and achieve value for money.

The EA is in the process of acquiring a new data management system

- 2.26** The Manhattan database is being replaced. The existing contract was extended by direct award awaiting a new integrated workplace management system (IWMS). The contract renewal presents an opportunity to develop a central data management system or to ensure compatibility with the other systems holding estate related information.
- 2.27** The EA told us that existing condition and suitability data is held in a format that makes it compatible with the proposed new system, but the Department needs to ensure that any replacement system meets all its data management requirements and is not just an enhanced maintenance system. This may require further work by the Department and the EA.



Recommendation 3

We recommend that the Department ensures it has appropriate information systems in place which meet its data requirements for effective estate management and the delivery of complete, accurate and up-to-date estate information to support effective decision-making and action.

There was no rolling programme of condition surveys in the EA before 2023-24

- 2.28** Condition surveys are fundamental to understanding the estate. The information collected can help to prepare a long-term planned maintenance programme to optimise the lifespan of assets. They help identify and quantify the work needed to maintain the estate and should also identify critical issues - such as Reinforced Autoclaved Aerated Concrete (RAAC), refer **Part 4** of the report; and health and safety risks, currently identified via a separate statutory inspection regime.
- 2.29** Condition surveys are normally non-intrusive surveys, carried out by suitably qualified professionals and should cover the estate on a rolling three-year cycle, as set out in the 2018 Memorandum of Agreement (MoA) between the Department and the EA. However, evidence indicates that the EA has never undertaken or completed a rolling programme of surveys (over three or five years) prior to beginning a five-year cycle in 2023-24 (**Figure 6**). Furthermore, the 2018 MoA was never reviewed to ensure that the EA was fulfilling its agreed obligations. The Department told us that the MoA is currently under review following Internal Audit recommendations in February 2024.
- 2.30** In the eight-year period from 2015 to 2023, the EA undertook a total of 897 ad hoc condition surveys at the request of the Department (**Figure 6**), far short of the coverage expected by the MoA and insufficient for long-term planning.

Figure 6: Number of condition surveys carried out annually between 2015 and 2023

Year	No. of ad hoc surveys undertaken	No. of schools to cover in 3-year cycle	Expected no. of annual surveys	Annual shortfall of surveys	
2015/16	196	1,100	-	-	
2016/17	273		-	-	
2017/18	135		-	-	
2018/19	45		370	325	
2019/20	126		370	244	
2020/21	2		370	368	
2021/22	115		370	255	
2022/23	5		370	365	
Total	897				

Source: NIAO from information provided by the Department

The Department has now implemented a planned programme of condition surveys

2.31 Funding of £500,000 was allocated in 2023-24 for condition, suitability and energy audit surveys. It was to be used for:

- Condition Surveys (Year One) to be undertaken by in-house maintenance staff, on a five-year rolling cycle (which began in 2023-24);
- the development of revised suitability software to align with the updated school Building Handbook to allow a programme of suitability surveys to be initiated in the 2024-25 financial year; and
- a programme of energy audit surveys to be undertaken. However, the funding provided is insufficient to undertake energy audits and will require additional funding, which is not available in 2024-25.

2.32 Due to funding pressures, Maintenance Service is undertaking the surveys in-house and staff have received training. In line with the approved programme, ten per cent of the estate was surveyed in 2023-24, with 22.5 per cent planned in each of the subsequent four years to complete the first cycle. However, only works in poor condition will be identified and costed. The assessed estate condition will not be in line with the industry standard for categorisation and prioritisation of condition (**Appendix 3**). The Department told us the surveys will meet its needs and should improve the Department's estimation of the backlog figure as the programme progresses.

- 2.33** The Department for Education (DfE) in England commissioned a Condition Data Collection (CDC) programme, which the National Audit Office used as the basis for its 2023 report 'Condition of school buildings' in England. It provides up to date data to inform school funding policy so that investment in the estate is effective and efficient. The programme was undertaken from early 2017 to autumn 2019 and is currently being refreshed (CDC2, 2021 – 2026). This programme also had its limitations (Condition Data Collection 2 (CDC2) programme - GOV.UK (www.gov.uk)).



Recommendation 4

We recommend that the Department ensures the completion of condition surveys in line with targets and builds a reliable understanding of the entire estate condition. This should be a priority and ensure that the necessary information is available to inform decision-making and to support the development, and continuous improvement, of an estate management strategy and asset management plan. The surveys should be comprehensive to allow categorisation of condition to assist better estate planning and should be regularly updated to support the estate strategy.

Suitability surveys require an update following changes to the schools' Building Handbook

- 2.34** Suitability is critical to the delivery of the curriculum, a primary objective for the Department, and surveys are carried out independent of condition surveys. Suitability surveys assess the conformity of assets at an individual school in line with the existing handbook specifications. They were carried out regularly until the Department made significant changes the school Building Handbook in 2020. Since then, suitability surveys have only been carried out at the request of the Department, with the last surveys undertaken in February 2022. Each time the handbook changes, a new survey is required to ensure that the suitability assessment is accurate.
- 2.35** Each survey collects a significant amount of data against handbook requirements that is specific to an individual school. Available data is recorded on a standalone database and can indicate a percentage of each school that is 'unsuitable', but the Department told us it is unable to assign an overall 'unsuitable' percentage at estate level. It therefore cannot determine the proportion of the estate that is unsuitable for the delivery of education. Effective planning and management of the estate is not possible without this information. Whether due to design derogations, site restrictions or changes to the Building Handbook, the Department has confirmed that no schools (including new schools) in the estate have a 100% suitability score, the highest being 99.24 per cent. As a key focus of the Department, it is essential that suitability information is available at a strategic level and not just on an individual school basis.
- 2.36** New targets and software are currently being developed to begin a new cycle of suitability surveys before the end of the 2024-25 year. The frequency of the cycle has yet to be agreed with the Department.

“Estate management, asset management and maintenance are interdependent and rely on comprehensive and up-to-date data on all assets for which the Department has financial or maintenance responsibility. An effective strategic approach, with better data, would direct resources to identified need and improve decision-making to achieve short, medium and long-term goals in line with strategic objectives.”

NI Audit Office

Part Three:

Estate Capital and Maintenance

Estate Capital and Maintenance

Estate Capital

Management of the estate's capital programmes is disconnected

- 3.1** In 2024-25, the capital investment objective is to ensure the Department meets existing contractual commitments; keeps schools open and safe; and provides places for the most vulnerable pupils with Special Educational Needs (SEN). This has been supplemented by the recently announced SEN Capital Investment Programme and ringfenced funding for a range of new curriculum-led programmes.
- 3.2** Investment is mainly divided across three major capital programmes and the minor capital works programme. There are also allocations for youth projects and education technology (ICT), which are not included in this report (**Figure 7**). The Department oversees planning and grant-aiding capital works in non-controlled schools, while the EA has responsibility for the controlled sector.

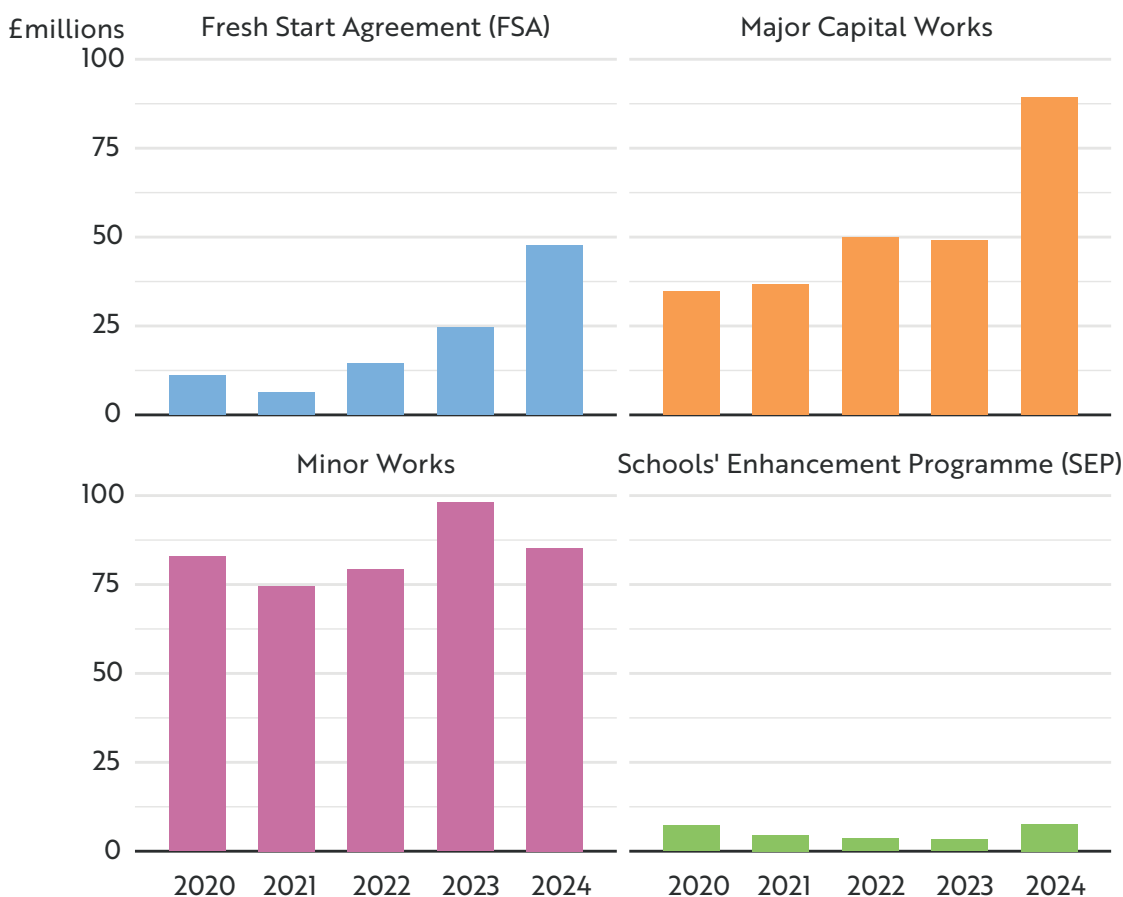
Figure 7: Breakdown of the Department's 2023-24 Capital Outturn Expenditure

Programme	2023-24 Capital Outturn (£m)	2023-24 Final Capital Budgets
Major - FSA	59.4	£59.8m Fresh Start Funding
Major - MCWP	89.4	£217.1m Executive Funding
Major - SEP	7.7	
Minor	86.8	
Youth	2.7	
Education Capital ICT	32.8	
Other Capital Spend	0.9	
Education Capital Receipts	-3.3	
Total	276.4	276.9

Source: NIAO from information provided by the Department

3.3 **Figure 8** shows the capital expenditure for the three major capital programmes and the minor works programme over the five years from 2020 to 2024. Significantly more has been spent on minor works than in each of the major capital programmes. The minor works programme addresses the most pressing needs across the schools' estate and has included SEN minor works. However, because of the new SEN Capital Programme, the expenditure for these works will be monitored separately from 2024-25.

Figure 8: Money Spent across four categories of Capital Programmes from 2020 to 2024



Source: NIAO from information provided by the Department

The structure across two organisations is complex and not integrated

3.4 Teams in the Department and the EA manage individual projects within the respective capital programmes across the non-controlled and controlled sectors. A governance framework and project management guidance ensure the development and delivery of projects by suitably qualified and experienced staff.

3.5 However, multiple teams (**Figure 9**) focus on their specific responsibilities and meaningful co-ordination between them is not clear. The teams report within their organisations and interact at a project and operational level but lack integration and strategic oversight. Despite numerous teams, the Department states that staff resources are a significant limiting factor in delivering capital programmes. These teams include:

Figure 9: Capital programme teams across the Department and the EA

Estate Management Team	Staff (FTE)	Staff Vacancies
DE Investment and Infrastructure Directorate (IID):		
Estate Policy and Financial Management Team	4.12	-
Asset Management Team (newly created)	5.39	4
Fresh Start Team	5.7	3
School Enhancement Project Team	7.5	-
Major Capital Implementation Team	6.6	4
Minor Works Team	21.47	3
SEN Capital Investment Programme Team	4	-
EA Infrastructure and Capital Development Division (ICD):		
Asset Management Service	40.59	6
Major Capital Delivery Service (MaCD)	37.55	6
Minor Capital Delivery Service (MiCD)	80.5	18
EA Facilities Management Division:		
Building Maintenance	103.63	16
Quality, Safety, Health and Environment (QSHE)	46.4	3
Grounds Maintenance	165.33	5.5
Total	528.78	68.5

Source: Department of Education

The Department selects capital projects based on a 'call for applications' from school authorities

- 3.6** Except for the Fresh Start Agreement (FSA) programme, the capital investment programmes use a 'call for applications' process. The process calls on the schools and/or managing authorities to submit applications for capital works based on programme eligibility criteria. With a more proactive approach to estate management, and better data on its condition, the Department would not have to rely on nominations from the school authorities.
- 3.7** The process attempts to identify the schools in the greatest need based on an assessment of the applications received, which are scored and prioritised according to ministerial priorities, and criteria set out in a defined protocol. It provides a pipeline of projects ready to advance when capital funding becomes available.
- 3.8** Criteria used to score applications include condition, suitability, and reliance on temporary accommodation. There are also gateway checks for viability and area planning considerations. Social factors, such as the percentage of pupils in receipt of Free School Meals (FSM) and SEN pupils, are also considered.

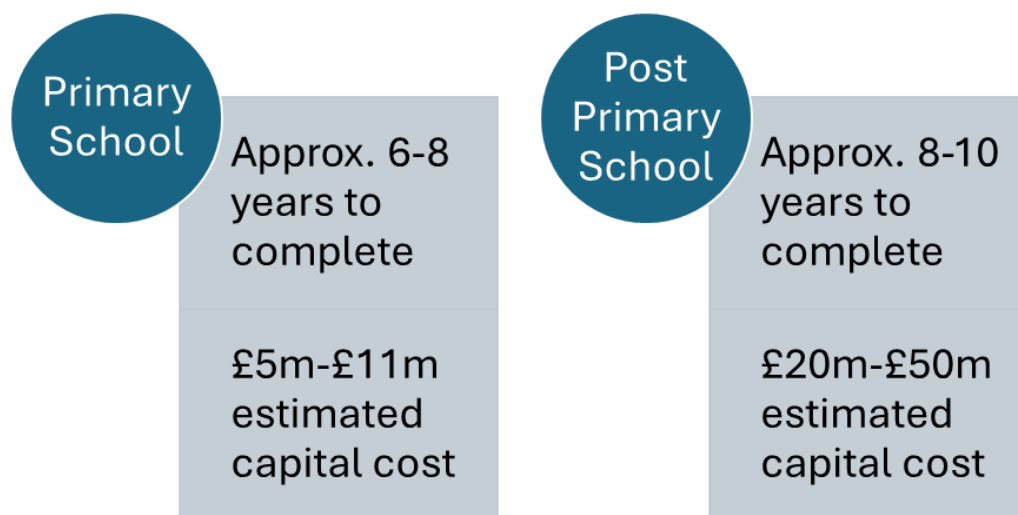
3.9 Applications from across all school sectors are prioritised by the Department. The Minister makes the final decision on the number of ranked projects to proceed. Most recently (March 2022), the Minister announced that 28 schools were approved at a cost of £800 million, subject to future funding. To date, only seven of these projects have advanced to planning. Projects can take 10 years or more to complete, with annual capital funding largely committed to progressing previously approved applications. As approved projects vie for annual funding, maintenance work is under increasing pressure, leading to further deterioration of the wider estate.

3.10 Previous NIAO reports have highlighted that existing governance and delivery structures do not maximise value for money. Our Major Capital Projects reports found that commissioning and delivery arrangements were not fit for purpose and had not improved. Delays in education sector capital projects, highlighted in our 2010 report on School Design and Delivery, persist.

Major capital works projects can take ten or more years to complete

3.11 The major capital works programme (MCWP) covers new build or full refurbishment projects valued at over £4 million. Since 2012, 103 projects have been announced and only 37 have been completed. Others are at various stages of planning, design and construction. The Department reported that delivery timescales range from six to more than ten years (**Figure 10**). However, projects data is managed individually, so summary programme data is not readily available. The Department was unable to provide data to demonstrate if figures were improving over the years.

Figure 10: Average time and cost to complete Major Capital Projects (Schools)



Source: NIAO from information provided by the Department

3.12 We have been unable to obtain definitive UK comparative delivery times for new school capital projects but, as an indicative example, we note that a 2008 review of Scotland’s school estate strategy set and met a four-year delivery timeframe. While methodologies might not be directly comparable, tracking performance and learning lessons from other jurisdictions are important for achieving and demonstrating better value for money.

- 3.13** The Department told us that common causes of delay include land issues, statutory approvals and requirements to revisit business cases when costs exceed approved levels. Increasing construction costs, staff resources, budget constraints and the pandemic have also contributed to delays.
- 3.14** Delivery delay significantly impacts schools awaiting replacement or refurbishment and those using the schools. It poses a significant risk to the Department and the NI Executive's ability to deliver long-term economic, social, and environmental objectives.
- 3.15** Approved enrolments indicate that 47,627 pupils are impacted in the remaining 66 projects.
- 3.16** The Department lacks modelling to quantify and monitor the impact of slow delivery. The best available measure is the growing maintenance backlog estimate of £450 million, the accuracy of which is questionable. See Part Two.

None of the second call School Enhancement Programme (SEP) projects have been delivered

- 3.17** The 2012 School Enhancement Programme (SEP) funds the refurbishment or extension of existing school provision. It meets the funding gap between minor works (up to £0.5 million) and the MCWP (over £4 million). There have been two SEP calls for projects. The 49 projects approved in the first call (in January 2013) are substantially complete. However, none of the 72 second call projects (from 2017) have been completed to date, and delays mean costs are likely to increase. Although smaller in scale, SEP projects still go through the same design stages, planning approval and procurement processes and face the same causes of delay as the MCWP.
- 3.18** Approved enrolments indicate that 34,582 pupils are impacted across the 72 projects.

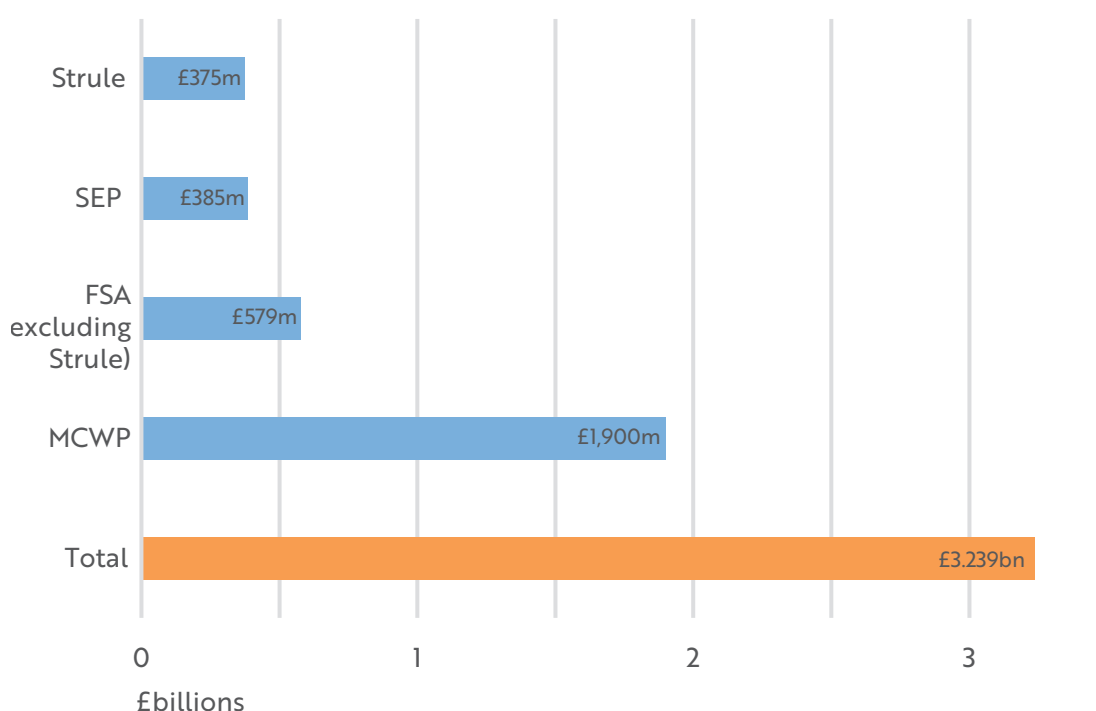
Fresh Start Agreement Projects have not made best use of the available funding

- 3.19** The Fresh Start Agreement (FSA) programme is funded by the UK Government to support agreed shared and integrated education (as well as shared housing) projects, providing up to £500 million over ten years from 2016-17.
- 3.20** Of 25 projects taken forward since 2016-17, eight have been completed and seven are currently in construction. Following the UK Government's withdrawal of £150 million of FSA funding, the remaining ten FSA projects have been transferred into the major capital programme and will create further funding pressures. However, the Department subsequently secured Executive agreement for the landmark Strule programme, which is already considerably over budget, to be treated as a first call on available Executive capital funding, up to £150 million over a three-year period (on an earmarked basis). The Department anticipates that all remaining Fresh Start funding will be utilised by 2026 but will not deliver the anticipated 25 projects. The Department has stated that delivery of the programme was impacted by factors such as COVID-19 and volatility in the construction market.
- 3.21** Approved enrolments indicate that a total of 14,979 pupils are impacted across the 25 projects: 3,995 in the eight projects completed; 4,365 in the seven under construction; and 6,619 in the 10 projects transferred to major works (two of which have been announced to progress to construction).

While capital projects await delivery, assets continue to deteriorate and put pressure on maintenance budgets

3.22 The projects identified and approved through the calls for applications are those assessed to be in the worst condition, some of which were announced over 10 years ago and have yet to be completed. The Department does not know the full extent of condition in the remainder of the estate. Completing the current list of approved projects within the three capital programmes would require an estimated £3.239 billion, at today's prices (**Figure 11**), and the Department has estimated that, based on current levels of available capital and market prices, they would take a minimum of 30 years to deliver.

Figure 11: Breakdown of the estimated funding required to complete approved major projects



Source: NIAO from information provided by the Department

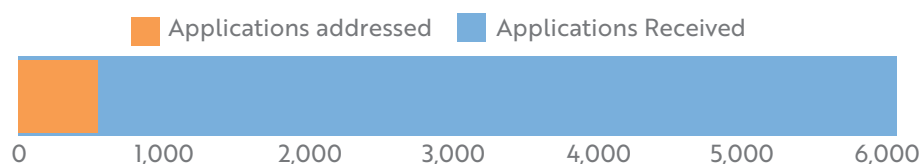
Minor Capital works

3.23 The Department has indicated that current budgets for minor works and maintenance are only sufficient to focus on priority needs, such as statutory requirements and emergency and urgent repairs. However, in 2024-25, under the new capital investment strategy, ringfenced funding will be available for the reintroduction of a curriculum-based minor works scheme to meet currently unmet needs in schools. Outside these areas, schools have no planned maintenance support and are subject to ongoing deterioration. Lower priority and non-urgent works are not being progressed.

The Department only progressed the first tranche of the 6,100 applications received in 2017

- 3.24** Minor Works Projects range from traditional maintenance schemes such as replacing doors and windows to Disability Discrimination Act upgrades, and typically cost from £1,000 up to £1 million, which can be exceeded with Departmental approval. The programme also operated via a call for applications.
- 3.25** The last call was in 2017 and was a joint online approach by the Department and the EA. Over 6,100 applications were received from schools across all sectors. Similar to the major capital and SEP programmes, they were assessed, scored and prioritised in line with a defined protocol and the existing ministerial priorities (**Figure 12**).

Figure 12: 6,100 applications received from schools, the Department has addressed 550 prioritised applications



Source: NIAO from information provided by the Department

- 3.26** The Department only addressed the first tranche of 550 prioritised applications, before stopping this approach to minor works in 2018-19. Between 2018-19 and 2022-23, it stopped systematically working through the prioritised list to focus only on projects meeting the three ministerial priorities (**Figure 13**). Applications from the prioritised list have been progressed but only if they met these criteria. The Department cannot confirm how many of the original 2017 applications have been completed to date. The Department has stated that budget constraints and capacity are major issues in the delivery of minor works.

Figure 13: The three original ministerial priorities from the 2017 call for applications

Priority	Description	Prioritisation Descriptor	Further Prioritisation Descriptor
1.	Minor works schemes that meet inescapable statutory requirements such as health & safety, fire protection and statutory obligations under the Disability Discrimination Act	1. Statutory (e.g. DDA, Fire Risk, H&S) 2. SEN 3. Development Proposal	1. If works not progressed will a pupil/pupils not be able to come to school? 2. Will school be able to continue to operate if works not progressed with contingency arrangements?
2.	Essential minor works to ensure the integrity and suitability of the estate		
3.	Curriculum based minor works schemes that would meet currently unmet needs in the school.		

Source: NIAO from information provided by the Department

Only unavoidable Minor Works that meet the Minister's first priority are being progressed

- 3.27** Then, in 2022-23, the Department stopped processing Priority 2 and 3 projects and now only deals with 'Unavoidable' minor works that meet the Priority 1 criteria (**Figure 13**), inescapable statutory requirements and obligations. Within this category, only top priority works, deliverable within the available annual budget, are being taken forward. The Department monitors the budget, and the EA delivers the works. The EA submits monthly expenditure profiles to the Department to ensure oversight of spend against budget.
- 3.28** 'Unavoidable' minor works require an application form, which will not progress without a supporting statutory report. The Department considers the applications from the non-controlled sector and the EA considers controlled sector applications.
- 3.29** Minor works expenditure in 2023-24 was £86.8 million (£31.7million non-controlled and £55.1 million for EA works in controlled schools, School Meals Accommodation and maintained and Irish Medium schools). We asked the Department for the estimated capital funding required to complete all identified (unavoidable) minor capital works projects, but it was unable to provide a figure. In addition, there is no means of identifying or quantifying the lower risk minor works that are not being accepted for processing. The Department told us that there will always be a backlog of minor works due to budget availability but could not quantify this backlog.

Maintenance

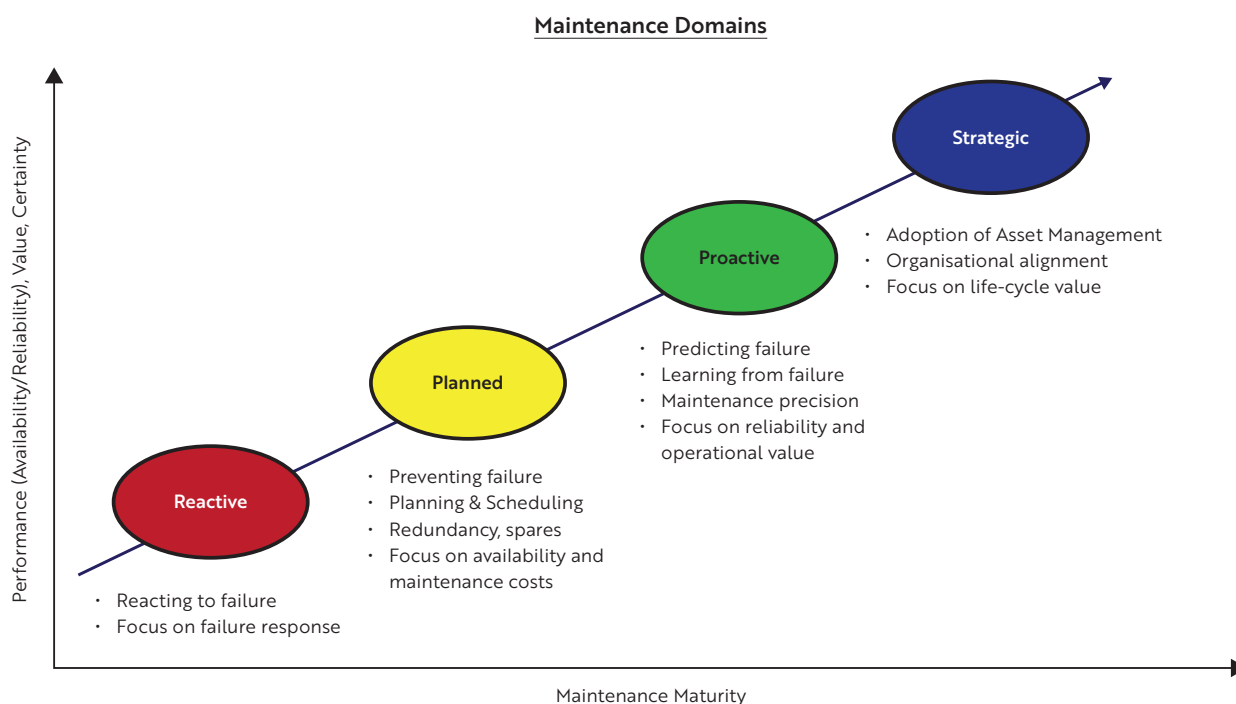
- 3.30** Responsibility for estate maintenance lies within the EA's Facilities Management Division, which provides frontline services across building maintenance, catering, premises management, cleaning services, grounds maintenance, and Quality, Safety, Health, and Environment (QSHE).
- 3.31** The Building and Mechanical & Electrical Maintenance team (Maintenance Service) is responsible for planned and response maintenance works and statutory Building and Mechanical & Electrical compliance across the estate. It is also responsible for the maintenance capital minor works programme delivery through the Unavoidable and Emergency works process.
- 3.32** Although not explicitly set out, Maintenance Service has two key objectives - meet its statutory health and safety responsibilities for buildings and equipment; and keep schools operational.

There is no programme of planned preventative maintenance

- 3.33** Maintenance Service has no long-term maintenance plan and does not currently undertake planned preventative maintenance. Since its formation in 2015, it has never had a programme of planned preventative work. Instead, maintenance operates reactively and is now only completing the highest priority works. The Department states that this is due to budgetary constraints.
- 3.34** The absence of a rolling programme of condition surveys, means there is insufficient information to develop a programme of planned preventative maintenance. Furthermore, even with a full understanding of estate condition and a programme of preventative maintenance, the Department has told us there is insufficient budget to carry out the work.

3.35 There are a range of maintenance stages that can be summarised using a chart/pyramid of maturity levels equating to performance, value and certainty (**Figure 14**). The Department is currently at the lowest level of maintenance maturity, providing the lowest level of value and certainty for the schools' estate. The implementation of a maintenance plan, based on comprehensive data, can provide clear benefits.

Figure 14: Levels / stages of maintenance maturity



Source: [Global Forum on Maintenance and Asset Management – 2021](#)

Progress in the delivery of maintenance was recognised in a recent review of the EA

3.36 The Landscape Review of the EA (2022) noted some progress in the service delivery of maintenance in recent years. The Review also noted that the Maintenance Service in EA is not fully effective and was not where it should be seven years after its formation. The current maintenance regime includes:

- a regional maintenance operating structure (three regions);
- a ringfenced statutory compliance process;
- a Fire Risk Strategy;
- improved management of the maintenance activities in coordination with contractors;
- a rolling programme of condition surveys (beginning in 2023-24); and
- efforts to improve the estate data, including plans for a new integrated workplace management system (IWMS).

3.37 We acknowledge that progress has been made since 2015, albeit slow, but believe significant work is still required to make maintenance activities more transparent and accountable, within a more strategic approach.



Recommendation 5

We recommend that the Department and EA establish effective maintenance plans (informed by condition survey data). The plans should include appropriate objectives, targets and benchmarks with a view to enhancing asset lifecycles and ensuring value for money. The plans should clarify the data requirements to report on progress and demonstrate effectiveness.

Maintenance Funding

3.38 The 2023-24 recurrent maintenance budget was £20.54 million, and was allocated across three budget streams as set out in **Figure 15**. The table shows a funding pressure (or shortfall) of £5.4 million in the current year as the core budget allocation remains unchanged for 2024-25 at £20.54 million. Additional funding of £6.18 million was also allocated to cover SEN maintenance, RAAC surveys, RAAC wall ties, and an Asset Management Programme. The total recurrent budget figure was £26.7 million and the total actual expenditure on maintenance for 2023-24 was £28.4 million.

Figure 15: 2023-24 maintenance budget allocation, outturn and budget need for 2024-25

Budget Stream	Core Budget Allocation (£m)	23-24 Outturn (£m)	24-25 Budget Need (£m)
Statutory Inspections	7.5	7.5	8.5
Response Maintenance	8.0	10.6	12.0
Maintenance Officers	5.0	4.6	5.4
Total	20.5	22.7	25.9

Source: Department of Education

3.39 The recurrent figures for response maintenance (£8 million) and statutory compliance inspections (£7.5 million) are paid directly to contractors who provide the services. Response maintenance covers smaller fixes and repair costs that are not considered to add value to the asset. The statutory inspections identify a programme of statutory remedial works that are generally considered improvements (major repairs, replacements, and upgrades) and fall under capital expenditure. Maintenance Service does not receive a capital budget and must therefore bid for funding from the capital budget to undertake these works. In 2023-24, capital maintenance expenditure was approximately £27 million, compared with £26.5 million in 2022-23.

3.40 In October 2023, the Department announced ringfenced funding of £5 million for key maintenance in special schools. This capital funding to improve accommodation for SEN pupils (SEN placement work) is being overseen by EA Maintenance Service.

3.41 Maintenance activities are primarily driven by the available budget. Costs are closely monitored to ensure that work is completed in line with benchmark costs and that jobs being completed are the highest priority.

Statutory Compliance Inspections and Statutory Remedial Work

- 3.42** The EA's early approach to statutory compliance, and the historical approach of the Education and Library Boards (ELBs), lacked consistency, oversight, and investment. There was insufficient assurance that statutory compliance obligations were being fulfilled.
- 3.43** This was addressed as part of the restructuring of the Operations and Estates Directorate with the introduction of a harmonised Statutory Compliance Inspection and Reporting Regime in 2019-20. Statutory Inspections are delivered by relevant Term Service Contractors and their Specialist Supply Chains. The data, which is maintained in the Manhattan system and within common Microsoft Teams data sites, identifies details for a statutory remedial programme of works. The identified risks are prioritised by senior maintenance staff for delivery of the maintenance statutory remedial works programmes, in line with the capital funding available. Where statutory remedial works cannot be progressed in any current financial year, either due to funding, internal resource issues or Term Service Contractor (TSC) capacity issues, these works are added to the Statutory Remedial Backlog.
- 3.44** The new regime covers 46 statutory disciplines, an increase of around 50 per cent on those covered under the old ELB format (with just over 30 covered). This provides greater oversight of the statutory remedial works needed to meet the Department's obligations. It also significantly increases the identification of statutory risks and reduces the Department's risk exposure.
- 3.45** Maintenance Service has not measured the impact of the change, but the available data allows for a more accurate estimate of the statutory remedial backlog, which has decreased in recent years. Maintenance Service has been progressively addressing the statutory remedial backlog by prioritising the high-risk disciplines through capital funding across all education sectors.
- 3.46** The 2024-25 statutory remedial backlog (the Statutory Remedial Programme) is £23 million, down from an estimated £35 million in 2019-20. Maintenance Service has prioritised delivery of £14 million of this through the capital programme of statutory remedial works. However, it projects that a maximum of £6 million can be committed through the existing Term Service Short Contracts (TSSCs), leaving a shortfall of £8 million. To keep schools open and children safe, the estimated shortfall will need to be delivered outside the TSSCs, subject to the availability of capital funding.
- 3.47** The Northern Ireland Health and Safety Executive (HSENI) has raised concerns that not enough is being done to mitigate ongoing risks. Maintenance Service is in regular contact to keep HSENI informed of budget pressures and progress against the highest risk items. Statutory remedial backlog risks are mitigated by prioritising works through an 'Immediately Dangerous and At Risk' (IDAR) process (**Appendix 4**), and close collaboration with the HSENI.
- 3.48** However, while risks are being mitigated, much of the lower risk statutory remedial work is not being completed and the Department is failing to meet its statutory obligations, which has implications for the health and safety of school users.

Response Maintenance

- 3.49** Most response maintenance works are identified through the helpdesk but can also be identified via Maintenance Officer school site visits and statutory inspection regimes. Issues can range from minor fixes to interim fixes for bigger issues. Maintenance Service prioritises only those reactive/response works that are deemed to be critical in preventing school closures or a significant health and safety risk. It continues to triage school requests on this basis to remain within budget, resulting in a backlog of maintenance repairs across the EA estate. Consequently, the true extent of response maintenance issues is not known.
- 3.50** The helpdesk operates during normal business hours and provides a 24/7 telephone number for urgent out-of-hours calls. A total of 12 staff operate the helpdesk across a single contact number. In 2023-24, the helpdesk received over 50,000 calls and logged over 46,000 of them on Manhattan.
- 3.51** Issues recorded on the Manhattan database are assessed and prioritised by maintenance staff who determine the extent of work required and categorise the work order according to risk (response, emergency, unavoidable). The resulting task orders are raised online (via Manhattan) with the contractor, under the Term Service Short Contracts (TSSC) for delivery of the work.
- 3.52** Each contractor provides Maintenance Service with monthly details of completed task orders for verification of quality and costs via desk check and/or site visit. All orders over £5,000 are subject to a site visit to assure the quality of work carried out. The information is uploaded onto the Manhattan system to facilitate monitoring and review. Milestone dates for the completion of works are being introduced. Response maintenance has an expected turnaround of three-four weeks.

Emergency Maintenance

- 3.53** If the helpdesk call is assessed as an emergency and could result in significant danger or closure of a school, the helpdesk places a priority on the works order and refers it directly to the contractor for completion. The Maintenance Officer/Manager approves the order retrospectively. The recurrent budget allows for temporary fixes in this category, but generally, these failures require capital works. Any piece of work being processed through the helpdesk could escalate to an emergency works situation.

Unavoidable Maintenance

- 3.54** Where an issue is identified as necessary but not immediately required, it can be prioritised as unavoidable, allowing work to be planned with the least disruption to the school. These are generally larger (capital) works and are often scheduled over the school summer holidays. The work generally needs to be completed to avoid emergency or additional work.

The EA uses Term Services Short Contracts to deliver maintenance

- 3.55** Maintenance Service uses Term Services Short Contracts (TSSC) for the provision of response maintenance, statutory remedial works, minor building works, and mechanical and electrical works across the schools' estate. The scope of the contracts includes task orders with a value of up to £500,000.
- 3.56** A procurement exercise was launched for the renewal of contracts in February 2020. Existing contracts were extended while new contracts were negotiated. Delays arose due to vacated lots, legal challenges and the new procurement negotiations, which are ongoing. It was anticipated that procurements would be delivered, and contracts commenced by June 2024. The current status of the six procurements for maintenance is as follows:
- Potential contract award decision for Procurements 1 and 2 August 2024, with contract commencement September/October 2024.
 - Procurements 3 and 4 award decision November 2024, with contract commencement April 2025.
 - Procurements 5 and 6 award decision February 2025, with contract commencement April 2025.

Internal Audit raised concerns about contract monitoring and contractor performance

- 3.57** In November 2022, Internal Audit (IA) reported on health and safety (H&S) maintenance in schools. It found that there was a suitable H&S policy to ensure compliance with statutory obligations but had concerns that the risk of failing to meet those obligations was not being appropriately considered at a strategic level. Despite commitments to ensure a safe estate, there was no specific objective, delivery strategy or expected outcome for school maintenance.
- 3.58** IA also raised concerns about contractor performance. It found that there was inadequate contract monitoring and a self-reporting system for contractors in relation to response maintenance. It also determined that a significant proportion of work orders were not completed in the timeframe set. The Department has given an assurance that the implementation of contractual Key Performance Indicator (KPI) monitoring will commence from February 2025. Performance review meetings have been re-introduced, although they are relatively 'light touch' due to workload. It is also hoped that the new Integrated Workplace Management System (IWMS) will accommodate online review of visual and written evidence of work carried out.
- 3.59** Overall, IA found there was a high level of governance and control of maintenance works and that processes were generally operating as intended. However, it considered the statutory remedial backlog a significant risk and gave a 'Limited' audit opinion.



Recommendation 6

We recommend that the Department puts processes in place to demonstrate that maintenance contracts are delivering value for money. This will include developing and tracking robust contract KPIs and actively measuring and regularly reporting on contractor performance.

The backlog figure can be an indicator of the health of a maintenance programme

- 3.60** A maintenance backlog is a list of maintenance tasks that have been identified but not yet completed. These can include preventive maintenance tasks, response repairs, statutory remedial works, condition survey issues, and any other maintenance-related activities. It represents the outstanding maintenance work that needs to be done at all levels across the estate and can be used as an indicator of the health of a maintenance programme.
- 3.61** A small or manageable backlog suggests that maintenance tasks are being handled efficiently, while a large backlog may indicate resource constraints, inefficiencies, or potential operational risks. Understanding and managing a complete and up-to-date maintenance backlog is crucial for ensuring the reliability and efficiency of operations.

The Department does not have a reliable estimate of the maintenance backlog

- 3.62** The current processes allow Maintenance Service to identify a prioritised schedule of essential maintenance works but they do not provide a full picture of the work required across the estate. The Department does not know the full extent of the estate's condition and does not have a complete and up-to-date maintenance backlog estimate. This is because not all issues are being reported (at the request of the Department), a rolling cycle of condition surveys has not been completed and the existing surveys are limited to identifying only those issues in poor condition.
- 3.63** The Department's estimated maintenance backlog of £450 million is based on out-of-date (legacy) condition survey data that is incomplete and may be unreliably costed. The existing data will be subject to updates from the cycle of condition reporting that commenced in 2023-24. An additional, and more reliable, backlog figure of approximately £23 million has been identified for statutory remedial works in 2024-25. No backlog has been identified for response maintenance or minor works.
- 3.64** The newly introduced cycle of condition surveys will provide similarly limited data relating to poor condition only but will provide a more current and reliable picture of those poor condition issues.

Despite its unreliability, the backlog is increasing

- 3.65** One of the main findings from our report in 2010 on School Design and Delivery was that under-investment in the schools' estate had resulted in an estimated maintenance backlog of £292 million with many buildings in poor condition, making them costly to maintain, and many not ideally suited to deliver the current curriculum.
- 3.66** In its 2017-18 Asset Management Plan, the budgetary position was stated as challenging, and the maintenance budget (£14 million) was insufficient to cover maintenance needs. The maintenance backlog figure was quoted as 'circa £300 million', indicating no significant increase since 2010 but was expected to increase further.
- 3.67** Six years later, in 2024-25, that maintenance backlog is estimated at £450 million, a 50 per cent increase, but based on unreliable data. We are concerned that the reported estimate remained relatively static between 2010 and 2018 but increased dramatically between 2019 to 2024. The Department cannot demonstrate that it has ever had a reliable estimate of maintenance needs across the estate and therefore cannot fully understand the associated strategic and operational risks. For example:
- Lack of visibility into the maintenance backlog can lead to poor strategic decisions, such as underestimating budget needs, failing to invest in necessary resources, or overlooking critical maintenance upgrades.
 - Reactive maintenance can often be more expensive than planned maintenance.
 - Neglecting regular preventative maintenance can accelerate wear and tear, reducing an assets overall lifespan and leading to more frequent repair and replacement, which can incur higher capital expenditure. Poorly maintained assets are less efficient operationally.
 - Delayed maintenance can create unsafe conditions, increasing the risk of accidents and injuries. There are safety and legal implications associated with poor conditions and statutory non-compliance.
 - Maintenance staff may experience increased stress due to constantly dealing with emergency repairs and an overwhelming backlog, leading to job dissatisfaction. This can result in higher employee turnover, leading to loss of skilled staff and increased training costs for new staff.



Recommendation 7

We recommend that the Department analyses and quantifies its maintenance backlogs (across all maintenance types) and uses this information to determine the most appropriate allocation of maintenance expenditure for the benefit of the estate's assets and to ensure value for money. The Department should put a plan in place immediately to reduce its maintenance backlogs to within acceptable levels.

Part Four:

Other Issues relevant to the Estate

Other Issues relevant to the Estate

Reinforced Autoclaved Aerated Concrete (RAAC)

The Department was slow to react to notification of a critical health and safety issue

- 4.1** As discussed in Part Two, good data is fundamental to understanding the estate. The information collected can help with long-term planning to optimise the lifespan of assets. It should also help to identify and/or address critical issues. One such critical issue was Reinforced Autoclaved Aerated Concrete (RAAC).
- 4.2** Reinforced Autoclaved Aerated Concrete (RAAC) is a lightweight building material used mostly between the 1950s and 1990s. It was a cheaper alternative to standard concrete and tended to be quicker to produce and easier to install but is susceptible to structural failure when exposed to moisture as the bubbles can allow water into the material.
- 4.3** Issues with RAAC have been documented since the 1970s but rose to prominence in late 2018, after the failure of a RAAC roof panel in a school in England. An industry safety alert was issued in May 2019 and some government bodies in Northern Ireland were aware of RAAC and were taking action to identify it in their estates.
- 4.4** By June 2023, the Department for Education (DfE) in England was surveying schools for RAAC and preparing to undertake remedial action in line with industry guidance. At that time, it notified the Department of its ongoing work and offered to share its experience. On 31 August 2023 the Department commissioned EA to carry out structural surveys to ascertain the scope, scale and potential cost of identifying and addressing RAAC. By this time, RAAC issues were widely reported in the media and DfE had published further guidance regarding the treatment of RAAC in schools.
- 4.5** It may be unreasonable to expect estate data to identify an issue such as RAAC but it is entirely reasonable to expect professional staff to track and raise industry alerts, especially as other public bodies in Northern Ireland were already acting. Education is a devolved matter and, as such, it is also reasonable to expect that the Department would react in a timelier manner following the 2018 failure, the 2019 industry safety alert, and the notification from DfE in June 2023. It is also of concern that the Department was unaware that other public bodies in Northern Ireland were already acting.
- 4.6** We note also that the Permanent Secretary wrote to DfE expressing his concern that minimal information was shared with the Northern Ireland administration. Going forward, he asked for a closer working relationship between all the UK administrations and that his officials participate in the Cross-Government RAAC Working Group.

When the Department took action, progress was quick and identified only minimal use of RAAC in NI

- 4.7** During September 2023, EA's Maintenance Service teams initially identified and prioritised 550 schools for surveys, based on the building fabric, age, and type of construction. Gathering this information relied heavily on the knowledge and experience of maintenance staff. Although school-level information exists, estate-level data is less readily available. The first tranche of schools for survey was selected by identifying the top 40 prioritised schools from the three Maintenance Service regions in Northern Ireland, forming a list of 122.

- 4.8** The surveys involved a Rapid Visual Inspection Report by structural engineers and no RAAC was identified. However, 103 of the 122 visual surveys required more intrusive investigation to expose areas and confirm the absence of RAAC. In November 2023, another 180 schools were identified for survey. To date, EA has completed 315 visual surveys and followed up with 132 structural surveys, at an estimated cost of £0.8 million. RAAC has been confirmed at one school in Belfast (Cairnshill Primary).
- 4.9** The latest cost estimate for the visual surveys, further intrusive surveys and related reparation work is approximately £1.9 million. Figures do not yet include the cost of remedial works where RAAC was identified. The costs associated with the more intrusive surveys are ongoing.

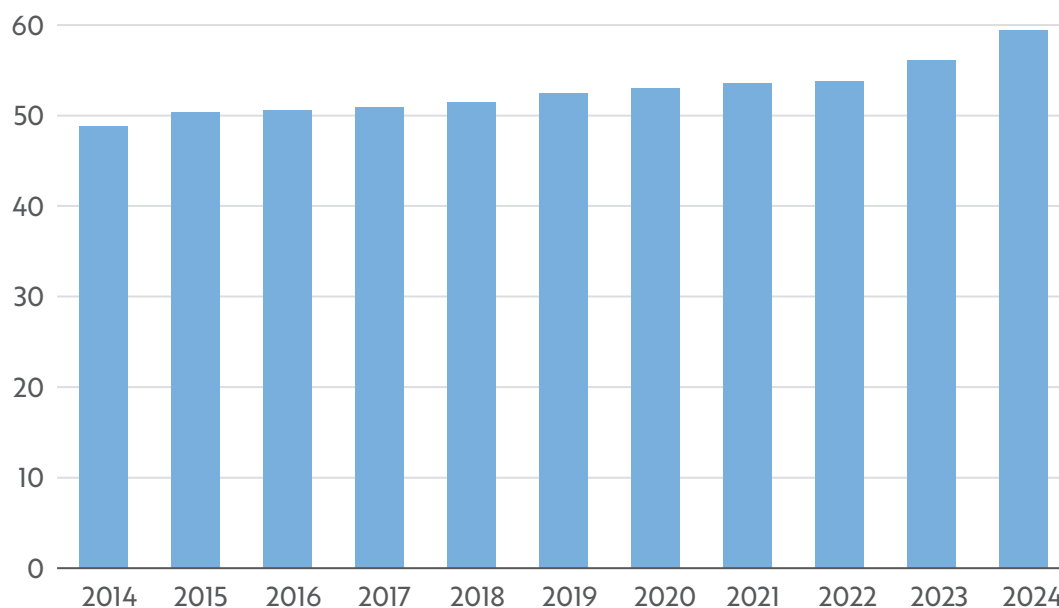
PPP/PFI expenditure and contract expiry

The Department is committed to paying for 20 schools within nine PPP/PFI contracts

- 4.10** Over and above the owned and vested estate described earlier in this report, the Department is committed to paying for 20 schools within nine PPP/PFI contracts (**Appendix 5**), delivering around £375 million of private sector capital investment. All projects are fully operational and fulfilling their role as educational facilities.
- 4.11** Public Private Partnerships (PPPs) are collaborations between government entities and private sector companies to deliver public services or infrastructure projects. A Private Finance Initiative (PFI) is a type of PPP. The private sector company typically finances, builds, operates, and maintains the project over a long-term contract, usually 20 to 30 years. The government entity pays the private sector company over the contract period through regular payments, or unitary charges, for the use of the infrastructure. PPP/PFI contracts tend to be used for large-scale developments such as transportation systems, hospitals, or schools.
- 4.12** The EA is the paying agent for the Department and the unitary charges are paid from the EA block grant. Since the first contract in September 2000, the EA has paid £751 million in unitary charges and expects to pay a further £789 million before the final contract is ended in 2039-40. That puts the total cost of building, operating and maintaining the 20 school projects at £1.54 billion.
- 4.13** **Figure 16** below sets out the unitary charges paid annually from 2014 to 2024. The total unitary payments for the 20 PPP/PFI schools in 2023-24 was £59.41 million.

Figure 16: Annual PPP/PFI Unitary Charges from 2014 to 2024

£millions



Source: NIAO from information provided by the Department

PPP/PFI contract expiry risks need to be managed in line with best practice to ensure successful handover

- 4.14** The first Education PPP/PFI contract began in September 2000, and the project is due to expire in 2025. Two others are due to expire in 2027, with the remaining due after 2033. Although different bodies / managing authorities are the responsible parties for managing the contracts, they all discharge their contract management responsibility to the PPP Team within the EA.
- 4.15** Managing the expiry of these contracts is essential to ensure a successful handover but it will also be important for the PPP team to use the process to identify available opportunities to ensure future value for money and continuity of public services. This may be particularly relevant in relation to sustainability specifications in line with net zero requirements.
- 4.16** In June 2020, the National Audit Office (NAO) reported that public sector bodies can underestimate the time, resources and complexity around expiring PFI contracts. Subsequently (2022), the Infrastructure and Projects Authority (IPA) developed guidance on preparing for PFI contract expiry, which highlights that the risks are mainly due to inaction.
- 4.17** The Department has assured us that all PPP/PFI schools are fully maintained, with inspections and controls in place to ensure adherence to the contract. Projects approaching expiry follow the IPA guidance, with formal governance arrangements, risk and issues registers and a programme of works. The EA has also created a Project Board and a Project Team to manage the completion of PPP contracts.

- 4.18** However, these aging PPP/PFI contracts do not include sustainability specifications in line with net zero requirements and the issue of retrofit has not been reviewed within any of them. The Department has stated that any such work would require additional funding. Nevertheless, within the confines of the contracts, it would be prudent to explore any potential net zero requirements that offer value for money savings as part of any replacement and remedial work identified through the final condition surveys.
- 4.19** Once a contract has expired and unitary payments cease, the ownership of PPP/PFI schools will revert to the relevant managing party. Maintenance of the schools will then fall under the Department's already stretched Maintenance Service, which is only dealing with critical issues. We are concerned that these well-maintained properties could deteriorate rapidly if they no longer receive adequate maintenance.



Recommendation 8

We recommend that the Department ensures it is fully prepared for PPP/PFI contract expiration and the handover of school assets. It should have clear plans for the pre-handover and post-handover periods to ensure transferred assets are appropriately managed and maintained going forward.

Net zero requirements

There is a legislative requirement to decarbonise the estate

- 4.20** The built environment contributes up to 42% of the UK's total carbon footprint, so the efficient management and decarbonisation of property portfolios is a sectoral focal point in the UK's transition to net zero. All government organisations have a key role to play in the delivery of the net zero commitments, including the transition of government property.
- 4.21** In 2019, changes made to the Climate Change Act 2008, committed the UK government to reach net zero emissions by 2050. Subsequently, Northern Ireland set a similar target (i.e. net zero emissions by 2050) in the Climate Change Act (Northern Ireland) 2022, together with interim targets and sectoral targets.
- 4.22** The Act places a legal requirement on all Northern Ireland departments to exercise their functions, as far as is possible to do so, in a manner consistent with the achievement of the targets of the Act and carbon budgets set under it. So, together with the challenges of managing the condition and compliance of the schools' estate, there is a wider need to decarbonise the estate.
- 4.23** Based on information provided by the EA, the Department was the third largest emitter for buildings between 2016 and 2019. In 2019-20, it became the second largest emitter for buildings after the Department of Health.

The estate faces significant challenges to achieve net zero compliance

4.24 No schools in Northern Ireland have been built or refurbished to a net zero standard and the Department has advised that the requirement for net zero will be balanced against the requirement to ensure value for money which will mean the refurbishment of many buildings towards net zero. The Department continues to work with Construction and Procurement Delivery (CPD) and industry (the Construction Professionals Council for Northern Ireland - CPCNI) on measures to ensure net zero is embraced in the design of new build schools.

4.25 Specific to buildings, there are three main challenges to ensuring the estate is net zero compliant:

- retrofitting existing schools and buildings;
- measuring and improving energy efficiency; and
- ensuring any new builds are constructed to specific standards that align with net zero targets.

4.26 This represents a significant amount of work, and the Department recognises that those responsible for managing the estate will need to become carbon literate and upskill to understand net zero new-build, refurbishments and extensions if the 2023 to 2027 targets are to be met. The Department estimates that retrofitting the schools' estate will cost upwards of £2 billion. It has not received any additional funding to support net zero or sustainability initiatives. With the challenges facing the capital budget, the Department has prioritised existing contractual commitments, keeping schools open and safe, and providing school places for children with SEN.

Actions taken by the Department

4.27 In 2020, the Department began a pilot project across five major capital schemes to consider the costs and benefits from constructing new schools to enhanced energy efficiency standards. The aim of the pilot project is to assess the best mechanism for specifying the enhanced energy efficiency requirement. Monitoring of the pilot is in place but, given the time taken to complete major works, it may be up to six years before the benefits are realised, and the pilot can be fully assessed.



Recommendation 9

We recommend that the Department baselines the sustainability position of the schools' estate and develops plans to target funding or other sustainability interventions to achieve the targets set out in the Climate Change Act (Northern Ireland) 2022 (legislation.gov.uk). The Department should also ensure it has the appropriate information to report effectively against its climate action plans.

Appendices

Appendix 1: School sector by management types (Paragraphs 1.4 and 1.10)

Definitions of school management types are as follows:

Controlled: Schools are managed and funded by the Education Authority (EA) through Boards of Governors (BoGs). Primary and post-primary school BoGs consist of representatives of transferors - mainly the Protestant churches - along with representatives of parents, teachers and the EA.

Voluntary: Self-governing schools, generally of long standing, originally established to provide an academic education at post primary level on a fee-paying basis. Now funded by the Department and managed by Boards of Governors (BoGs). The BoGs are constituted in accordance with each school's scheme of management - usually representatives of foundation governors, parents, teachers and in most cases, DE or EA representatives. The BoGs is the employing authority and is responsible for the employment of all staff in its school.

Maintained schools are managed by Boards of Governors (BoGs) which consist of members nominated by trustees, along with representatives of parents, teachers and the Education Authority. These schools are funded through the Education Authority for their running costs and directly by the Department in relation to capital building works. For **Catholic Maintained** schools, the Employing Authority is the Council for Catholic Maintained Schools (CCMS). **Other maintained** schools are any schools that are not Catholic maintained. They are typically, but not exclusively, **Irish Medium schools**.

Irish Medium schools provide education in the Irish language. The Department has a duty to encourage and facilitate in the development of Irish Medium education. Comhairle na Gaelscolaíochta (CnaG) was established by the Department and its remit is to promote, facilitate and encourage Irish Medium education and Irish Medium schools. There are Controlled and Maintained Irish Medium schools and units. Most Irish Medium schools are Maintained schools.

Controlled integrated: Controlled schools which have acquired integrated status. Managed and funded by the Education Authority through Boards of Governors (BoGs). The majority of Controlled Integrated schools have acquired Integrated status through the process of 'Transformation'. The BoGs consist of representatives from both the Protestant and Catholic traditions along with representatives of parents, teachers and the EA.

Grant Maintained integrated: Self-governing schools with integrated education status, funded directly by the Department of Education and managed by Boards of Governors (BoGs). The BoGs are constituted in accordance with each school's scheme of management and include representatives of foundation governors, parents, teachers and DE. The BoGs is the employing authority and responsible for employing staff.

Other school sectors:

Definitions of other school types are as follows:

A **special school** is a controlled or voluntary school which is specially organised to provide education for pupils with special needs and is recognised by the DE as a special school.

An **independent school** is a school at which full-time education is provided for pupils aged from 4 to 16 and is not grant aided. These schools set their own curriculum and admissions policies and are funded by fees paid by parents and income from investments. Each independent school must be registered with DE and is inspected regularly by ETI.

Education Other Than at School (EOTAS) includes all forms of education that take place outside the formal school environment.

Owned and vested Schools

For the purposes of our report, we refer to schools in two broad groups – controlled and non-controlled, which aligns to the ownership status of the school – owned or vested.

Owned Estate (controlled)

Controlled schools are owned and funded by the EA and managed through Boards of Governors. The EA is the contracting authority for capital projects in this sector and is the direct provider of maintenance and facilities management services to these schools.

Vested Estate (non-controlled)

The non-controlled group comprises schools that are privately owned. Each one is managed via the school governance structure relevant to its sector e.g., board of governors, Trusteeships, Educational Trusts etc. There are also overarching Arm's Length Bodies (ALBs) with responsibility for their given sector (managing authorities and sectoral support bodies).

To allow non-controlled schools to avail of capital grants, most are vested into the education estate. Through this process, the schools retain independent control of their sites and are classed as private landlords. The Department has limited input regarding their assets, but the vesting process allows the Department to recoup capital grants when a non-controlled school closes.

Appendix 2: The key principles outlined in DfE's GEMS Guidance (Paragraph 2.6)

1. **Fundamentals of Good Estate Management:**

- Schools should establish essential policies, processes, and documents to ensure efficient estate management.
- Clear oversight and robust maintenance regimes are crucial to protect the value of assets and maintain a safe, healthy, and sustainable school environment.

2. **Strategic Estate Management:**

- Schools must adopt a strategic approach to estate management.
- Policies and governance arrangements should be in place to effectively manage the school estate.
- Prioritising investment and achieving value for money from capital expenditure are key objectives.

3. **Planning and Organising Estate Resources:**

- Governance, budgeting, procurement, and emergency planning procedures play a vital role in managing the estate effectively.

4. **Understanding and Managing Land and Buildings:**

- Schools should gather relevant information about their estate and use it effectively.
- Documentation related to land and buildings is essential for informed decision-making.

5. **Performance Management and Sustainability:**

- Data-driven approaches help measure estate performance.
- Encouraging sustainability and managing energy and water use contribute to long-term viability.

6. **Maintaining the Estate:**

- Proper planning and prioritisation of maintenance work ensure a safe, warm, and weatherproof learning environment.

7. **Health and Safety:**

- Schools must adhere to legal responsibilities for managing and maintaining school buildings and land.
- Compliance with statutory and regulatory standards is essential.

8. **Managing Estate Projects:**

- Effective planning, management, and delivery of estate projects, regardless of size, are critical.

9. Estate Management Competency Framework:

- Schools need the right functions, skills, and knowledge to manage the school estate effectively.

10. Tools and Checklists:

- GEMS provides practical tools to assist schools and responsible bodies in managing their school buildings and land.

Appendix 3 - Industry standard condition grading and prioritisation ratings (Paragraph 2.32)

Condition gradings:	
A	good, performing as intended and operating efficiently
B	satisfactory, performing as intended but exhibiting minor deterioration
C	poor, exhibiting major defects and/or not operating as intended
D	bad, life expired and/or serious risk of failure

Priority ratings:		
1	urgent, immediate or 1 year remedial action required	work that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of the occupants and/or remedy a serious breach of legislation
2	essential, 1 to 2 year remedial action required	work that will prevent serious deterioration of the building fabric or services and/or address a medium risk to the health and safety of the occupants and/or remedy a less serious breach of legislation
3	desirable, 3 to 5 year remedial action required	work that will prevent deterioration of the building fabric or services and/or address a low risk to the health and safety of the occupants and/or remedy a minor breach of legislation
4	long term, outside of a 5 year planning period	work that will prevent deterioration of the building fabric or services

Extract from GEMS best practice guidance

Introduction to condition surveys

Condition surveys are usually non-intrusive surveys carried out by suitably qualified professionals. They often cover 5-year planning periods for the purpose of strategic estate management.

Why you need a condition survey

Condition surveys help you to:

- identify what work is needed to maintain the estate
- consider how much works might cost
- prioritise work within available funds
- understand if the nature of the buildings change

What's included

A condition survey will usually identify specific building condition issues, deficiencies and maintenance requirements, including:

- structural
- roofs
- building fabric
- windows and doors
- mechanical and electrical
- asbestos
- utilities
- sewage and drainage
- fire safety and security
- site layout

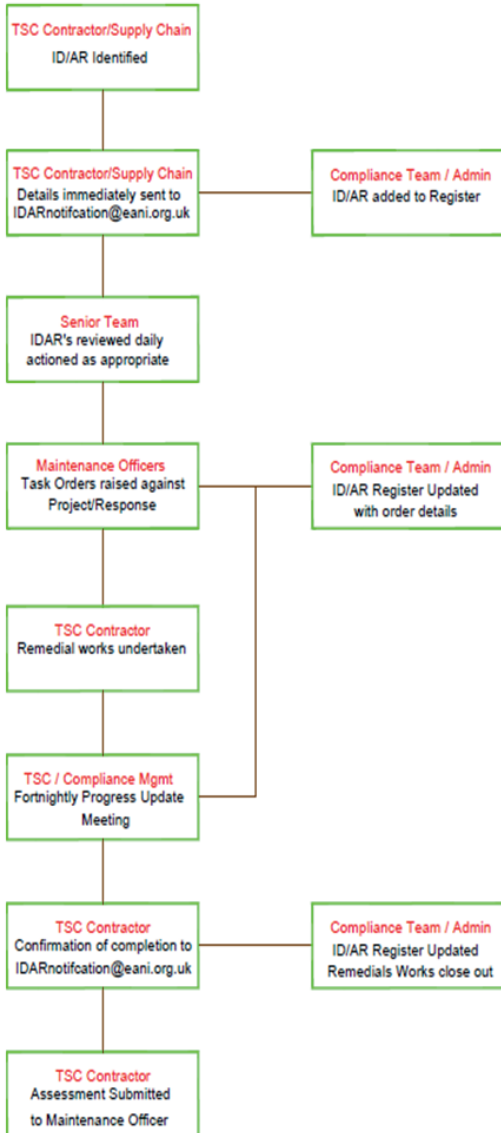
Condition surveys should also provide an estimated cost for repair or replacement.

Condition and priority categories

- Condition is often graded as: [Refer above]
- Priority is often graded as: [Refer above]

[Source: [Introduction to condition surveys \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)]

Appendix 4 - 'Immediately Dangerous and At Risk' (IDAR) process for prioritisation of statutory remedial works (Paragraph 3.47)



NOTE:

- Email address (IDARnotification@eani.org.uk) to be setup, accessible by Senior Team, Compliance Team.
- ID/AR Teams site to be created for tracking, access as above
- Contractor to email IDARnotification@eani.org.uk and Maintenance Officer assigned to Property
- Compliance Admin to Monitor emails daily and record ID/AR on Teams site, recording discipline, site, description, date received, forwarded to & by, programme, completion dates.
- Senior Team to review ID/AR's and follow up action taken.
- ID/AR notification required for all ID/AR, including those addressable on site.
- Compliance Team to Issue report on ID/AR's to Senior Team

Appendix 5 - Details of the Department's PPP/PFI Contracts (Paragraph 4.10)

Contract/ Project name	Schools included in each contract / project	Completion / entry into service date	Length of contract	End of contract / hand-back date (Note 1)	Capital value of project (€M)	Total unitary payments to date (2023-24) (€M)	Projected remaining unitary payments to end of contract (€M)
St Genevieve's High School PFI Project	St Genevieve's High School	25/02/2002	25 Years	24/02/2027	11.50	61.77	9.42
Bangor Academy Nendrum College PPP Project	Bangor Academy Nendrum College	29/02/2008	30 Years	28/02/2038	41.40	75.12	81.89
Belfast Strategic Partnering PPP Project	Orangefield Primary School Grosvenor Grammar School Ashfield Girls High School Belfast Boys Model School Belfast Model School for Girls	18/05/2009	30 Years	11/04/2039	123.20	198.87	293.94
Derry Diocese PPP Project	St Cecilia's College, Derry St Mary's College, Derry	02/09/2010	25 Years	01/04/2036	45.00	86.69	98.51
Down & Connor De la Salle PPP Project	Our Lady & St Patrick's College, Knock St Patrick's Grammar, Downpatrick St Mary's PS, Portglenone St Joseph's PS, Carryduff	26/05/2010	25 Years	31/03/2036	54.60	124.54	133.23
Drumglass High School PFI Project	Drumglass High School Dungannon Pathfinder Project	01/09/2000	25 Years	31/08/2025	6.40	26.89	1.91
Holy Cross College PPP Project	Holy Cross College, Strabane	29/07/2008	25 Years	31/07/2023	31.30	84.56	62.40
Wellington College Balmoral High School PFI Project	Wellington College Balmoral High School (St Gerards ERC)	02/01/2002	25 Years	01/01/2027	17.70	26.49	5.20
Lagan College Tor Bank Special School PPP Project	Lagan College Tor Bank Special School	22/10/2012	25 Years	16/06/2038	43.82	65.71	102.81

Note 1: 'Hand-back' dates may not fully align with 'entry into service' dates due to project-specific requirements.

“There are many challenges in managing the estate effectively, including budget availability, rising energy and construction costs, contractor availability, and other resource pressures... The report emphasises the need for a clear estate vision aligned with the Department’s educational goals, a comprehensive estate management strategy, and a robust Asset Management Plan.”

NI Audit Office

NIAO Reports: 2024

NIAO Reports 2024

Title	Date Published
Tackling the Public Health Impacts of Smoking and Vaping	30 January 2024
Major Capital Projects: Follow-up Report	27 February 2024
Child Poverty in Northern Ireland	12 March 2024
Access to General Practice in Northern Ireland	20 March 2024
Water Quality in Northern Ireland's Rivers and Lakes	25 March 2024
Funding water infrastructure in Northern Ireland	27 March 2024
Budgeting and Accountability	24 May 2024
Review of Waste Management in Northern Ireland	05 July 2024
Continuous Improvement Arrangements in Policing	05 July 2024
Public Bodies' Response to Misrepresented Soil Analysis	05 July 2024
Developing the skills for Northern Ireland's future	18 September 2024
Northern Ireland Non-Domestic RHI Scheme: Progressing implementation of the Public Inquiry recommendations - 2nd Report	15 October 2024
Local Government Auditor Report 2024	25 October 2024



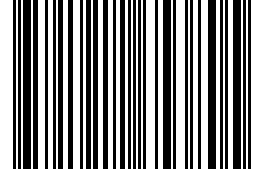
Northern Ireland
Audit Office

**Independence and excellence in
audit to improve public services**

Northern Ireland Audit Office

106 University Street, Belfast, BT7 1EU 028 9025 1000 www.niauditoffice.gov.uk

ISBN 978-1-738517-98-5



9 781738 517985