



Public Accounts Committee

OFFICIAL REPORT (Hansard)

Inquiry into Managing the School Estate:
Department of Education; Education
Authority

12 June 2025

NORTHERN IRELAND ASSEMBLY

Public Accounts Committee

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Members present for all or part of the proceedings:

Mr Daniel McCrossan (Chairperson)
Ms Cheryl Brownlee (Deputy Chairperson)
Mr Cathal Boylan
Mr Tom Buchanan
Mr Pádraig Delargy
Ms Diane Forsythe
Mr Colm Gildernew
Mr David Honeyford

Witnesses:

Mr Ronnie Armour	Department of Education
Mr Stephen Creagh	Department of Education
Mr Stuart Stevenson	Department of Finance
Mr Paul Crooks	Education Authority
Mr Richard Pengelly	Education Authority
Ms Dorinnia Carville	Northern Ireland Audit Office

The Chairperson (Mr McCrossan): I welcome to today's meeting Ronnie Armour, acting permanent secretary at the Department of Education; Stephen Creagh, deputy director of the investment and infrastructure directorate at the Department of Education; Richard Pengelly, chief executive of the Education Authority (EA); and Paul Crooks, assistant director of facilities management at the Education Authority. You are all very welcome.

We are also joined by Stuart Stevenson, the Treasury Officer of Accounts (TOA), and Julie Sewell from the Department of Finance; and — we have a full house — Dorinnia Carville, Comptroller and Auditor General (C&AG), and her team. You are all very welcome.

Mr Armour, Mr Creagh, Mr Pengelly and Mr Crooks, welcome to the PAC, and thank you for agreeing to attend the meeting today. I invite you, Mr Armour, to briefly make opening remarks, and then we will follow up with questions from members. Thank you.

Mr Ronnie Armour (Department of Education): Chair, thank you for your welcome and for the opportunity to appear before the Committee to discuss the 'Managing the Schools' Estate' report. This is an important report that, in my view, does several things: it highlights the scale of the challenge that we face; it challenges us to reflect on the environment in which our children learn; it provides a road map for improved data management and long-term planning; and it rightly draws attention to the long-

standing and significant underinvestment in the school estate, all of which, I have no doubt, we will have an opportunity to explore during our discussion today.

At the outset, I want to be clear: we welcome the report and its recommendations. In doing so, however, I must also acknowledge the significant challenges that we face and will continue to face in implementing those recommendations. My colleagues and I are not here today to make excuses. We very much recognise that we are not where we wish to be and that, given our circumstances, we are, regrettably, unable to provide the level of service that we believe that our schools rightly deserve. We believe that they deserve better, and we will continue to make that case as we seek the funding necessary to address the issues raised in the report and take forward its recommendations.

As we begin, it may be helpful to briefly outline the distinct responsibilities of DE and the EA and to outline for the Committee precisely what we are able to do in the context of the funding available to us. On our respective responsibilities, the Department is responsible for providing the funding and setting the strategic direction and policy framework, while EA colleagues are responsible for operational delivery in controlled and maintained schools. Voluntary grammar schools and grant-maintained integrated schools do not fall under EA's remit but do receive additional funding for landlord maintenance.

The two organisations — the Department and the EA — work closely together to manage the school estate as effectively as possible. Both have a huge and increasing workload. Our work is broadly categorised as follows: major works, school enhancement, special educational needs (SEN) capital investment, minor works, maintenance and youth capital. While there is substantial work ongoing, when it comes to maintenance, we are currently able to undertake only the urgent and immediate works required to keep schools open and safe.

On funding, the Executive allocation provided the Department with a capital budget of £388.4 million for 2025-26. That figure includes the Fresh Start Agreement funding of £59.9 million and £102.8 million earmarked for the Strule Shared Education Campus project. Together, the Strule and Fresh Start allocations, totalling £162.7 million, account for over 40% of the capital allocation this year. That leaves £225.7 million for all other capital programmes; down slightly, by £8.6 million, from the equivalent available at the start of 2024-25, and £83 million less than what was required at the start of this financial year.

To address that gap, we have submitted proposed additional bids totalling £91.6 million in the June monitoring round. I can provide more detail on those to the Committee, if that would be helpful. Those figures highlight the difficult decisions that staff must make when prioritising and must also be seen in the context of a decade of static capital budgets, rapidly rising construction costs, a 15-year maintenance backlog and growing demand, especially for children with complex special educational needs. Despite those pressures, I pay tribute to our school leaders, teachers and support staff for the outstanding work that they do in what are often far from ideal surroundings. We all agree that they and the children whom they serve deserve better.

The Audit Office report clearly sets out what is needed, and we are committed to delivering against the recommendations. However, I must be clear: doing so will take time, and, without additional resource, we risk exacerbating what is already a challenging and deteriorating situation. Simply moving resource from one area to another is not a long-term, viable strategy. In short, in the context of the many competing demands and priorities that we face, we must avoid the danger of designing strategies and processes to address the concerns identified in the report only to find that we lack the funding to put them into meaningful action. Both issues need to be addressed.

In conclusion, we recognise the need for a more strategic approach that is supported by clearly defined and effective structures and underpinned by robust, accurate and up-to-date data. Therefore, we welcome the Committee's scrutiny today and the opportunity to discuss with you how we can deliver this essential reform. Thank you.

The Chairperson (Mr McCrossan): Thanks very much for those opening remarks, which lay out a very honest reflection of where things sit. That is appreciated.

The school estate, as you will all acknowledge, is a hugely important public-sector asset for which you are responsible. However, it is not just about buildings. This is about providing facilities that are suitable for the education of our children right across our society. The organisations that you lead are responsible for the management and maintenance of the buildings and spaces that are used to

educate all our children, but many school buildings are in a terrible state and are in need of urgent repair and, of course, essential works. Are you fulfilling your responsibilities as accounting officers?

Mr Armour: Chair, I agree. As I said in my opening remarks, many of our schools are not in a condition that we want them to be in, and I absolutely accept that that is not acceptable. I am sure that Committee members will have visited schools, as I have, and been embarrassed and, indeed, annoyed at the state of some of those schools, because they fall far below what I expect and what any of us at the table today wants.

Am I fulfilling my responsibilities as accounting officer? I believe that I am fulfilling those responsibilities, but I will ask a different question. Am I satisfied with the work that we are able to do? The answer to that is no, I do not think that we are doing enough. We are doing what we can, but I accept that that is insufficient.

The report is helpful insofar as it rightly highlights the fact that we are dealing with an ageing and dispersed estate. Our spending power has been reduced, we have the backlog, and we have insufficient SEN places. All those things are coming together in a way that is far from helpful to those of us who are trying to manage the situation. We are dealing with an unprecedented situation, and the teams in the Department and the EA are working exceptionally hard to try to address the challenges that we face. Equally, I accept that we need a much more strategic management approach, as the report highlights. We need to have better data, and we are working at that, but we still have some way to go. Therefore, I do not underestimate the challenge that we face.

Are we meeting our accounting officer responsibilities? I think that we are meeting them, but we are doing that in a very difficult and extremely challenging environment. We are constantly trying to balance the competing demands before us in the knowledge that we are not providing the service that any of us wants to provide.

The Chairperson (Mr McCrossan): Yes. That is not news to any of us. This has been a long-standing problem. Why has it taken so long to recognise this problem and, more importantly, act on it, particularly when it comes to the lack of data that is available to measure the problem?

Mr Armour: Chair, we recognise and have recognised that. The report shines a light on that. It is not the case that we did not or do not recognise the need for data. We have struggled, with the resources that we have available to us, to ensure that we have the data that we need. We are making progress on that, but there is still a long way to go. There is no quick fix, but we are working to try to deliver the solutions.

The Chairperson (Mr McCrossan): There may be no quick fix, but how do we compare with other jurisdictions in that regard?

Mr Armour: I suspect that other jurisdictions are struggling. Certainly, when you look at other jurisdictions, you see that they have a better strategic approach than we do. I am not shying away from that, but they are also facing a lot of the challenges that we are facing: the funding issues and the difficulty of rising costs.

The Chairperson (Mr McCrossan): The Northern Ireland Audit Office (NIAO) has been quite critical of the Department and the Education Authority when it comes to the school estate. In a lot of ways, it is difficult not to agree with it. It has been stated that the current approach to estate management is "unsustainable" due to a lack of strategic oversight. Do you agree with that statement in its entirety?

Mr Armour: We absolutely need to have better strategic oversight. The recommendations in the report are certainly helpful in pointing us in the right direction. We are working to get better strategic oversight. I would not disagree that that is a requirement.

The Chairperson (Mr McCrossan): Further to that, the Audit Office criticised the absence of a clear estate strategy, and you have referenced that. It is a long-standing gap and has been a clear problem for a long time. When was a strategy last drafted or proposed? Why was it not implemented?

Mr Armour: Stephen, do you have the date on which the last strategy was drafted?

Mr Stephen Creagh (Department of Education): We have no real date for that, other than going back in time to the review of public administration (RPA), when the Northern Ireland school modernisation programme tasked the Department to examine the three pillars of planning, procurement and delivery. Out of that were born area planning and sustainable school policies, following the Bain review of school estate numbers. The headline then was the empty seats around the estate.

The procurement elements looked at how we can better procure and deliver. The delivery aspect, back in that day, was the education infrastructure procurement service, and that was when we had the five education and library boards, and there were very different and dispersed ways of working. There was some degree of commonality, but there were very different approaches depending on the board area.

Out of that, various strategies were developed to look at the various Treasury and Department of Finance and Personnel requirements of the time, such as strategic partnering, PFI and PPP arrangements, as well as conventional procurement. You may recall that we tried to bring forward strategic frameworks for our major, minor and professional commissions. To be fair, that is going back some time.

Various issues have impacted on the programme over the years. With the introduction of area planning, the programme was rebased. Effectively, our entire major capital programme was collapsed because it did not comply with the Minister's emerging policy framework at that time. Various strategies were developed from that to get back on track. Since 2012, our approach, particularly to major school enhancement programmes, has sought to address that.

I can take you through where we are with the estate strategy, but I will pass you back to Ronnie.

The Chairperson (Mr McCrossan): Other members will delve into that in more detail. Even at this early stage of the session, I am concerned that I am hearing a lot about recognising what the problem is but not a lot about the action that has been taken to deal with it. That concerns me.

Mr Armour: You are right to be concerned, Chair. We recognise what the problem is. We have a willingness and a desire to do this, but we are struggling with our resources — the funding and people — to do what is required. Therefore, very often, we are forced to firefight, but I do not want the Committee to think that there is any lack of ambition or desire on our part to do what needs to be done. However, I am trying to be realistic with the Committee: there are very real challenges to deliver what we want to deliver, but we are committed to working towards that. Hopefully, we can demonstrate that to the Committee today.

The Chairperson (Mr McCrossan): You have very clearly stated your willingness and desire to resolve the issue, but, as I have said, there is a lot of looking but not a lot of action, Mr Armour. It does not fill me or, I am sure, other members with confidence. The Northern Ireland Audit Office report includes this comment from the Department:

"to continue to recommend detailed plans for preventative maintenance; plans to immediately reduce the maintenance backlog; plans for the pro-active 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."

Can you confirm whether that remains the Department's position?

Mr Armour: Chair, I read that in the report, and I understand what the Department was trying to say at that time. Those are not words that I would have used, and that is not the position of the Department, but I understand the frustration behind those words. Staff often feel as though they are trying to push a very large boulder up an ever-increasingly steep hill. No matter how much we do, very often, because of the resource issue, we cannot keep pace with what is happening. I suspect that that was the sentiment behind those words, but they are not words that I would have used and do not reflect the position of the Department.

The Chairperson (Mr McCrossan): What is the accurate position?

Mr Armour: The accurate position is that we accept the report. We are working to try to address the recommendations, which are helpful. They shine a very important light on what needs to be done and how we should take that forward. Our position is that we are working to achieve that, but it is against a backdrop of not having sufficient resources to do the work that we are doing.

The Chairperson (Mr McCrossan): Mr Armour, we will always be "working to achieve" something. Have you a target in mind for when that will be achieved? Otherwise, we will always be talking about wanting to resolve these problems and not actually achieving anything.

Mr Armour: I have asked Stephen to work on that, and a skeleton strategy is coming together. My intention is to put something to the Minister in the autumn, with a view to having the strategy in place by early 2026.

We are constantly working on the maintenance backlog, but we simply do not have the funding to address the issues that we are required to address. EA colleagues are doing a huge amount of work on condition surveys within the resource that they currently have available, but, obviously, if further resources were available, that work could be done at a quicker pace. We are working and will continue to work at pace in a number of those areas, but it is in the context of all the other competing demands that we are trying to deal with at this time.

The Chairperson (Mr McCrossan): We are very aware of the various other demands, and, indeed, we have no doubt that the funding problem exists. Are you certain, in your role as accounting officer, that you have maximised your resources to the best possible benefit, given that there is no strategy in place?

Mr Armour: We are constantly looking at our resources and deploying and redeploying resources to areas of greatest need. In that respect, I am content that we are doing the best that we can with the resources that we have, but I am not here to suggest that what we are doing is good enough, and I have been very clear about that. As accounting officer, I am content that we are using the limited resources that we have in the best way that we can.

The Chairperson (Mr McCrossan): When can we hope for a strategic plan to be in place?

Mr Armour: As I said, Stephen is working on a skeleton plan, with a view to putting an outline plan to the Minister in the autumn. Working alongside EA colleagues and others, we want to have the strategy in place by early 2026. That is the date that we are working towards.

The Chairperson (Mr McCrossan): Are we on target, Stephen?

Mr Creagh: We are working on that, Chair. The issue that Ronnie has referenced is the capacity to bring this forward, because we operate within the division with very slim teams. We are structured by programme and have a lot of vacancies, but we are working towards that. We would have preferred to have it in place much sooner, and, in response to the Audit Office report, we gave a commitment that we would do that by the end of March, but, to be fair, when we reflected on that, we felt that that was extremely ambitious, given the significant and strategic nature of the document and the amount of work that would need to go into it. It will set the direction and speed for the Department in the next budgetary year, the comprehensive spending review (CSR) three-year period and the 10-year investment strategy for Northern Ireland (ISNI) period.

The Chairperson (Mr McCrossan): OK, thank you. Finally from me, the Audit Office report painted a picture of a very muddled landscape. Are the Department and the Education Authority working together effectively, in your opinion, and how could that working relationship improve?

Mr Armour: Chair, working relationships can always improve, but I would say that we are working effectively. Richard and I are relatively new in our roles. We have worked together in the past and are working together closely at the moment to try to address many of the issues. We have a number of mechanisms in place at a lower level in the organisations to assist us. For example, we have a capital and maintenance group and a managing capital investment group, both of which are chaired at deputy secretary level. Those groups bring together officials. Stephen and Paul, at a working level, are meeting fortnightly with heads of service, and we are in daily contact with each other. This is a complex area, and I understand that it looks challenging — it is challenging — but, over the past number of months, the relationship between the two organisations and the work that we are doing

together have come a long way. We will reconstitute the governance oversight group — hopefully, we will have the first meeting in September. That has not met for a while. That is a —.

The Chairperson (Mr McCrossan): When did it last meet?

Mr Armour: About a year ago, I think. It met last year. I cannot make an excuse for that. It should have been meeting.

The Chairperson (Mr McCrossan): What was the reason for its not meeting?

Mr Armour: The reason, again, was resource: people are stretched within the Department. I do not want to make that an excuse. The group should have met, but we are reconstituting it. I have looked at the terms of reference. I will talk to Richard and others. I want that group back in place. It was chaired at deputy secretary level previously, but I think that it should be chaired at permanent secretary level, so I will chair the group from September. It should not have just Richard, me and others around the table; we need to bring in the chief executives of some of our sectoral bodies. We are in the process of re-establishing that, and I want it in place by September to have proper oversight.

The Chairperson (Mr McCrossan): When you say "in place by September", do you mean fully functioning and stood up?

Mr Armour: I want it stood up by September, yes.

The Chairperson (Mr McCrossan): Mr Pengelly, do you agree with Mr Armour's assessment of the relationship between the Education Authority and the Department of Education? It is my understanding and, I am sure, the understanding of others, that, over some years, the relationship between the Department and the Education Authority could be described as being somewhat difficult at times.

Mr Richard Pengelly (Education Authority): Chair, you might be the master of understatement. To be frank, the relationship has been very, very poor. However, like Ronnie, I genuinely feel that the relationship has entered a new era. As Ronnie has said, the two of us have worked together: we know each other; and we call a spade a spade when we are talking to each other. We are working hard to recalibrate this.

What I am hearing from you, Chair, is what I would describe as very understandable and legitimate frustration at the pace of things. I want, if I can, to make something of a virtue of that. My observation, on coming into the education sector, not having worked in it previously, is that there is a tendency, in some spaces, to do what was always done and hope for slightly different results. Rather than starting with the questions, "What's the process? How do we make it more efficient?", Ronnie and I want to genuinely re-engineer how we do things. We could have, quite quickly, topped and tailed what we had done previously, badged it as a strategy, and presented it. That is not enough; it would not satisfy either of us. We want to take a step back and understand what, in strategic terms, we are trying to achieve by this work. Let us all be very clear about that and then design a system and approach that will deliver it for us. That will take a bit of time. We share your frustration. We need to put every bit of energy that we can into that. We will get there.

The relationship that you touched on does not just impact on our work in the management of the education estate; it ripples through every aspect of our work together. We understand that, we talk about it — I suspect that Ronnie would say that we talk about it far too often — and we will work together. I am absolutely confident that things are improving. The relationship is better today than it was a couple of years ago, undoubtedly. Some of that is due to the work that Ronnie and I are doing, but most of it is down to the fact that what we are doing more than anything is giving our colleagues in both organisations the permission to think and act differently and to be free of some of the traditional constraints and risk aversion. We are working towards that. I am confident that we will do it. The challenge for us is to continue to pick up the pace on that.

The Chairperson (Mr McCrossan): I appreciate your honesty in recognising that there have been very serious challenges with the relationship to date, and I welcome the positive vibes that I am hearing about how both of you, as leaders in the Department and the Education Authority, are working together. Do you, however, see the need for a cultural shift in the Education Authority and the

Department with regard to working together to achieve the best possible outcomes for our children, young people and schools?

Mr Armour: Absolutely, Chair. We are trying to give leadership to drive that cultural shift. We are getting great support from the Minister for the work that we are trying to do. We are also getting support from the EA board. Within the working relationship that you referred to, there are numerous mechanisms whereby we come together at a senior level. Richard and I meet fortnightly. There are also structures around the departmental board, my audit and risk assurance committee (ARAC), Richard's board and governance and accountability meetings. We are collectively trying to drive forward a process that changes the culture in both organisations and fosters better working relationships. That is why I started my comments by saying that things can always improve. Even after Richard and I drive through the work that we are doing, there will still be room for improvement. It will be a work in progress, but we are making good strides forward.

Mr Pengelly: I will just add that we need to be absolutely clear that the problem, insofar as it exists, is not about people, it is about systems. We have a system that has constrained people. When I go out across the organisation — I did some staff engagement yesterday — people are crying out to be allowed to do things differently. They see the way in which they want to work and engage. As senior leaders, we have failed them in the past. Let me be clear: this is not a critique of individuals, nor is it us saying that people need to behave differently. People need to be freed up and supported to do what they inherently want to do.

The Chairperson (Mr McCrossan): OK. Thanks very much for that. I will come back in throughout the session.

Mr T Buchanan: Thank you, folks, for being with us today and for the answers that you have given. I will follow on from the Chair. Some of the issues may overlap slightly, but that will not do a bit of harm. It will give us a bit of an understanding of where you actually are.

You are aware, as the Chair said, of the Audit Office report highlighting the fact that the Department does not have a school estate strategy in place at the minute and does not take a strategic approach to the management of the school estate. How long has it been since there was a strategy in place to deliver on the school estate?

Mr Armour: As Stephen indicated, it has been quite some considerable time, if ever we really had —.

Mr T Buchanan: What is that? That "considerable time" could be 10 years. It could be five years. How long has it actually been since a strategy was in place?

Mr Creagh: The papers that I referred to were from in and around 2010 and 2011, when we had a number of policy frameworks coming forward. I referenced the Bain review. The outworking of that was the development of area planning and the Minister's sustainable schools policy. A number of other policy frameworks are coming forward as well. It is worth saying that, while, since then, we have not had an overarching strategy, we had a number of lower-level strategies. We had a strategy for bringing forward the major capital works programme for new builds: how we dovetail the selection and delivery approach with the Minister's policy framework for area planning. It took a number of years to work that through. We had medium-level strategies of that sort of ilk. We had other strategies. We had a major works programme and a minor works programme, but there was a gap in between — a very real gap and need — where mid-sized works were just not being brought forward. We developed a strategy to introduce the school enhancement programme, of which I am sure that you are aware. Those are our mid-scale works. Originally, that was for anything up to £4 million, but we have had to look at the current market inflation and construction inflation issues that are associated with that. Is that sufficient for your answer?

Mr T Buchanan: How did you manage the gaps that you mentioned?

Mr Creagh: The gaps in terms of —? Sorry.

Mr T Buchanan: You said that you had a strategy for one thing and a strategy for something else, but maybe there was a wee gap somewhere. How did you manage that?

Mr Creagh: It is worth saying that condition and suitability surveys were carried out when, going back in time, we had the education and library boards, so we had some metrics. Granted, those are out of date. There is no question about that. We acknowledged that in response to the report, and Ronnie acknowledged it in his comments.

We know what the estate is. We know that there are 1,160 schools out there. We know that it is complex and geographically dispersed. We have five sectors. We manage those gaps by engaging regularly with the various sectoral bodies on bringing forward our programmes. We identify the need and try to make best use of the capital that we have available to us. Essentially, we manage the gaps by bringing forward the various programme streams. An overarching strategy will look to harness that in a more strategic form. The point was made earlier that that will help to inform not only what our programmes are moving forward but what a restructure may look like in our delivery and our capacity to deliver what is there within the bounds of the budget envelope that is available to us.

Mr T Buchanan: We have been sitting for 15 years without an overarching strategy. What have been the hindrances to bringing forward or drawing up an overarching strategy? What has hindered the Department in doing that?

Mr Armour: The issue for us at the moment, which we have inherited, is resource. I know that I keep talking about resource. I said that I am not here to make excuses, but I have to be honest with the Committee about the constraints within which we are operating. I am not saying that that is the reason why there has not been a strategy for the entire 10 years, but, in recent years, it has certainly been a major factor. We are trying to put that right within the resource that we currently have, which is very difficult.

Mr T Buchanan: Work is ongoing on that, and we hope to see something on an overarching strategy fairly soon.

Mr Armour: Yes.

Mr T Buchanan: We are aware, as, I am sure, are you, of the material published by the UK's Department for Education (DFE) that provides comprehensive guidance on how to manage the schools estate. It is titled 'Good estate management for schools' (GEMS). Why has the Department not implemented something similar to that in Northern Ireland, which would, I am sure, have been of help in the situation in which we find ourselves?

Mr Armour: There is no doubt that that is a very useful document. As the Audit Office report indicates, we follow many of the practices in the document, but you are right to say that we do not have a similar document here. As I said, Stephen is working to put together the strategy. Moving forward, the strategy will be our GEMS-type document. As the report indicates, we are following many of the practices in that document, but we do not have such a document yet.

Mr Creagh: I will add to that. We are grateful to the Audit Office for bringing the 'Good estate management for schools' guidance to our attention. When it was brought to our attention, we examined it. As the Audit Office report acknowledges, we have in train and in place a good number of the components. Some are out of date and need to be reviewed, such as the information about the estate and the understanding of it in that regard. We are examining that and strategies in other jurisdictions and organisations to ensure that what we bring forward meets our requirements, because GEMS relates to DFE in England, and the guidance is for its purposes. There are aspects of it that we already have in train.

As Ronnie referenced, the Minister agreed a vision and a mission for the school estate. We are in year 3 of a five-year programme to improve the information that we have about the estate through condition surveys, and we will soon embark on suitability surveys. We need to harness the other guidance that we have out there. We need to review its currency and bring it together, perhaps on a singular platform. For example, guidance on security in schools is located in a certain place, but does anybody know where to find that? The estate strategy will be quite far-reaching in what it will do. It will make us look at ourselves and focus on not only what we have and what we need to refresh but what we do not have and what we need to put in place. We will do that between now and the autumn in an initial draft, with a view to getting that finalised in the third quarter of this financial year, which will be early 2026.

Mr T Buchanan: Has the lack of an overarching strategy being in place, which has maybe taken the focus away from new builds, maintenance and all that, caused the 15-year maintenance backlog that you talked about, Ronnie, in your opening remarks, or are you saying that, for the past 15 years, the school estate has not been properly funded? Which is it?

Mr Armour: It is probably a bit of both, to be honest, but, primarily, it is to do with the funding issue. That is where we have seen the backlog growing year-on-year, and it is still growing. That is the major challenge for us. We have an ageing estate, so none of us should be surprised by the maintenance issues that are arising. We do not have the resource to address that as quickly as we would like, but that is not to take away from the fact that having an overarching strategy would be beneficial for us. I am not trying to row back from that, but the primary issue, if we are honest, is to do with resource.

The Chairperson (Mr McCrossan): I have a very brief question that follows on from Tom. Why has the asset management forum not met since 2019?

Mr Armour: Again, the issue has been around personnel. It absolutely should have been meeting. It has been a strain, and things have fallen by the wayside, but we will reintroduce those meetings.

The Chairperson (Mr McCrossan): I am a bit concerned about a theme that is emerging of various relevant groups not meeting. The governance oversight group is not meeting, and the asset management forum has not met since 2019. Is it the case, Ronnie, that the Department has been asleep at the wheel when it comes to this issue?

Mr Armour: No, I do not think that it is fair to say that the Department has been asleep at the wheel. There have been many meetings, and many forums and many groups are meeting from a very senior level down. The two that you referred to have not been meeting, but they should have been, and we are putting them back in place.

The Chairperson (Mr McCrossan): Am I right in saying that they have an important role and function in tackling the problem that we are discussing today?

Mr Armour: I absolutely accept that they have an important role and function, as do many of the other groups that are meeting.

The Chairperson (Mr McCrossan): I have heard so far, in response to some of the questions, phrases such as "We are looking into", "We are looking at" and "We are planning to". Are those just words of comfort to this Committee to get past today, Ronnie, or is there a very serious commitment to address this very serious problem? I am very concerned that those two groups have not been meeting — one since 2019, which is six years ago. Six years ago.

Mr Armour: I share that concern, Chair, and I want to give you an assurance that these are not words to get through the Committee today. They are very real, very live issues for me, as accounting officer and permanent secretary. I am giving the Committee an assurance that those issues will be dealt with and that those meetings will be back in place. As Richard and I have said, we need to look at the terms of reference, which need to be much, much sharper. The fact that I am taking responsibility to chair the oversight group is an indication of how seriously I take this and the determination on my part, and on the part of Richard and others around the table, to drive this forward as quickly as we can.

The Chairperson (Mr McCrossan): Ronnie, I am still not clear on why the asset management forum has not met in six years. Why has it not met?

Mr Armour: I have not been there for the entire six years, but my understanding is that it has been to do with the resource issue. The group fell by the wayside. Some of the work is being picked up in other forums that are meeting, but that is not to say that we should not have a dedicated focus on asset management.

The Chairperson (Mr McCrossan): Whose responsibility was it to ensure that that forum was meeting?

Mr Armour: As the permanent secretary, I take responsibility to ensure that the group is meeting, and I am taking steps to make sure that that is put back in place as quickly as possible.

The Chairperson (Mr McCrossan): Are you saying that your predecessor failed in that regard?

Mr Armour: I am not saying that people failed. There are very real reasons why those things did not happen, and it is not easy for us to put some of them back in place. It is another demand on the time of people such as Stephen and others, but it is absolutely the right thing to do, and that is why we are doing it.

I am not here today to blame anybody for what has happened. There is a collective responsibility, and I take that responsibility at this point in time, and I am doing something about it.

The Chairperson (Mr McCrossan): Yes, but the buck and responsibility stop with the permanent secretary. I do not buy this wider "collective responsibility" stuff when things are not being done. The buck has to stop somewhere. The group has not been meeting, the whole system has fallen apart, and maintenance has not happened. There are huge issues. In truth, it is an unforgivable situation. It is unacceptable. What problems have emerged as a result of those groups not meeting?

Mr Armour: First of all, can I say —?

The Chairperson (Mr McCrossan): They have worsened the situation.

Mr Armour: First of all, I am not saying that it is acceptable. I accept that responsibility and am saying that they should have been meeting. We will undoubtedly have lost some coordination, but, overall, at the end of the day, whether the groups are meeting or not — I think that they should be — we still have the insurmountable issue around the lack of resource to do what we are trying to do. We are spreading ourselves and the funding that we have very thinly, and we are undoubtedly paying a price for that, but my —.

The Chairperson (Mr McCrossan): Our schoolchildren, teachers and schools are paying the price for it.

Mr Armour: I think that, collectively, we are paying the price. As I said at the very start, Chair, I pay tribute to our school leaders and our teachers. They are doing a fantastic job in very difficult circumstances, but the people who are working for Richard and me on these issues are working extremely hard to try to deliver the best service that they can. That is very challenging for them, and we should not overlook that.

The Chairperson (Mr McCrossan): We are not overlooking it. That is the reason why we are having the inquiry, and it is the reason why I am deeply disturbed by some of the details that are emerging and have emerged to date.

Paying tribute to teachers and schoolchildren and acknowledging the environment in which they are expected to teach and be educated is one thing, but doing something about it is entirely another. For too long, from what I have seen, they have heard countless excuses and experienced failings on the part of the Department and other relevant bodies, such as the Education Authority, in that regard. It is unacceptable.

I will move on.

Mr Creagh: I will come in briefly. The reason why that group has not met is an issue of capacity, but many aspects that would be covered at its meetings are covered at many of the other fora that Ronnie referred to. I do not want the Chair or the Committee to think that many of those issues were not being examined and reported on to the top level of the Department and to the Minister. For example, we have in place an asset management plan that sets out the broad structure of what you would expect in that asset management forum. For funding and budget issues, we have quarterly capital and maintenance investment meetings where we examine budget. We test thoroughly, and we engage and work closely with the EA on that aspect. We look at our broad capital investment programme. We have regular meetings in that regard.

The capital programme oversight group (CPOG) has not met since last year because of severe capacity issues in the Department. Looking at existing assets, we have embarked on a refresh of the condition and suitability surveys. We have already covered that, and I want to keep this brief. We are acutely aware of future demand for assets and are working closely with our sectors on what their

needs are. They are best placed to determine and identify those for us, and they regularly bring them to our attention.

I meet the Council for Catholic Maintained Schools (CCMS) monthly, I meet my colleagues in the Education Authority, and we meet the Irish-medium sector regularly. I do not want to leave it hanging that absolutely nothing is being done.

There are many parts of that asset management forum that we pick up in other meetings and other groupings right up to and including the departmental board top management group, including risk and control in the ARAC meeting.

The Chairperson (Mr McCrossan): I appreciate the clarification, Stephen, but, before I move on to Cathal, what I am hearing is that those problems have been dealt with in other ways and that, basically, no problems have emerged. If that is the case in the absence of those groups meeting, are those groups unnecessary?

Mr Armour: I do not think that those groups are unnecessary. What Stephen and I are saying is that we have faced a challenging position. The Department has tried to do things in the best way that it could with the resources that it had. As I said, and as Stephen elaborated on, we are picking up things in other meetings. I come back to the point that I made earlier: having those groups back in place is timely and appropriate, and it is something that we want to do.

Mr Creagh: I have one brief point on that. One of the tasks that Ronnie has given the division is to look at those groups as part of the overarching estate strategy and as part of the reconstitution of the capital programme oversight group to see whether the roles and responsibilities of those groupings should be officially subsumed within the CPOG.

The Chairperson (Mr McCrossan): Thanks, both.

Mr Boylan: I would just like to welcome a student who has joined us on work experience and is here to see the work of the Committee.

Gentlemen, thank you very much for coming to the meeting and presenting to us. The Audit Office report states that, over the next number of years, PFI assets will return to the estate. Can you confirm that the Department will be properly prepared for the return of those PFI assets? Have you explored whether you can reallocate the savings from PFI contracts' unitary payments to address the maintenance needs of the estate?

Mr Armour: I will open on that. I will ask my EA colleagues to elaborate, and then I will come back to the funding issue, if that is OK.

Yes, I am confident that a huge amount of work is going on in order to prepare for those assets coming back to us. The EA is doing considerable work. There is ongoing work around maintenance and inspection, and there is a programme board in place to oversee that transfer of assets.

Richard or Paul, do you want to comment?

Mr Pengelly: I will say something by way of an overview of the approach. The return of the assets to us is a crucial issue. The first — Drumglass High School — returns later this year. A board has been established. It brings together all the relevant interests and perspectives. The key is to make sure that, at the point of asset transfer, it is in the condition that it should be, as specified by the contract. We need to recognise that there were a number of PPP/PFI contracts and that some learning took place as those went through. I suspect, and Paul might add detail, that, as the first ones return, we might find that the contractual requirements for how we determine the condition of the asset as it comes back were not drafted as tightly as we would now like them to have been. That will evolve as further contracts come back.

Before I ask Paul to talk about the detail of that work, it is also important to recognise that, subject to the caveats about the contract, the asset will come back to us in a fully maintained state, because the contract specified that part of the unitary payment was to cover maintenance. The next day, it will start to deteriorate, because it will move from a situation of being fully funded for maintenance to being completely unfunded, particularly for proactive maintenance. It will therefore start to deteriorate. There is an advantage. I pulled out this information because I thought that it would be useful for the

Committee. I will take Antrim Grammar School as a comparator. It was built conventionally around 2004 — just over 20 years ago. It is sitting today with a backlog maintenance figure of £253,000. That is a conventional school sitting with £250,000 worth of backlog maintenance. When PPP schools come back, they will have no backlog, but they will start ticking towards one.

Paul, do you want to say something about the process?

Mr Paul Crooks (Education Authority): Cathal, we have a project team in place to support those schools. It includes DE, the schools that are involved, the EA directorates and internal audit. My role in facilities management (FM) is to make the transition as smooth as possible and to be there to support the schools in that regard. It is really to do with cleaning and catering issues. A PPP unit in the infrastructure and capital development (ICD) division ensures that there is due diligence around the inspections of the schools and condition reports, and it works with the contractor before the asset is handed back to ensure that it is in the condition that we expect it to be. That transition through the project board is being handled, and, at this stage, we are working with Drumglass High School.

Mr Boylan: How does that marry up? Obviously, budgets and resources are tight. Have you worked out what will happen with the budget when that transfer happens? I am concerned about where it will go with regard to the budget. Does that marry up? Have you planned it all out? Have you quantified and qualified all of that?

Mr Pengelly: No, I think that that work is planning for the run-up to the handover. At the point when it is handed over, it becomes an asset that we own, with nothing available to us specifically for maintenance. Effectively, it transitions overnight from fully funded for maintenance to nothing at all.

Mr Boylan: I appreciate that, but I am asking what happens in the future.

Mr Pengelly: In the future, unless the landscape changes, it will start to accumulate a maintenance backlog in the way that all our conventional schools are currently doing.

Mr Boylan: Yes, 100%, but is it all qualified and quantified in figures and everything else that goes with it —

Mr Pengelly: Yes.

Mr Boylan: — as part of the overall planning?

Mr Pengelly: The main focus of the planning is to make sure that it comes over with a figure that is zero, because the contract requires that the school is properly maintained throughout the lifetime of that contract. The problems arise after that. You are absolutely right. There is a job of work for us to do to make sure that those contractual obligations are fulfilled.

Mr Boylan: That is what I am trying to get at.

I will move on to my second question. Ronnie, according to the Audit Office, in 2017-18, you estimated the maintenance backlog to be around £300 million. You now believe that it is £450 million, but that is based on outdated information. What specific action is the Department taking to accurately quantify, prioritise and address the significant maintenance backlog?

Mr Armour: On the maintenance backlog, you are right: that is what we estimated, and that figure is developing. We talked earlier about the EA undertaking condition surveys, and it is fair to say that about 39% or 40% of those have been done so far. As a result of that, the estimate is around £233 million. When you extrapolate that, our estimate is that the figure is no longer £450 million but is probably now around £700 million. That is on the basis of the work that has been done. We cannot be absolutely sure until all that work is complete, but there is some way to go before we are in that position. We are still estimating it, but the figure is undoubtedly rising.

Mr Boylan: Substantially.

Mr Armour: Very substantially, yes.

Mr Boylan: It is a major challenge.

Mr Armour: We are getting a bit more of a grip on our understanding of it, but the outcome of that is that, yes, it is increasing substantially.

Mr Boylan: This is my final question. The Department has responsibilities under the climate change legislation and, more widely, has a part to play in the Executive's vision of net zero carbon emissions. Is the Department developing clear and realistic plans for its estate to ensure that it can meet its statutory responsibilities under the climate change legislation?

Mr Armour: We are certainly working towards that, but, again, we are in an extremely challenging position. If we were retrofitting, for example, it would cost us, I think, somewhere in the region of £2 billion to retrofit schools, given all the disruption involved. We do not have that funding and are not likely to get it, but we are working towards it. I will ask Stephen to give you a bit more of the detail on what we are doing.

Mr Creagh: We are looking at that in several areas. We are looking to make sure that all our new builds that are in design, particularly from 2020 and the more recent 2022 schemes, have built in, from the earliest stages of design, the carbon requirements in line with the regulations. That is to do with energy usage, heat loss etc. All that will be built in, and the consultant teams will be challenged to ensure that that is built in from the earliest stage. Our measures for that are largely based on statutory measures such as the building research establishment environmental assessment method (BREEAM) for the environmental assessments that are carried out on every project.

Ronnie mentioned retrofitting. Given the age of the estate and the upheaval and amount of money required, retrofitting will be quite difficult. The £2 billion is an extremely broad estimate — nothing more than that — from our professional colleagues, because we have not got into a detailed examination of what will be required. As part of that retrofit, we are looking to develop a pilot programme to look at what measures we can take to immediately address some issues through small-scale investment in, say, insulation and through double glazing etc. We need to work closely with EA colleagues on the work that they have been doing to develop systems for the metrics, because we need to be able to measure the "as is", do some work and see how we have benefited from it. We need to get some traction on those metrics as well.

We are working on that proactively. In fact, EA colleagues — Paul, in particular — have been working on a number of pilot exercises to improve our metrics. We have building energy management systems in many of our schools, and we need to see how they are operating and whether they are giving us the most reliable information that we need to make the best judgements about what work needs to be taken forward. There could be an element of low-lying fruit about getting that done quickly and then to look at the longer-term investment. Certainly, moving forward, that is the case for the latterly announced new builds. Some of our new builds are so far advanced in design with planning approval in place or are on-site that to make changes would cost significant sums of capital and lead to further delay on much-needed investment in the school estate.

Mr Boylan: I am slightly concerned because we are talking about £2 billion but do not really know. That is slightly concerning for us all, collectively. Obviously, part of the inquiry and the report is to tease that out. Is there enough evidence for now, or are there other research avenues to use to try to qualify and quantify the figure?

Mr Armour: Paul may want to comment on the detail of that and the work that he is doing.

Mr Crooks: We have been trying to reach out, in the absence of funding, to take it forward. We have successful small business research initiative (SBRI) projects, and we have worked with 12 schools — the most energy deficient schools — across the Province. We have looked at platform development, historical data capture, data analysis to inform future investment and engagement with the school leaders. What has come out of the SBRI project in 2025 is that we have developed a climate platform solution that allows us to capture the data in schools. We have reached out on that and developed a solution.

It is important to say that the energy team in the EA is small. We reach out to schools daily about their energy use and hope to support them to make savings. I am looking at the figures: we aim to reduce consumption by a minimum of 5% each year for the next three years, which will equate to an estimated saving of £245,000. From April 2021 to March 2025, we have had cost avoidance measures

of approximately £4.3 million; that has been solely through supporting schools with their energy bills and things such as hedging and risk management in the buying of energy and natural gas.

The point that I am trying to make is that, in the absence of funding, we are not standing still. We are working on community planning with councils. We are hedging electricity and using the SBRI to create a platform to capture the data and be ready when funding becomes available.

Mr Boylan: Thank you very much.

The Chairperson (Mr McCrossan): I want to jump back to the discussion about the return of PFI assets. Have you explored whether you can reallocate the savings from the PFI contracts to address the maintenance needs of the estate?

Mr Armour: I cannot give a guarantee on that today. Certainly, we will make the case, if funding can be reallocated to do that. I cannot give that —

The Chairperson (Mr McCrossan): Whose decision is it?

Mr Armour: — commitment today. That will be for Richard, me and our teams to look at and come to a decision on.

The Chairperson (Mr McCrossan): A coalition of the willing. There is a solution there, if funds from a saving from the contract cost can be reallocated to resolve the problem of the maintenance gap.

Mr Armour: We have to look at the other competing demands as well. It is something that we will look at.

The Chairperson (Mr McCrossan): If we say that, on the one hand, there are serious issues and concerns about the state of the school estate, and those buildings have benefited from exceptional maintenance throughout the term of the contract, surely a way of preventing the problem from getting bigger is to reallocate the contract costs by whatever percentage to ensure that the maintenance of the building continues and that it does not dilapidate?

Mr Armour: We would certainly look at that, but I have to look at all those things in the wider scheme of the resource pressures that the Department faces. For example, the Department has a huge deficit, so we would want to look at the best way to use that. I am not saying that that is not the right —

The Chairperson (Mr McCrossan): Ronnie, I would be surprised if, in your role, this is the first time that you have been asked that question. Can you just cut to the point? Is it the case that you will not reallocate those funds? Will it fall into the same problem as the rest? It is a straightforward enough question. I am sure that I am not the first person to ask it.

Mr Armour: The real risk is that it will fall into the same problem as the rest —

The Chairperson (Mr McCrossan): Right.

Mr Armour: — but we will look at all options that are available to us at the time and make a decision. Both Richard and I have been clear that there is a risk that the schools, when they return, will go into the same pot as everybody else, yes.

The Chairperson (Mr McCrossan): So, on that basis, the message to Drumglass High School, for instance, is that, when the PFI contract ends, it will face the same problem as all the other school estates about which we have concerns.

Mr Armour: I think that Richard was very open in saying that that is the position.

The Chairperson (Mr McCrossan): That is not solution focused, though. There is obviously a clear solution here. If the contract costs will ultimately be saved or returned to you centrally, surely that money could be reallocated, through discussion with you, to prevent the problem getting worse.

Mr Pengelly: Chair, you are absolutely right: a very clear solution is available. Unfortunately, many problems are all actively trying to grab that solution. Take Drumglass, for instance. I do not know of an example, but it is very likely that, today, in that school, some pupils will be going through a stateminting process and will require classroom assistants to be allocated to them. I do not have the money for that. As things stand, this year, I am the thick end of £300 million short of achieving financial break-even. That is £300 million short of addressing all the priorities across the education sector, many of which support the most vulnerable children throughout their education journey. It would be lovely to be able to take that money and put it into maintenance, but there are other problems that, at the time, we will need to speak to the Minister about to see, in the context of his broader priorities, how we make the best use of that money.

The Chairperson (Mr McCrossan): I am conscious of the wider challenges that face the education sector. There is a wide variety of issues, but the inquiry is focused on the school estate and its condition. After explaining all the things that you want to do, are thinking about doing or have tried to do, you are telling me that the schools that have been maintained exceptionally well will not be maintained to the same standard, if at all, when the PFI contract ends. That does not sound like a commitment to address the very serious rot in the school estate.

Mr Armour: We are not simply trying to address the rot in a small number of schools that are under PFI contracts: we are trying to address the rot in all schools. To use your Drumglass example: when it is handed over, it will be handed over in a very good state. We have lots and lots of schools that are not in that good state. If we were to sit here and say that we would allocate that money to ensuring that Drumglass did not fall into the same situation as everybody else, that would be quite hard for all those other schools to take. We are trying to find a balance here that allows us to do what we can and to be fair to as many people as we can.

The Chairperson (Mr McCrossan): How many schools are currently under PFI contracts, and how many of those contracts are due to end in the next two years?

Mr Armour: I think that it is about 20.

Mr Creagh: We have nine PFI contracts, which cover 20 schools. I would have to come back to you with the analysis. I have a table that gives the return date — the end-of-contract date — but I would need to come back to you separately on that.

The Chairperson (Mr McCrossan): Just for the public record, what is the usual term of a contract, time wise?

Mr Creagh: It is 25 years.

The Chairperson (Mr McCrossan): OK. I will be a bit of a devil's advocate on this: do you see the PFI arrangement as a solution to the maintenance problems in our schools?

Mr Creagh: Just on a point of clarification: two of those contracts are for 30 years and the remainder are for 25 years. Forgive me on that.

The Chairperson (Mr McCrossan): Do you see the model of the PFI contract as a solution to avoid the problems that we have seen with the school estate over a 25-year or 30-year period?

Mr Creagh: Obviously, it is a Treasury requirement that PFI still has to be considered as one of the options for moving forward with capital, as well as conventional procurement and strategic partnering. To be honest, it is an expensive solution. It spreads that over a 25-year period. Those unitary costs are a pressure on the resource departmental expenditure limit (DEL) as opposed to being a hit on the capital for the two years of the construction of a conventionally built school. Obviously, in any case moving forward and in the estate strategy, we will have to look seriously at that. You may be aware that the former Belfast Education and Library Board examined the possibility of more strategic partnering, which was PPP rather than PFI. PFI is an individual contract. PPP is broader; almost like framework delivery. Those will be looked at in the estate strategy, Chair.

The Chairperson (Mr McCrossan): OK. That is good to know.

Before I move on, I have a concern in response to what Ronnie and Richard said about the various competing priorities, issues and challenges that exist. The truth is that we do not know what those priorities are or where money needs to be or should be allocated, because there is no overall strategic plan, so we really are running around a bit headless in that regard.

Mr Armour: I do not accept that we are running around headless. It is right to say that we do not have all the information that we need or would like to have. We are certainly working to try to develop that. There are huge, competing demands, Chair; we cannot get away from that. That is the reality of what we are trying to deal with.

The Chairperson (Mr McCrossan): The role of the Committee is to ensure good value for public money. In the absence of that plan, how do we ensure that resources go to the right places and that the public get value for public money?

Mr Armour: When you look at a lot of the work that we do through our programmes and projects, you see that all that is underpinned by value-for-money requirements in the business cases. We follow all our procurement responsibilities. We do all those things to deliver value for money. I absolutely accept that we need to get that information in order to give further assurance, but I do not want the Committee to think that we do not deliver value for money in a huge amount of the work that we do, because we do that through the processes that are in place.

The Chairperson (Mr McCrossan): You believe that we get good value for money in the maintenance of the school estate even though there is no plan.

Mr Armour: It is extremely challenging. You want to come in, Richard.

Mr Pengelly: The last valuation of the school estate by Land and Property Services (LPS) was in the order of £4.3 billion. Are we properly getting value for money from a £4.3 billion asset? Absolutely not. Nobody can say that. The way in which you get value for money from that estate is to properly maintain it and to maintain a world-class educational environment for children to go to school every day.

We are progressing to the end stage where we will achieve that through the condition surveys. We are 39% of the way through a five-year programme. The sad reality is that, even though 39% of surveys have been completed, they will not influence £1 of spending this year, next year or the year after, because we do not have any money available for preventative maintenance, and we do not have any money available to start dealing with the maintenance backlog. The only maintenance spend at the moment is for reactive maintenance, which is just about keeping schools open. It is really important that we do that work and have that analysis. If nothing else, it will help to sharpen the bid that the Minister can submit to the Executive. It is not undermining value for money, because we are not spending any money on a flawed basis in the absence of that information at this stage.

The Chairperson (Mr McCrossan): OK. Thank you.

Mr Honeyford: I have a couple of questions, but I first want to pick up on something that you said. You answered Daniel's earlier question with a question. He asked you about maintenance, and you answered by saying, "What are we trying to achieve?". If you do not know what you are trying to achieve, why are we even having this inquiry? If that basic question is being asked — "What are we trying to achieve, and what do we do about it?" — how do you know what to do about it, given that you do not know what you are trying to achieve? What is the answer?

Mr Pengelly: Apologies if I was confusing. I was not posing a question to the Chair. What I was saying was that, rather than just continuing with the process that existed in the past — it goes way beyond the maintenance issue; Ronnie and I are having conversations about every area that our organisations need to work on — we start by posing ourselves the question: what is it that we are trying to achieve, and how do we design a method of engagement and dialogue and a process that will take us to that strategic ambition? It goes to the Chair's point about some of the engagement forums that do not meet. If I am being honest, we struggle to articulate what those forums are trying to achieve. We need to get better at that before we go forward. It was more of a theoretical point.

Mr Honeyford: Honestly, on the basis of the 15 years that we are looking at, your two organisations have struggled to deliver through what they have done. When you said that teachers do a very difficult

job in a challenging environment and deserve better, I could hear teachers and principals in my area screaming, "The problem with this is sitting in front of you in the two departments". You talked about wanting to let people be free to think differently. I am quoting you here. You said that people "need to be freed up" and that we need a change of culture. Does that equate to the schools? Will you free them up to allow them to deliver maintenance in their premises without having to be regulated and controlled by your organisations?

Mr Pengelly: There will understandably be screaming and frustration from principals, but I have colleagues across the Education Authority and the Department of Education who are equally screaming with frustration. Personally, I think that it would be much more difficult for Ronnie and me to sit here today and say that we had a maintenance budget of £100 million, were able to spend only £80 million of it and did not know how or where to spend the other £20 million. The frustration at the moment is that every penny that is allocated to us for maintenance is spent —

Mr Honeyford: I know that, but are we saying —?

Mr Pengelly: — and is spent well. It is not the case that schools are saying, "That is broken, and you need to fix it", and we are saying, "No, we are not going to bother".

Mr Honeyford: No, but what is happening is that schools or parents have raised money to fix stuff, and you are preventing that fix because you are forcing it through your own budgets and everything else rather than leaving them free. When you talked — I almost thought that it was William Wallace coming through — about freedom and changing the culture and everything else, if that is the case, I welcome that. However, does that go down to the principals of schools to allow them the freedom to maintain their buildings using cost-effective solutions rather than them being curtailed? I could name many examples where it is costing more to the school, and you are preventing maintenance.

Mr Pengelly: There are two elements to that. There is landlord maintenance and tenant maintenance. That is the tenant maintenance, and the landlord maintenance is our responsibility. We have heard for the past 12 months, loud and clear, principals saying, "It is deeply frustrating that when I want a classroom painted, if I go through the EA framework contract, it will cost £2,000, and I have to wait for six weeks. There is a guy down the street who will do it for £250. Can we not just go ahead?"

That is the frustration that we have heard. We want to test that, because I honestly think that there are two sides to that. I was out at one school that used school funds to buy some equipment. The equipment then became faulty, and the vice principal spent a huge amount of time over an elongated period arguing with the supplier. Ultimately, the supplier walked away and said, "No, we are not standing over that". If that had been an EA contract, with our purchasing power, we would have got that refunded and replaced.

We are putting in place a pilot for decorating and floor covering that will give the schools exactly the flexibility that you talk about. Paul, do you want to say a bit more?

Mr Crooks: I understand the frustration from school leaders. A lot of it is around the term service contract and what is delivered to schools. That has been very challenging. The term service contract is a historical contract. We are currently going out to the market, and we are working our way through. We have allotted contracts to a brand-new term service contract. That will be across 18 lots, with nine regions for building and nine for mechanical and electrical (M&E). That will be a completely new change.

The point that I am getting to — I go back to Richard's point about delegated maintenance in schools — is that, if we can get the term service contract right, because it is all about key performance indicators, financial penalties and responsiveness, my role is to make it easier for school leaders not to worry about maintenance. I worry about school leaders wanting delegated maintenance responsibilities, because that is my responsibility. As I fix the responsiveness, the value for money and those elements, with the new contracts in place, we are already hearing principals say, "Can I have more of that?", as part of the tenant responsibility.

The next bit to add to Richard's point is that we are currently working through a process in which we will delegate maintenance to schools. That will be about floor coverings and painting. Those two elements are interlinked, if that makes sense.

Mr Honeyford: Yes.

I go back to Ronnie. Richard talked about having £100 million and arguing over where to put the money. However, there is such poor data on the estate, do you even understand the estate?

Mr Armour: We understand the estate. Yes, we lack a huge amount of data, as you pointed out, but that is not to say that we and the EA do not hold a significant amount of data that gives an understanding of the estate. We want to be more proactive; we want to gather the data. The condition surveys have helped with that to an extent, and that work is ongoing. We want to get to a position where we are more preventative than reactive. If I am honest, that is a long way away. However, if you look at a number of other areas, such as major works and the school enhancement programmes (SEPs), which are not reactive, you will see that we have very significant up-to-date data. We have a lot of data for the new builds and so forth. We are out there gathering data through the EA, but I cannot not accept that we need a system that allows us to have much better data. That is what the report says, and we absolutely accept it.

Mr Honeyford: Why is there not a system in place?

Mr Armour: Sorry?

Mr Honeyford: Why is there not a system in place? It is becoming a habit to say here, "We are going to do", and everything that you are saying is in the future tense. Why has it not happened?

Mr Armour: That is because we have not had the resource to do it. That is the issue. The Committee may not accept that, but that is the reality of it. We are firefighting. We are trying to do as much as we reasonably can, but we have not had the funding available to address a lot of the issues.

Mr Creagh: Historically, we have had data in place. As I referenced, the education and library boards carried out the condition and suitability surveys. The problem is that they were, unfortunately, one of the victims of the very constrained resource and budget environment that we operated in, so they could not be funded. As a result, the data became out of date and stale to some extent, but it was still there. As Ronnie referenced, before we bring forward any of our major programmes, whether they be the major capital works or SEP, fresh surveys are undertaken to make sure that we base our scoring on the most accurate and up-to-date information about condition and suitability and on other metrics, such as insufficient outdoor space and over-reliance on modular accommodation and things like that.

Mr Honeyford: I do not get the resource bit, honestly. What changed? Did people lose their jobs? Where did the information come from? How do you collate the data? If there is poor data on the estate, how is it collated? How is that any different from the situation 10, 15 or 20 years ago?

Mr Creagh: Paul can probably talk to that better than I can, but the Department has earmarked funding over the past two years — this is the third year of £500k in any given year — to fund the condition surveyors. They are professionally qualified EA operatives who go out to all schools in the estate and carry out condition surveys. The condition surveys are comprehensive and cover the building fabric and the outdoor space. They also get into the detail of whether —.

Mr Honeyford: The surveys have been there for three years. How many schools have been covered?

Mr Armour: Some 39% of the schools.

Mr Creagh: It is 39%.

Mr Honeyford: So you have roughly 39% or 40%?

Mr Armour: That is right.

Mr Honeyford: Talk us through the condition surveys. How do they work?

Mr Armour: I will ask Paul to cover the details of that.

Mr Crooks: The condition survey is essentially when an EA internal team of professionally qualified surveyors go out to schools and report on the fabric of the buildings. There are two elements to the surveys that we do. One element is the statutory surveys to keep schools safe for the pupils, and the

other is on the condition. We have no budget for planned maintenance. The condition survey is the element in which we can plan ahead and identify where the issues are in schools. That is where the planned maintenance will happen further down the road.

David, you asked where the data goes. We have a system in the EA called Manhattan, and the data is recorded in that system. The licence for Manhattan will expire in March 2026. We have gone out to the market and procured an IT company to set up an integrated management work system, so we are moving forward with that. You may say to me, "What does that mean?". It means that we are joining up the dots between asset management and maintenance in the first phase, and there will be live reporting out to schools. The maintenance that we do at the minute allows live reporting into our current system.

There is an evolution in that of what we are trying to do in the systems that record data. My colleagues in the Department are on the project board for the integrated management work system. A timeline has been set for the Department to have access to that system. We are not standing still. There will be a point in time — March 2026 — when there will be a completely new suite of data information management systems for maintenance and asset management. Shortly after that, we will bring in the Department, so there will be a joined-up approach with the Department.

Mr Honeyford: The Audit Office report identified that that is the case only for the elements that are in poor condition and where health and safety is an issue. Is that still the case?

Mr Crooks: Absolutely. At the minute, all that we can react to from the condition surveys are critical issues that relate to keeping children safe.

Mr Honeyford: It also says that work that is being done on the buildings is not being kept in line with industry standards. Why not?

Mr Crooks: Again, we have not stood still on that. In the recurrent budget, the priority, first and foremost, is statutory inspections. In the legislation, 39 disciplines are associated with what we need to do to keep children safe. Our first priority, before we do anything else, is statutory inspections. They are done, and, out of those, through a small amount from recurrent budget and then the capital budget, come the statutory remedial works. That is always the strapline. All that we can work on at the minute is keeping children safe and keeping schools open. We did not do that five years ago. Five years ago, 70% of those 39 disciplines were not carried out. As of this year, we have reduced that to 12%, and we hope to reduce it further to a low single figure of 4% to 5% in-year.

Mr Honeyford: Why are the industry standards not being met in the builds of schools?

Mr Crooks: In the builds of schools?

Mr Honeyford: In the maintenance and everything. Why are industry standards not being maintained in the education estate?

Mr Creagh: I will come in on that briefly. When we were developing the approach for the refresh of the condition surveys, we had various workshops — those workshops continue — to develop what we, in the Department, need to come from the surveys, which is what the Education Authority needs rather than what the industry needs. Professional colleagues were involved in all those discussions about what would be surveyed, how it would be surveyed and what information would be extrapolated to give us the costings for bringing a particular school up to a safe and acceptable standard. We have more of a bespoke approach, rather than an approach that follows the industry standard. If you look at the industry standard, you will see many aspects that we do not use. Therefore, in the restricted resource environment that we are in, we want to target resource as best as we can and ensure that we get the most efficient surveys that we can.

The Chairperson (Mr McCrossan): Thank you very much, David.

Ms Forsythe: Thank you all very much for coming and speaking to the matter. Ronnie, I thank you in particular for being up front in welcoming the report on the issues. That is really important to me, as a mum of three children who attend two schools, both of which are in desperate need of investment — Paul is nodding, because he has been out at them with me — and as a representative of South Down, which is part of rural Northern Ireland, where a lot of schools feel left behind.

Given that there is inadequate data on the state of schools here, how do you advise the Minister effectively about which schools are most in need of new builds, and, therefore, where capital spend would provide the most value for money?

Mr Armour: We have a system and a scoring mechanism in place to do that. There is a comprehensive programme. I will ask Stephen to talk you through the detail of that, Diane, if that is OK.

Mr Creagh: I will keep it very brief, but I am happy to come back to you with more information afterwards if it is needed. Since 2012, we have had six major works announcements. That created a programme of 104 new-build schools, which are at varying stages; 40 are complete.

We have a protocol for selection, which is based on a call to the school authorities. It is important that we engage with the school authorities, because they know their estates best. They know the priorities for their estates and where the need rests, and they engage directly with their principals and school leaders. We feel that issuing a call to them is an essential part of the process. The cohort of schools that come in is then subject to a gateway stage. We introduced the gateway stage in 2014, because, in 2012 and partly in 2013, we found that there were still a number of schools with outstanding area planning issues such as development proposals that were still in train. That meant that, before we could even understand what we were being asked to bring forward — the size of school and where it was likely to be — the process was still outworking. One of the gateway criteria asked whether there were any sustainability issues or outstanding area planning issues. Another question that we introduced in the gateway stage was this: "Have you got an SEP?". That is significant investment from the public purse, so is it fair for a school to have SEP investment and to then still be able to get into the major works programme?

We then move into the scoring frame. Very briefly, and we have talked about this several times, two of the main issues in that frame are the condition and suitability scores. Those are relative scores. In both cases, 30 points are available. The range is from zero to 30 for the cohort. One school will get zero, another will get 30 and the rest will be scored between those. We look at outdoor space, because we listen to our schools and engage with our school authorities. The protocol is refreshed and reviewed after every call and before the next call. It is endorsed by respective Ministers as we move forward. On one occasion, it was done by the permanent secretary who was in place at the time because we did not have a Minister, but, in the main, it is refreshed and brought up to date. As a result of one of those refreshes, points for outdoor space and for over-reliance on modular accommodation were brought in. A previous Minister asked us to bring in more social dynamics. That is why we have the scoring for SEN statemented children. One of the metrics that we use for that is reliance on free school meal uptake in any given school. When we boil all those down, we find that it gives us a prioritised list for that particular call.

We then take a submission to the Minister. The number of schools that the Minister chooses to announce is up to them, depending on the budget that he or she has available to them at that particular time. We had hoped to move to small and often with announcements, so that, as projects progressed through the statutory development proposal process, schools were not feeling as though they were being left for years before they could make a pitch to get on to a major works programme. We would still like to do that, but we have a bit of a backlog and an extremely constrained capital budget, which means that we have a number of projects that are now going to be stacked and racked at pre-tender stage until the budget becomes available. I hope that that is sufficient.

Ms Forsythe: Yes, thank you. We talk about the financial pressures. New-build schools are significant multimillion-pound projects. It is quite frustrating that, in my locality, we have schools that are literally falling apart that have not been approved for new builds. Some have, but they have been significantly delayed. They are deteriorating in the meantime. In the constituency and very close to those schools, we have others that are having their second new build within 30 years due to their integrated status. That is through no fault of theirs; they are very good schools. However, in my area, a perfectly good school was demolished that was of a better standard than the controlled and the CCMS schools that are awaiting substantial investment. That feels very unfair, especially when there are tight budget pressures. Does the move now not to ring-fence money and to put all schools on the same priority list and to have the same criteria that you set out applied to them give schools a fairer opportunity and, in fact, promise better value for money from the capital budget?

Mr Creagh: I will make a couple of comments. The schools that you refer to were brought forward under the Fresh Start Agreement. There was a separate funding stream that came directly from

Westminster that was for integrated and shared campuses. The last few of those are outworking at the minute. A few were still in design before the money ran out. Those have now moved into the conventional Executive-funded major capital works programme. They will be treated no differently from any other projects that are in that programme. As I say, 104 were announced through the various calls. Eleven Fresh Start projects moved in, so we now have 114 or 115 — I would need to confirm that number — that are progressing at different stages. Forty are complete. We have approximately seven on-site. The Minister released a few more last year for us to move to site. Those will be on-site before the end of this financial year. We have others that are at different stages.

They are scored and prioritised on the basis of fairness and equity. They are put forward by the respective sector, as I said, but, once we get through the process, we are largely into being in a state of readiness for the availability of budget. We hope to release a number, and our Minister has been able to let us do that over the past year or so. That releases the pressure of too many building up at that pre-contract stage, because, if too many built up then, we would have to look at how we could justify school x going before school y when they are all still sitting at that pre-construction stage. We also have to be careful that they do not run out of time with planning, business cases and construction cost inflation. All that has to be brought to bear, and the Minister, as you well know, never misses an opportunity to make the case for increased and sustained investment for the school estate. That will be critical, because the major works make a real difference. Minor works, with our re-prioritisation being down to keeping schools open, are nothing but a sticking plaster, and sometimes there are sticking plasters on top of sticking plasters in a very aged estate.

Ms Forsythe: Absolutely, and I welcome the fact that all schools will be assessed against the same criteria rather than some sectors being elevated above others.

When will a comprehensive estate management information system be in place, and can you give a commitment that that will provide the data that you need to better understand and manage the school estate?

Mr Armour: We are working towards that. I have asked officials to do some work on looking at estate management systems elsewhere. I know that Stephen has been working with colleagues in the Republic of Ireland on what they have. We are developing our proposal and need. Can I say when exactly there will be such a system? I cannot give you a precise date, Diane, unfortunately. Again, it will be resource-driven, but Stephen might say a wee bit about the work that he is doing with ROI colleagues.

Mr Creagh: Again, the Audit Office report has brought into clear focus the need for a capital works programme management system. We have a lot of systems in place that are effectively spreadsheet-based and very manually based. You might think that that is a bit archaic, but it is what we use for our financial, programme management and reporting. We know that colleagues in the EA are examining various systems for those.

My colleagues in the area planning side have been doing some very good work on looking at geographic information systems (GIS) and the benefits that they can bring. They can bring a whole host of spatial analysis about pupil location, school location, travel to school and all that, which will help very firmly with area planning, for example, finding the best location for particular schools, given the actual catchment.

Ronnie referenced the engagement with the Department of Education in the Republic of Ireland. Its GIS is reaching out to the whole-of-government systems whereby it can bring in planning proposals for housing developments and look at the school estate and at how it is keeping pace. For example, if you are going to build 1,000 houses over here, where are the schools and what is the capacity? We take the capital works programme management system very firmly from the Audit Office report. We need to corral all those systems and bring them into a singular system that we can have confidence in and that will have reliable, accurate and up-to-date information. We believe that the information that we have on all the spreadsheets are those; there is no question about that. We report right up to the top of the house and the Minister on the basis of that information, but we would like to explore. There are systems that the EA is exploring that we could maybe engage with.

Mr Pengelly: I was just going to add briefly that I am a great believer in the idea that there should only be one version of the truth, and we need to make sure that we do not make the mistake of creating two systems — one in Rathgael House and one in Academy Street. We have talked about working on the need to focus on developing a new strategic approach, and a strand of that is developing how we

collaborate and work together. Part of that will be about looking at the building block of the new system that we are procuring and installing and the extent to which that meets the departmental needs because, obviously, the Department will have free and open access to that. The question is then about whether the Department has other needs that we do not and whether we can factor those into our system or build them on top of it, rather than create another system. The truth is that if you have two systems, you will never know the right answer, because you will get different answers from both.

Ms Forsythe: Absolutely. Preventative maintenance is more effective than short-term reactive maintenance. Richard touched on that, but, just for absolute clarity, are you saying that no planned preventative maintenance is taking place?

Mr Pengelly: That is correct.

Ms Forsythe: Are there any plans to re-establish it?

Mr Pengelly: It comes back to whether funding is available. The issue now is that there is no prospect of funding becoming available, because, at the moment, we just do reactive maintenance, which is when an urgent problem emerges at a school and it reports it to us through the helpline. Beyond that, we accumulate information on backlog maintenance, which is likely to cost £600 million or £700 million. After that, we get into preventative maintenance. Frankly, we are a long way from being able to do that, but it is an absolute necessity, because you can avoid £700 million of backlog maintenance by using a fraction of that on preventative maintenance at an earlier stage.

Ms Forsythe: You have brought all your figures on the funding together. You talked about some pretty huge numbers and set out the needs. I presume that, when you bring those figures forward, you set them out to the Minister. Does the Minister put forward your numbers when he bids for allocations? Can you detail the quantum that you recommended and what has been bid for? How much of a shortfall will there be as a result of what has not been approved?

Mr Armour: I said that we are bidding for £91 million in June monitoring. I offered the Committee a further breakdown of that. I will take a moment to find those figures. Of the almost £92 million that we are looking for in June monitoring, nearly £19 million is for inescapable major works, SEP and contractual commitments; over £36 million is for inescapable minor works; just over £3.3 million is for inescapable youth works; just over £10 million is for the high-priority SEN capital investment programme, £11 million is for high-priority minor works that are to advance on-site; £6 million is for transport; and £4.75 million is for inescapable earmarked expenditure for Strule. That is what we are bidding for. We have made the Minister aware of the needs, and he is supportive of doing all that he can through the Executive to try to secure that funding.

Ms Forsythe: That £91 million that you set out is for inescapable items.

Mr Armour: Those are inescapable, yes.

Ms Forsythe: That is not for preventative requirements or new builds; it for inescapable items. It is a huge number. It would be great if those bids were taken forward. We hope to have the support of the Finance Minister in taking forward capital projects that look after the safety of our children in school. Given that those with links to the Chief Secretary to the Treasury have raised other local capital works recently, it would be disappointing if works to manage safety in our schools were not funded.

The Chairperson (Mr McCrossan): Following on from a couple of Diane's questions, I will ask this: how long have the Department and the EA been operating in a capacity of reactive maintenance as opposed to having planned preventative measures?

Mr Pengelly: I will give Paul 30 seconds to think about that. In preparing for this meeting, I asked some EA colleagues whether they could remember the last time that we had a preventative maintenance budget, and we drew a blank. No one could remember. I think that you have been around for a year or two, Paul.

Mr Crooks: I have been around for about 37 years. I have been in this post for five years, and, in those five years, I have never seen us get to a place of planned maintenance.

The Chairperson (Mr McCrossan): That does not fill me with much confidence. It is quite depressing, actually. It raises a wider question about how we ensure that we get good value for public money if we are running around with sticking plasters everywhere. There are probably more sticking plasters than plaster in some schools. It is a very serious problem.

Mr Armour: We agree, Chair. That is why it has been really helpful to come to the Committee today. It has given us an opportunity — I am grateful to Audit Office colleagues for shining a light on this — to outline the scale of the problems that we face. I absolutely accept that it is not acceptable.

The Chairperson (Mr McCrossan): I appreciate that, Ronnie, but, with respect, I am sure that the countless other permanent secretaries who predated you have said similar things. It just seems as though — you will maybe not accept this — someone has been asleep at the wheel for a very long time and that we are just spinning around on the one spot.

Mr Armour: I do not accept that, Chair. I do not think that that is a fair analysis of it. There are very real problems that Richard and I are trying to deal with and that our predecessors tried to deal with through a lack of funding. Therefore, things have fallen behind and continue to fall behind.

Mr Pengelly: Chair, until I started in this role last April, I sat every Friday for 12 years with the permanent secretaries, and I can tell you with certainty that, for 12 years, I heard my counterpart in the Department of Education, through a number of different personalities, bang the table in frustration because of inadequate funding, particularly for maintenance of the schools estate.

The Chairperson (Mr McCrossan): The real question is how we resolve the situation. That is the £1 million question.

Mr Armour: Bidding for additional funding is central to that. The more funding that we can secure, the more willingness that we will have to want to drive forward with this. We have processes in place that mean that we could really eat into the backlog of maintenance if we had the funding to do it. That is why, collectively, I hope that the Committee will support us in saying that this is an urgent need and is something that absolutely needs to be addressed. Having said that, I am equally conscious of the fact that my permanent secretary colleagues in different Departments will sit in front of the Committee and say exactly the same, because that is the reality of the world in which we are, sadly, living.

The Chairperson (Mr McCrossan): It is the one thing that you are united on; there is no doubt about that. It is the one area where there is no silo.

Before I let Tom ask a brief supplementary question, I will say that an important concern that I have is that the Health and Safety Executive (HSE) has expressed concerns about unmet statutory obligations. What legal risks do the Department of Education and the Education Authority face due to non-compliance with statutory responsibilities for maintenance?

Mr Pengelly: Chair, that is a really important issue, and I will just give a wee bit of context. We have an annual statutory inspection programme that identifies issues where there is non-compliance with statutory obligations. At the start of this year, that had an accumulated backlog of about £29 million. We were so concerned about it that we took it to the EA board at the last board meeting. On an annual basis, roughly, the inspection regime identifies something that is in the order of about £5 million to £6 million worth of work that is needed. We are in a frustrating position where we can manage that £5 million or £6 million annually and deal with those issues as they arise, but we have that backlog hanging over us. Therefore, we are putting together a proposal, and we will engage with the board and the Department on it, to deal with that £29 million backlog over two years. We are putting together plans for how we will address £19 million of that this year and £10 million next year. Once we eliminate the backlog, we will be able to take care of the estate on an annual basis. In the absence of securing funding to do that, we are prioritising the high-risk stuff such as gas leaks or electrical wiring issues. There are some areas where statutory compliance is required, but they are at a much lower risk. We are trying to make sure that that is the stuff that sits for a slightly longer time.

It will ultimately land on the Minister's desk, but we just need to be prepared. In the absence of securing additional funding for the sector, we need to be prepared to say that, for 12 months, for example, we will pause as much of our normal minor works programme as necessary to get rid of the remedial issue, because that is where the risk lies. We are developing a proposal to do that that we

will speak to colleagues about. Once we clear the backlog, we can work on the basis that, as issues are identified, they are dealt with pretty much instantly.

The Chairperson (Mr McCrossan): OK. There are a number of other questions. Colm Gildernew will touch on those shortly. Tom, do you still have a supplementary question?

Mr T Buchanan: Yes, Chair, just very quickly. This may well be a hypothetical question, but the maintenance and all that goes back to finances and the fact that you do not have the money. If you had the money in front of you tomorrow morning, would you have the workforce in place to deliver? Have you a plan in place to put the workforce in place to deliver?

Mr Armour: That would be a lovely problem to have. Yes, we have workforce pressures, but I will let Richard deal with that from the operational side.

Mr Pengelly: Given the scale of the backlog, we will manage the work and it will be delivered through contractors. There is not the capacity in the market to deliver all of it in one year. It is a multi-hundred-million pound issue. Paul, if unlimited funding were available, could you estimate the bandwidth of the sector?

Mr Crooks: We would make it happen.

Mr Pengelly: It would not happen in one year.

Mr Crooks: No, it definitely would not happen in one year. I can categorically say that. There would have to be a planned programme to work on that backlog. However, I can say that there is now an infrastructure in maintenance to be ready to do that.

Mr Armour: It is a problem that we would love to be facing.

Mr Boylan: It is starting in South Down first. *[Laughter.]*

Mr T Buchanan: It will be in West Tyrone first. *[Laughter.]*

Ms Brownlee: Like my colleague, I have two children. One is at a secondary school that operates on a split site and is awaiting a new build. My son is at a special school. I have visited a number of schools in East Antrim, and I can see the very real issues. I appreciate that you have come to the Committee with an open mind.

The data piece has been discussed significantly. How does the EA prioritise maintenance work? How does it vary across the sectors?

Mr Pengelly: I will ask Paul to fill in the gaps. At the moment, we do not do enough maintenance work to do to face the dilemma of prioritising it. We are doing only reactive maintenance. Typically, a school will ring our helpline when it has a problem. The call will be triaged by a maintenance officer, who will assign it a two-hour response time, a four-hour response time or a response time of a couple of days. If the issue is something that will lead to a critical health and safety issue or force the school to close if not addressed, we will step in and deal with it. If the issue will not result in that, it is pretty much put on the shelf, because we do not have the funding to deal with it.

Mr Crooks: There is a triaged response to maintenance, as Richard outlined. We also do statutory inspections, which are about keeping children safe in schools, and what we call emergency works come out of those inspections. There is response maintenance, which is triaged. There are statutory inspections and statutory remedial works, and there are also unavoidable works. For example, if we replace a boiler, that will be considered emergency works. If the whole heating system needs to be replaced, a much larger cost is involved, and, when the budget becomes available, that will come under unavoidable works. The last part of the jigsaw is planned maintenance, which we have discussed, and that does not happen. We triage all the maintenance in order of response to schools: statutory inspections; statutory remedial works; and emergency works. All are about keeping schools open and children safe.

Ms Brownlee: Is the process the same for all sectors?

Mr Crooks: Absolutely, with the exception of grant-maintained integrated schools and voluntary grammar schools.

Mr Pengelly: Voluntary grammar schools and grant-maintained integrated schools look after their own maintenance needs. They get an allocation. All other schools get an allocation through the funding formula for tenant maintenance, which is at the small end. The EA is responsible for landlord maintenance for voluntary grammar schools and grant-maintained integrated schools, which get the money for both types of maintenance and take responsibility for themselves. The process is therefore the same for all sectors bar those two.

Ms Brownlee: Is the helpline monitored? Can you see from a database from where the calls come and how fast the response is? Can you tell the complexity and intensity of the calls?

Mr Crooks: We have a dashboard to monitor the calls. It is all about performance. We have 12 operators and a single line. If a school principal rings, it is to one line with 12 operators. The call will be triaged by an operator, and there is a technical maintenance officer who will advise the operator. The dashboard shows the number of calls and our performance in response to them.

Ms Brownlee: Do you receive much feedback from principals or others about how the helpline is working?

Mr Crooks: I can share the dashboard with the Committee to show how we are performing. Having a single line has improved our response to principals and the support provided. The frustration is with the response of legacy term service contractors. There is a new term service contractor being embedded in schools, so you will see a vast improvement.

Mr Pengelly: In February, separately and for the first time, we issued a comprehensive survey to all school leaders across all sectors asking for detailed feedback to help us develop an improvement plan across the EA. Some 322 out of 1,100-odd school leaders responded. We had asked for granular details about the services that we offer with which they were less than satisfied so that we could start to work with them to fix services. I want to do that survey annually to make sure we are addressing the issues that really matter to school leaders.

Ms Brownlee: I know that funding is a massive issue, but communication is key. Every time that I speak to schools, they are aware that there is a funding situation that will not change overnight. Communication can be improved, however. If principals contact the helpline, an open and honest dialogue is needed with the operator so that they know exactly what will be done.

I will move on to the SEN piece. There is huge pressure on the Department, and it rightly needs to be addressed. Those children need the right support and assistance. How are you budgeting for that in the schools estate? Are the Department and the EA working with officials from the Department of Health, for example, to plan to ensure that, in years to come, we are prepared and ready to have a schools estate that is suitable for children with special educational needs and disabilities?

Mr Armour: I will let Richard deal with the operational side and placements. I can give you an assurance that we are working with the Department of Health. I recently met the new interim permanent secretary in the Department of Health to discuss that very issue, because, collectively, we need a task force made up of the EA, the Department of Education and the Department of Health. He was appointed recently, and I have had the conversation with him about trying to take that work forward.

Mr Pengelly: There are a number of issues. On the management of the schools estate in general, in response to the Minister's concerns about the need to prioritise SEN, rather than have SEN dealt with by way of a disparate approach through a number of different lines, we have now established a coherent budget line for special educational needs in an attempt to bring it all together and give it particular focus.

The big issues that we face are twofold. There is the challenge of ensuring that existing SEN provision is fit for purpose and up to standard. That is part and parcel of the generality of the issue that we face. There is then the particular challenge of creating new capacity. As things sit at the moment, it is an issue that is keeping Ronnie and me awake most evenings, because we are genuinely concerned that, come September, for a fairly large number of children, we will simply not have a school place to

offer them. We are therefore working proactively with school leaders. Ronnie and I visited a large number of schools. Last week, the Minister wrote to a large number of schools to encourage them. First, it is about schools being content to work with us to create capacity. It then becomes an issue for our capital colleagues to get out and deliver capacity. The budget is specifically allocated to create that capacity, because we have to get placements for those children.

Mr Armour: I will add to what Richard said, because it may be helpful to give the Committee some figures. Investment in specialist provision has increased considerably in recent times. Over the past five years, the total capital investment rose from £7.8 million in 2019-2020 to more than £51 million in 2024-25. The allocation in the current year is £70 million. Huge amounts of additional funding are therefore being put into it. The Minister has been supportive. Indeed, he has been driving it.

Ms Brownlee: Every child deserves a school place. For children with special educational needs in particular, having a school place in the right environment is crucial, so it is good to hear that.

We discussed how maintenance is done in the different sectors. Has there ever been a survey done or an in-depth look taken to see whether voluntary and integrated schools that handle their own maintenance do it differently from or better than schools in the controlled and maintained sectors?

Mr Pengelly: They are part of the condition survey. Our condition survey will extend to voluntary and integrated schools, so that may be information that we had at a point in time. I do not think that we capture it at the moment. Do we, Paul?

Mr Crooks: As Richard said, we are surveying grant-maintained integrated schools and voluntary grammar schools, but we can certainly look at that data to make a comparison.

Ms Brownlee: It is always good to have a look at best practice to see what is being done well so that we can ensure that all schools get the best possible service. Thank you.

The Chairperson (Mr McCrossan): I am conscious that we have now been grilling you for almost two hours. I think that it is appropriate that we take a five-minute comfort break —

Mr Gildernew: We are at the halfway stage. *[Laughter.]*

The Chairperson (Mr McCrossan): — and let you get a breath —

Mr Boylan: It is a long time until 8.00 pm. *[Laughter.]*

The Chairperson (Mr McCrossan): — if that is OK.

Suspended.

On resuming —

The Chairperson (Mr McCrossan): We are now back in open session. We still have with us our witnesses: Ronnie Armour, the permanent secretary in the Department of Education; Richard Pengelly, the chief executive of the Education Authority; Paul Crooks from the Education Authority; and Stephen Creagh from the Department of Education. Thanks for your patience and for taking our questions. A number of other members wish to ask questions.

Mr Delargy: A huge number of questions have been asked already. Chair, at the outset, I declare an interest as a former teacher and as a current member of the board of governors of a primary school.

The Chairperson (Mr McCrossan): Thank you.

Mr Delargy: I will touch on a few of the issues that have been raised already. I note that there are pilot exercises, and they are very welcome. The one that Richard touched on earlier about electronics was interesting. He talked about how there could have been issues that were not protected under the EA. I get that. For me, there are other issues. For example, the need for painting is much more obvious to anybody doing an inspection. With that mindset, where there is a significantly higher cost involved for schools to get that work done themselves rather than contract it out, it just does not make sense and

is not value for money. The Audit Office report highlighted a few of the issues, one of which was managing maintenance performance with those contractors. There were issues with that in the past. Can you assure the Committee that you are now getting value for money?

Mr Pengelly: Yes, thanks for that. Paul will know a lot of the detail, and there is probably a limit to how much detail you want to hear. There are now 18 new contracts in place. Some of those went live on 1 May. A couple still have to go live.

One of the big issues with the previous approach was that there were a much smaller number of contracts in place. Some rural schools in particular found that if they had a problem, there was an inordinate delay in a contractor coming from Belfast to deal with it. There were simple issues to do with performance, so the 18 lots have been broken up geographically to align with council areas as far as we can. There are key performance indicators for responsiveness and the time taken to deal with an issue. Equally, there is a set of metrics to measure quality. We are also putting in place a system whereby, rather than our having to inspect work physically, we get before and after photographs automatically uploaded to the system. We can therefore do that remotely, which frees up a bit of capacity.

The short answer is yes. The new contracts will allow for better monitoring and management. What we have not done yet with the new contracts is to get into any form of sanction where performance has not been what is required, but we will move towards doing that. Paul, is there anything that you want to add?

Mr Crooks: You have done my job for me, Richard. You have made it very easy for me. Thank you. You are absolutely right to say that we are letting the new contracts bed in. In June, we will be introducing financial penalties. All the points that Richard has articulated are covered by the KPIs. The previous contract had been in place for many years, and the new contract is fundamentally different. It is written by us, for us and for schools.

Mr Delargy: One of the big issues that principals raise with me is not just about the quality or the cost of work but about the time taken, and you have touched on that with other members. A school in Derry contacted me in advance of the Committee meeting to say that it has been waiting since 2020 for a maintenance issue to be resolved. First, is that commonplace? Secondly, do you think that it is acceptable to be waiting over five years for a maintenance issue to be resolved?

Mr Crooks: It is absolutely not acceptable, and I am disappointed to hear that, because that is not the target for which we are aiming. The new term service contractors will address that. It is about performance, not just of EA maintenance but of the term service contractors. I would welcome the opportunity to get details about that school so that I can then get further information about what has happened there.

Mr Delargy: That is welcome, and I am happy to provide you with them. It is not an isolated incident, however. I am routinely contacted, as I am sure that everybody else in the room is, by schools that are waiting extremely long periods for maintenance work to be done. I do not need to tell you that the issue can then intensify in that time, resulting in more work being needed.

The report states that £77 million was allocated in 2023-24, yet only £5 million of that was spent on maintenance in schools. We all know the current funding constraints, but do you think that that is acceptable? On what was the other £72 million spent?

Mr Pengelly: There is a wee bit of confusion over that bit in the report. I was looking at it the other day. First, the £77 million is not allocated as such. When the Executive make a budget allocation to the Department, it goes through the processes and comes down as a large quantum of funding that is available for the delegated schools budget. We then use a formula to distribute that among schools. It therefore does not determine the total amount. Rather, it determines how the total amount is allocated. One component of the formula is for premises. I think that about 60% is based on the size of the school building and about 40% is based on pupil numbers. The important point to make is that that just determines how the delegated schools budget is distributed. At first pass, it is absolutely for school leaders to determine how that funding is spent. It is not the case that school leaders are compelled to spend the £77 million in a certain way.

More importantly, the £77 million is the notional indicator for premises cost, not for maintenance. The premises cost is the full range of cost. That will include things such as building maintenance and

ground maintenance, utility cost, the cost of having caretakers and the cost of cleaning. On the £77 million that you referred to, if I look just at the controlled and maintained bit, I see that £27 million of that was for voluntary grammar schools and grant-maintained integrated schools, which do their own thing and do not have to report to us. Of the £77 million, £49.4 million was for the controlled and maintained sectors for premises. Against that, controlled and maintained schools spent £99.6 million in that year on premises costs. As I say, there is local delegated authority to determine how it is spent. Notwithstanding that, more was spent than the formula suggested.

Mr Delargy: OK. I know that you have provided us with some of the detail on that. I am very disappointed, however, that it was broken down into only two categories, with an overall total given per year, because we had requested a breakdown per constituency and per school. Do you have that data? If so, did you choose not to provide it to the Committee, or is there a reason that you have not provided it to us?

Mr Armour: It is not that we chose not to provide it to the Committee. We got your letter towards, I think, the end of last week. We gave the Committee what we could give it within the time frame available. I know that Stephen did some work on breaking it down by constituency.

Mr Creagh: The letter asked only for a breakdown over the past five years. It did not ask for a breakdown by constituency.

Mr Delargy: I will outline the detail. In the past week, you have given us two figures for each year, so you have given us 10 figures. That is really concerning. I know that we have touched a lot on data already, but if that data is not accessible and ready to go before you come before the Committee, how can you be tracking it properly?

Mr Armour: In fairness, we have given you what you asked for in the letter. In the letter that Stephen has just given me, the Committee requests that a list of the total maintenance costs for both primary schools and secondary schools in the school estate over the past five years be provided. That is what we provided to you. We were not asked for a further breakdown, but we are happy to look at that if the Committee needs it.

The Chairperson (Mr McCrossan): Ronnie, thanks for that. Pádraig, there is a wee bit of confusion about what was requested. We will seek more detail, but what was received is what was requested. There was a bit of confusion on the part of the Committee.

Mr Delargy: Do you have that detail? If we were to ask you for it ahead of next week's Committee meeting, could you get it for us?

Mr Armour: We would need to check with the Department of Finance exactly how we break it down. I do not want to give a commitment that we can do that by next week, but we will certainly take your request away and look at it. We are more than happy to come back to the Committee and provide whatever we can provide.

Mr Delargy: Have you not already looked at the breakdown of the data constituency by constituency and school by school? Is that not something that is available to you?

Mr Armour: I am not saying that that is not available. What I am saying is that I have not looked at it specifically. In the context of the letter that the Committee sent to us at the end of last week, we have provided what was asked for. We will take away your request, Pádraig, and look at what you are saying to us now, if that is what the Committee would like us to do.

Mr Delargy: I take that on board.

Mr Armour: I will go back and look to see what we can provide. If we can provide the breakdown, there is certainly no issue with our doing so. I am not saying that we will be able to do that for next week, however, because I do not know what work will be involved, but we will certainly provide what we can.

Mr Delargy: I get that. The overarching point that I am making, however, is that, if I were to ask you today to give me a rough comparison of maintenance spend in Derry and that in Newry, Fermanagh, Antrim, Belfast, Armagh or any place in between, would you be able to do so?

Mr Armour: I do not know whether we would be able to do that. I suspect that we may well be able to, but I will need to go back and look at the information that we have and at how it is broken down.

Mr Delargy: That is problematic. If you do not know the information offhand, it creates a situation in which, when we ask that sort of question, we cannot get the answers that we need. That is data that should be known. Although I do not expect you to have the exact figures, I would expect you to be able to provide the data so that we can compare constituencies.

Mr Armour: I am not saying that we cannot do that. I am saying that I need to go back and look at the precise nature of how we might do that. There is a willingness on our part to give the Committee what it asks for, and we will certainly go back to look to see whether we can, but we have provided the Committee with what it asked us to provide for today. I will take that request back and look at it. I am not saying that we cannot do it.

Mr Pengelly: I will add to that. When it comes to accessing that information, there is the issue of transparency, accountability and our being responsive to a Committee's legitimate request, but, to be clear, in the management of our maintenance programme, we do not routinely compare how much is spent in two different constituencies, with a view to trying to balance spend in any way. We deal with maintenance problems as they arise. The triage system applies only to the criticality of the problem. In that sense, it is blind to the geographical area in which the problem has arisen.

Mr Delargy: I appreciate that, and I appreciate the fact that you will provide us with enhanced detail. That will be very welcome. I am, however, confused about why that detail is not more readily available and about why, although you are looking at it in an overarching way, there is not an overall understanding of the data. That is a concern for me.

I will touch on another point. I know that we are focusing on maintenance, but maintenance work is inextricably linked to the bigger issue of new builds. By way of an example, the primary school that I went to, which is St Eugene's Primary School in Derry, was promised a new build when I was at the school in 2002. It never happened. Last year, the school's roof collapsed. As I am sure you know, a lot of the classes had to move out of that part of the school and on to the other site. First and foremost, the roof collapse shows that there was a huge safety risk to pupils and staff, but it also has financial implications. The fact that the new build was not secured in 2002 would be interesting to look at as a case study in the context of the inquiry, because it shows that, had the money been spent properly at the time, the safety concerns that have been exacerbated and that have grown over time would not be arising today. That is critical to note. The lives of children and staff were put at risk because that work was not done. It is as simple as that. That is the reality. The overall picture therefore has to be looked at. I appreciate that the report focuses on maintenance, but a look needs to be taken at the link-up between maintenance and capital.

I would appreciate it if that data can be provided for next week, because it would be useful for us to get a breakdown of the data.

Mr Armour: We will take away Pádraig's request and look at what can be done, Chair. I assure the Committee that if we can do that for next week, we will.

The Chairperson (Mr McCrossan): The confusion is on our part, Ronnie. You provided what the Committee Clerk and the Committee team requested. We should have been more broad in our request. You can keep us updated.

Mr Armour: Yes. We will do our best to meet whatever the Committee requires.

The Chairperson (Mr McCrossan): That is fine.

Mr Gildernew: I want to ask about a point of clarification before I get to my main area of questioning. Ronnie, in setting out the figures, you stated that there is an £83 million shortfall, after you strip out the £59 million for Fresh Start and £102 million for the Strule project. There is an £83 million shortfall, but

the June monitoring bid was for £91.6 million. Is that connected to the £4.75 million that you mentioned for the Strule project? Is that to pay for an overrun in the cost of the Strule project?

Mr Armour: It is not an overrun.

Mr Creagh: Once the scheme reaches its on-site stage, construction can either be quick or it can reach issues. We have reports that construction on-site at Strule is going well, so the bid is to increase the allocation for the year. The figure seeks to increase the earmarked allocation, so it is not dipping into any other Executive funding.

Mr Gildernew: OK. I wanted to clarify that. There are some very worrying messages coming out. Perhaps the most worrying is that there is a perception that only the most essential work is being done and that there is no preventative maintenance. The problems are increasing, and at times it seems that we are taking one step forward and two steps back. We talk in almost academic terms about underfunding and not funding according to need, but our current position is what underfunding brings you. What we have is the outworking of 15 years of austerity: less of the preventative work gets done, which costs the system more. Add to that the decades of underinvestment in key infrastructure across the North. That is not passive; there is an active cost of running the system in outdated buildings. Your mention of single glazing probably crystallises that more than anything else. It is shocking to hear about that in this day and age. How much of the school estate remains single-glazed?

Mr Armour: I do not know the figure off the top of my head. Paul may have it.

Mr Crooks: I do not know it off the top of my head, but I can provide you with it.

Mr Gildernew: You said that condition surveys have been done on 39% of the estate. Do you have the figure for the 39%? Maybe that is not representative, but do you have the figure?

Mr Crooks: I do not have the figure with me, but I can provide it to the Committee.

Mr Gildernew: Heating the energy inefficient schools must cost the Education budget a fortune.

Mr Crooks: Absolutely.

Mr Gildernew: It is also having an impact on our carbon footprint. There is a necessity to invest to save in order to get ahead of the curve. You have tried to demonstrate your willingness and positivity, should the money be there to do the work, but until we get proper funding that addresses not only the current need but the historic impact of the underinvestment that is crippling public services, this will remain an issue.

My key questions are about safety. I give you the example of a school in my constituency: St Macartan's Primary School in Clogher, south Tyrone. That school, which I have mentioned on the Assembly Floor, has more than doubled in size as a result of the sustainable schools policy and area planning. It accepted an influx of students, which was deemed to be necessary and the correct thing to do. Additional mobile classrooms were given to the school, but it was given no additional space. There is approval for minor works to a hall. There has been no extension to the dining or catering facilities, which means that the children are being fed lunch in two or three shifts. I have been there and seen that the staff eat their lunch off their knees and sit shoulder to shoulder in a room that is like a broom cupboard because every available space is being used.

Those issues have a real impact. Granny and granddad's night has to take place over three nights because staff are having to work for an extra two nights, which has a bad impact. There are also safety issues. There have been several children injured in the school, and it is accepted that the incidents were connected to overcrowding. Ronnie, as departmental accounting officer for the school estate, how confident are you that all our schools are safe for children?

Mr Armour: That is a very challenging question. With over 11,000 schools, and in the context of an ever-changing situation with backlogs and all the rest of it, I am as confident as I can be. We have robust reporting mechanisms in place. EA colleagues have already explained how they process and triage that. We are focusing on dealing with the most significant issues. However, I cannot get away from the fact that you have given a good example of an area in which there is overcrowding and challenges. Health and safety is the responsibility of us all, from boards of governors right through to

the Department. We will seek, through the EA, to address and triage the most significant issues that are brought to us. I cannot really speak to the detail of your example.

Mr Gildernew: I do not expect you to. I only used that example to illustrate the issue.

Mr Armour: I am more than happy to take it away and look at it. Do you want to comment, Stephen?

Mr Creagh: The school principal or chair of governors can escalate that if they wish. As Ronnie said, health and safety responsibilities rest with the governors of any school, and if there is significant overcrowding that is leading to safety issues, they should flag those, first and foremost, with the maintenance help desk.

Mr Gildernew: They have been flagging it, as have I, repeatedly.

Mr Creagh: OK.

Mr Gildernew: They have done their job. They have raised the issue. I am using that example only to illustrate a point.

Mr Armour: I absolutely accept that.

Mr Gildernew: The school has done everything that it can. In fact, it is going above and beyond to maintain services, but that is symptomatic of a wider problem that we are discussing. Are there any indications from the 39% of condition surveys that have been done that are schools that are unsafe?

Mr Crooks: On the condition surveys, statutory compliance is more about the safety issues from purely a maintenance point of view. The condition surveys will, of course, look at the fabric of the building, and any critical safety issues would be flagged immediately to maintenance to address them.

Mr Gildernew: How many have been?

Mr Crooks: I do not have that information to hand. I can supply with Committee with that.

Mr Gildernew: Yes, please.

Mr Crooks: I can reassure the Committee that safety issues relating to maintenance are our top priority. What you are discussing, Colm, is capacity — the size of the school.

Mr Gildernew: No, capacity is leading to safety concerns.

Mr Crooks: Yes, that is my point.

Mr Gildernew: Richard, as the employing authority, how does the Education Authority ensure that the estate is a safe workplace for all staff?

Mr Pengelly: My answer is similar to Ronnie's; I would not differ with what he said. Clearly, it would be ludicrous to have a school that was safe for pupils but unsafe for staff; it needs to be safe for both. Nowhere can ever be perfectly safe because slips and trips will always happen. Due to statutory inspection regime, I can put it like this: schools are as safe as we can currently make them and are safe to an acceptable level. I would like to go further. Are the schools in an acceptable state? Are they fit for purpose? No, they are not. We should do better for pupils and for staff. We will continue to work on that, but the key point about safety is the one that I made earlier: we need to work hard on a proposal to eliminate the £29 million backlog of statutory remedial works. That is where the rubber hits the road in terms of safety. We need to get on top of that backlog and eliminate it. If we do that, I will be able to tell you with authority that, as our inspection programme rolls out over the course of the year, everything that is an issue will be dealt with in that same financial year. That is a much more comfortable place to be in than where we are today.

Mr Gildernew: Is any of that £29 million for emergencies or whatever phrase is used? Is any of that related to reinforced autoclaved aerated concrete (RAAC)? Are there any safety issues with that?

Mr Pengelly: No, that is a completely separate safety issue. The Department has identified only one school with RAAC, and that has been addressed.

Mr Crooks: When we became aware of RAAC, 122 initial surveys were carried out. The Department provided funding to the EA for a further 180 surveys of schools across the Province, which did not show up any further instances of RAAC in our school estate.

The Chairperson (Mr McCrossan): There is a variety of issues. I will touch briefly on the Climate Change Act 2022 responsibilities. Ronnie, will all new schools be completed to a standard that will allow the Department to deliver on plans for net zero carbon emissions without the need for expensive retrofitting? For example, in my constituency, work on the Strule campus is well under way. I am told that it will come in under budget, and I would be very happy if that was the case, but I will not hold my breath. Will those buildings be fit for purpose in line with the requirements in the legislation?

Mr Armour: All new builds that are authorised now will meet the requirements in the legislation. The Strule campus has been developed with a very strong focus on low and zero carbon principles, which is in line with our standard guidance. There is a lot of work being done on the Strule project regarding green energy measures and so on. We are making progress with that. If you are asking whether there will be work to be done in the future, I suspect that there will. When work started on the Strule project, we were not starting from same place that we would be starting from now.

The Chairperson (Mr McCrossan): To be direct about it, will the campus buildings be built to the standards required in the Climate Change Act?

Mr Armour: They will certainly be built to the standards required by the legislation that was in place when the Strule project started as a concept.

The Chairperson (Mr McCrossan): How long ago was that?

Mr Armour: Probably 10 years ago.

The Chairperson (Mr McCrossan): So, it will not meet today's requirements.

Mr Armour: It is not going to absolutely meet —.

The Chairperson (Mr McCrossan): What are we spending on Strule?

Mr Armour: I think that the cost is £375 million.

The Chairperson (Mr McCrossan): Right. We are spending £375 million on the project, although it may come in under budget. Hopefully it will: if it does, I will be the first to praise you. We will have a shiny new educational campus with various schools on site, but the buildings will not meet the standards in the current legislation. What would be the cost of upgrading them retrospectively?

Mr Armour: I do not have the retrospective cost —.

The Chairperson (Mr McCrossan): It would be substantial.

Mr Armour: I suspect that it would be substantial.

The Chairperson (Mr McCrossan): The project does not really does not guarantee good value for public money, then, because we are not doing it right the first time. I get the issues that exist and that there have been delays, but surely there must be some measure that we can take to ensure that we fix those things. I have made my point on that.

That is for schools that have already received planning permission. Say, next week, a number of new schools buildings are announced, and they go through the planning process. Will they —?

Mr Armour: They will be built to the standards and requirements of today.

The Chairperson (Mr McCrossan): In the current legislation?

Mr Armour: Yes.

The Chairperson (Mr McCrossan): OK. That is good.

This is my final question. Given the projected cost of meeting the net zero targets, would it cost more to retrofit some existing schools than it would to knock them down and build brand new schools. I am sure that there is a long list of schools in that category.

Mr Creagh: Retrofitting is something that we will have to look at. I mentioned earlier that we are looking at a pilot exercise to consider a number of measures. We have to make sure that we have the appropriate metrics in place. Obviously, we have an aged estate. We have other factors associated with the estate in addition to energy and green growth that we have to contend with. Many schools across the estate are simply not suitable or in compliance with the current handbook. We have classrooms and corridors that are the incorrect size. A number of schools are over capacity, including the school that was referenced earlier, and we have had to put in modular accommodation on those sites. A business case will be done, and all options will be looked at, including whether it is better value for the public purse to have a complete new build or to retrofit. It depends on the nature of the school. Some schools probably lend themselves to retrofitting more straightforwardly than others. Many of our schools in the estate are listed, which means that we are restricted in what we can do. We have just completed a primary school in east Belfast that is a listed building, and there is no question that it adds cost. In such cases, we are restricted in the changes that we can make to the facade. Some listed buildings require you to keep single-glazed metal windows in place, and so we have to come up with other ways in which to address that.

The Chairperson (Mr McCrossan): I understand that it is not straightforward. I was thinking about Strule as you were speaking.

You said earlier that it would be quite costly to interrupt a process that had begun, albeit that was 10 years ago. Has there been any assessment as to whether it would cost more to disrupt the process now or to do the retrofit in the long term?

Mr Creagh: The Strule project has come back to us on that. The estimate that it has is that there would be a 40% uplift in cost in order to meet that requirement. That is because the design was based on approvals that date back to 2015 and 2016, when the design and statutory planning approval were in place. I should add that thermal modelling is under way on the project, and its design meets the current statutory requirements on ventilation, thermal comfort and indoor air quality. A lot of the factors are being addressed. Furthermore, the independent measures, such as BREEAM, formally the civil engineering environmental quality assessment and awards scheme (CEEQUAL), are targeted and aim to achieve the "excellent" standing. In discussion with the Central Procurement Directorate (CPD) in 2020, when we had the announced list, we were looking to see whether we could pilot some green growth initiatives in those new builds. CPD suggested that we could go for BREEAM "outstanding" as opposed to "excellent". I want to give you an assurance that measures are being taken on the Strule project to bring it as close as possible to the current requirements. There is no doubt that it will not meet the net zero requirement, but it will meet many of the other requirements under the regulations.

The Chairperson (Mr McCrossan): Finally, would it be reasonable for us to conclude that, with the way that things are financially and with other demands, the school estate will be making very little contribution to the achievement of net zero? Has the Department any hope that the school estate could meet the requirements of the legislation as laid out in the Climate Change Act?

Mr Armour: It is going to be very challenging for us. As Stephen said, a number of pilots are ongoing, but I would not want to mislead the Committee or underestimate the scale of the challenge that is ahead.

Mr Creagh: The Department is represented on the cross-departmental working group in that regard. We will do our best to keep pace, but the feedback from that group is that many Departments are struggling to meet those requirements, given the lack of funding that is available for doing so.

The Chairperson (Mr McCrossan): Very finally — you will be glad to hear that — is there any recognition or assessment that the physical condition of schools has any impact or effect on pupils' well-being and educational outcomes?

Mr Armour: The environment in which children learn is really important, but I have not seen evidence to suggest that it can have a direct negative impact. We believe that the environment is not acceptable and that we need to do more to change that. We need to have the necessary funding available to do that.

The Chairperson (Mr McCrossan): Have the Department or the Education Authority ever attempted to measure that?

Mr Armour: Not that I am aware of, Chair, no.

The Chairperson (Mr McCrossan): Do you think that that is needed?

Mr Armour: As in all of these things, absolutely; it would be very useful information to have, not least to help us make the case for additional funding.

The Chairperson (Mr McCrossan): OK. You will be relieved to hear that we are nearly done. I am stunned by the 40% figure for Strule, by the way: I am trying to comprehend how that is so high. I am keen, Stephen, in the interest of public funds, to be furnished with some further details on how that figure was arrived at. Do members have any other final questions?

Mr T Buchanan: My question may be slightly outside the remit of our inquiry. Finance is a big issue. How much of the school estate in Northern Ireland is lying vacant? If those properties were sold or otherwise disposed of, that may well bring in some income. It would not be to the level that we require, but it would bring in some income. It would be good to know what we have in the school estate across Northern Ireland.

Mr Armour: I do not have a figure. I am not sure whether Paul or Richard could find that for you.

Mr T Buchanan: Perhaps you could provide that to the Committee.

Mr Pengelly: The point about selling vacant properties and make use of the money because we have a burning financial problem is an important one. I was out last week in Belfast, in Ligoniel, with one of our MPs. There is a vacant plot of land there that was formerly the site of a school. We have plans to put a special educational needs facility on that land. However, the community is crying out for some flat surfaces so that it can access sport. Sport is a hugely important for children's learning. We need to be smarter. I am not an expert, but my sense is that half of that site would be enough for our needs. We need to work harder to release sites, whether that is to the Housing Executive for social housing or to the community so that they can be repurposed. We need to look at all vacant properties, not just to sell them but to rebadge, rework and sweat those assets.

Mr T Buchanan: It would be good to get a breakdown of how many vacant schools there are in every constituency and that type of thing.

Mr Armour: We will take a look at that.

The Chairperson (Mr McCrossan): There is the cost of security as well, Tom, which is substantial.

Mr T Buchanan: Absolutely.

Mr Boylan: Ronnie, there was nothing wrong with the steel frames and single glazing. *[Laughter.]* A right few of us survived under those conditions. As long as there was a tub of putty about, you were all right.

The Chairperson (Mr McCrossan): Stuart, do you have any comments?

Mr Stuart Stevenson (Department of Finance): Nothing from me, Chair.

The Chairperson (Mr McCrossan): Dorinnia, are you and your team content?

Ms Dorinnia Carville (Northern Ireland Audit Office): Yes.

The Chairperson (Mr McCrossan): I appreciate your time and your taking our questions today. Obviously, it goes without saying that the current state of the school estate right across Northern Ireland is not acceptable. We are dealing with a legacy of underinvestment and fragmented governance, which must be addressed as a matter of urgency. I think that you get the sense from members of this important Committee that we are very frustrated by what we have heard and by the state of the school estate generally. I am encouraged to hear that rolling condition surveys are under way and that some steps are being taken to establish clearer oversight and planning, but much, much, much more must be done, particularly on preventative maintenance and capital prioritisation. We need to get away from a sticking-plaster approach, and we need to do more to guarantee and ensure good value for public money.

I am also deeply concerned about the transition of PFI and PPP schools back into public hands, and I expect, as I said earlier, the Department to provide further clarification and assurance on how those assets will be assessed, managed and funded, because, following today's session, I am sure that the relevant schools and the people in the constituencies in which they are located will have those burning questions for us.

We will be reporting in due course on the recommendations to address some of the very alarming issues that we have heard about today, including the fact that there is no strategy in place. There is a desperate need for that overarching strategy. We need to ensure that public money is spent effectively and in the right places and, thereafter, is targeted to the schools that are most in need. The current approach is quite sporadic, and it has raised more questions than we have had answers.

All members have shared frustrations about this issue today. We hear about it on a daily basis. There is a responsibility, Ronnie, on your Department and, of course, on you, as permanent secretary and accounting officer. Equally, that applies to Richard, as chief executive of the Education Authority. We have taken some reassurance from what you told us about the improvement in the relationship and the work that is being done to continue improving the culture and work output and the joined-up working that is required to resolve some of the problems. I appreciate that very much.

On behalf of the Public Accounts Committee, I thank you, Ronnie, as permanent secretary. I wish you well in your role as interim permanent secretary. I thank you, Stephen, for taking questions. Richard, this was my first opportunity to meet you. I wish you well in your role and with the challenges ahead. I thank you, Paul, as well. There are a number of things that we have requested, and we would appreciate getting them as soon as time allows. We will keep a very, very close eye on this after our report is published to ensure that the recommendations are accepted and adhered to. On behalf of us all, thanks very much and take care.