

TERMS OF REFERENCE

Purpose

1. To review, in the context of the Government's fiscal consolidation plans and emerging policy, the department's existing capital expenditure and make recommendations on the future delivery models for capital investment for 2011-12 onwards.
2. The overall aim of the review is to ensure that future capital investment represents good value for money and strongly supports the Government's ambitions to reduce the deficit, raise standards and tackle disadvantage.

Scope

3. The review will consider how all DfE capital expenditure within any spending constraint and PFI policy could be distributed more effectively over the next Spending Review period (2011-12 to 2014-15).

The review will be broken down into four main strands:

Allocation of capital funds:

- To evaluate the extent to which value for money has been achieved in capital expenditure to date;
- To consider how to generate sufficient places to allow new providers to enter the state school system in response to parental demand
- To review current methods of allocating capital (for example, by formula to local authorities);
- To consider options for reflecting Government policies on carbon reduction;
- To enable the establishment of new schools.

Distribution of capital investment

- To assess the scope and make recommendations for how to distribute capital more efficiently and less expensively, including simplification of procurement, and increased use of standard and modular design;
- To develop a clear understanding of current approach, waste and issues associated
- To consider the relationship between schools, local government and central government;
- To increase choice locally determined by parental demand;

- To review the current procurement/delivery models, including:
- the use of frameworks to deliver capital (currently used for academies and a third of BSF projects); and
- the BSF Investments (BSFI) investment vehicle.
- To review the roles of bodies involved, specifically DfE, Partnerships for Schools (Pfs), local authorities, the local education partnerships (LEPs) and National Framework
- Provide recommendations for central structure required to manage;

Reducing the burden on schools

- To review and reform the requirements on schools including the building/School Premises Regulations, design requirements and playing field regulations

Capital return

- Establish processes to monitor value for money and return on future capital investments (to include expenditure, impact etc)

Relevant considerations for the review

4. The review will draw on previous and current related work to examine the role of the capital programmes including:

- Existing internal management data;
- the National Audit Office report on BSF in February 2009 which examined the progress of the programme and the delivery mechanisms at national and local level;
- annual reports (in December 2008, January 2009 and March 2010) by PricewaterhouseCoopers giving the results of their evaluation of the programme;
- other publicly available reports, including those carried out by the Children, Schools and Families Select Committee (now the Education Select Committee) and the CBI; and
- internal reports, including those carried out by the Major Projects Review Group, as well as Pfs's procurement reviews, the second of which is due to report in July 2010; and newly commissioned work such as on condition assessment and pupil place data carried out by Pfs.

5. The review should take account of value for money issues and resource considerations in any recommendations. Recommendations should be costed and regard should be had to affordability

Governance of the review

6. The review will be chaired by Sebastian James and supported by a review panel.

Outcome of the review

7. The review will commence in July 2010. It will report to Ministers in mid-September and a forward plan for capital investment over the next spending review period will be produced by the end of the calendar year.