



European Construction Sector Observatory

Policy measure fact sheet Italy

School construction plan (*Piano di edilizia scolastica*)

Thematic Objective 1

March 2016

Implementing body:	Ministry of Education, University and Research (Miur); Mission Structure for school construction (within the Presidency of the Council of Ministers)
Key features & Objectives:	Three programmes entailing the construction of new schools/major renovation works; safety improvements of existing schools; small maintenance/décor interventions
Implementation date:	July 2014 – 2016 (month T.B.C.)
Targeted beneficiaries:	Municipalities/provinces/metropolitan cities; schools and parents/students; construction companies
Budget (EUR):	EUR 1.1 billion from various sources (Stability Act, National Development and Cohesion Fund, 'Do' Decree, Miur grants)

In a nutshell

The poor condition of Italy's extensive school building stock, already repeatedly criticised by a number of stakeholders, has recently been confirmed by the League for the Environment (*Legambiente*) and the Ministry of Education, University and Research (Miur). 58% of the over 42,000¹ schools surveyed was built before the anti-seismic regulation of 1974, and 32.5% is in urgent need of maintenance. This is particularly alarming considering that 41.2%, 9.8% and 8.4% of schools are located in areas of seismic risk, hydrogeological risk and volcanic risk, respectively². Furthermore, only 39% of the buildings have the certificate of habitability/viability³.

In parallel, the country's construction sector has been struggling with the effects of the crisis, resulting in a 41.5% drop in production, 35% fall in profit and 23.4% decline in the workforce since 2008, as discussed in the Country Fact Sheet for Italy⁴.

In light of the above, the Italian government has identified school construction as a key area of intervention to improve the safety of students and staff, while at the same time boosting the national

construction industry. In July 2014, the School Construction Plan was launched, with an initial budget of EUR 1.1 billion. The Plan entails interventions that fall under three programmes, #ScuoleNuove, #ScuoleSicure and #ScuoleBelle. These involve the construction of new schools and major renovation works, safety improvements, and small maintenance and décor interventions, respectively.

All three programmes have achieved encouraging completion rates and efficient resource utilisation. This is due to improvements in the accessibility and governance of the available resources compared to previous initiatives, as well as measures to accelerate the procurement and realisation of interventions. Overall, the Plan is viewed positively, although the effectiveness of #ScuoleBelle is being questioned by all the main beneficiaries (parents, consumer associations, construction industry). These stakeholders would like to see the resources of #ScuoleBelle redirected towards #ScuoleSicure, which is believed to be of utmost importance but yet not supported enough through the currently available funds.

General description

The School Construction Plan (*Piano di edilizia scolastica*), implemented by the Ministry of Education, University and Research (Miur), became operational in July 2014, following the Prime Minister's call to mayors for the submission of a first list of priority projects. The Plan is structured around three main areas of action, and entails interventions on over 21,200 school buildings, for an initial budget of EUR 1,094,000,000. This has then been increased through various amendments, to over EUR 1.3 billion. The three pillars of the Plan are the following:

#ScuoleNuove (New Schools): this area of the Plan involves the construction of new school buildings and the implementation of major renovation works, with a total budget of EUR 244 million (EUR 122 million for 2014 and EUR 122 million for 2015) for 454 interventions. These works have been made possible owing to the

availability of funds from the 2014 and 2015 Stability Acts (*Patto di Stabilità*), and are at the disposal of municipalities⁵. In addition, a further EUR 100 million (EUR 50 million for 2015 and EUR 50 million for 2016) have been unlocked from the Stability Act 2015 for provinces and metropolitan cities, for the realisation of 472 interventions⁶. The available resources thus amount to **EUR 344 million**.

To be noted that, under this area of the Plan, the foreseen interventions are not supported by traditional grants or loans, since the local authorities must already have the financial resources required for the works, but rather by unlocking the resources of the beneficiaries from the constraints of the Stability Act. Thus, municipalities, provinces and metropolitan cities are given the possibility to spend their funds on selected school construction projects. "Unlocked" resources cannot be transferred from one year to the next, or to other municipalities, and will therefore be lost if not used.

#ScuoleSicure (Safe Schools): this area of the Plan aims to improve the safety of school buildings. The type of works include removal of asbestos and the elimination of architectural barriers, with an average value of EUR 160,000 per intervention. The programme was allocated EUR 400 million following the release of EUR 510 million from the national Development and Cohesion Fund (*Fondo per lo Sviluppo e la Coesione*) by the Interministerial Committee for Economic Programming (*Comitato Interministeriale per la Programmazione Economica - CIPE*)⁷. This will finance 1,635 interventions. An additional EUR 150 million has been made available through the 'Do Decree' (*Decreto del Fare*) for the financing of 692 works, bringing the total resources to **EUR 550 million**. Unlike the previous programme, these are state grants (which in some cases can include co-financing from the municipalities concerned), managed by the provinces.

#ScuoleBelle (Beautiful Schools): for 2014, the remaining EUR 110 million out of the EUR 510 million released by the CIPE were allocated to this third programme, which foresees small maintenance works, décor and functional restoration of 7,801 schools. These include painting, small plumbing interventions, fixtures and fittings, as well as the set up and maintenance of green areas. Further resources (EUR 40 million) were made available by the Ministry of Education, University and Research (Miur). For 2015, an extra EUR 300 million (EUR 130 million for the first semester and EUR 170 million for the second), was allocated from the Stability Act 2015, involving 10,160 buildings and bringing the total amount of resources to **EUR 450 million** (in the form of grants to individual schools). Thus, 17,961 interventions are supported under this programme.

Expected or achieved results

#ScuoleNuove: for 2014, EUR 112 million out of the available EUR 122 million (i.e. 92%) have been released from the Stability Act to support the 454 interventions planned under the programme. Of these, EUR 94 million have been spent at present for the works. This constitutes a resource utilisation rate of 84%. By the end of 2014, 200 of the planned works had been concluded, with the remaining 254 in progress. The distribution of the expenditures for 2014, with respect to the typology of works carried out, is shown in Table 1 below:

Table 1: Expenditures under #ScuoleNuove by typology of works (2014)

Work typology	Expenditure (mEUR)	Proportion (%)
Planning	21.1	22.5
New construction activities	10.6	11.3
Restoration and/or renovation	23.5	25
Safety/structural improvements	14.1	15.1
Plant design and/or fire adaptations	7.1	7.5
Energy efficiency	8.8	9.4
Construction/renovation of sport complexes	3	3.2
Accessibility and elimination of architectural barriers	2.3	2.4
Others	3.5	3.7
Total (2014)	94	100⁸

Source: Italian Government, 2015.

As of October 2015, 285 interventions were concluded out of the 454 planned (as supported by the release of resources for municipalities), representing a completion rate of 63%. As for the remaining ones, 141 are in progress, 17 under planning/procurement procedures and 11 not realised. Since the planned costs of interventions for 2015 exceeded the foreseen EUR 122 million allocation, a 3.1% cut in the budget for each intervention was applied, to satisfy all requests for support. As for the works supported by the additional EUR 100 million for provinces and metropolitan cities, 140 interventions out of the planned 472 were concluded⁹.

#ScuoleSicure: as of October 2015, out of the 1,635 interventions to be financed by the EUR 400 million, 1,207 were actively monitored. Of these, 518 were completed, with the remaining 689 in progress. As for the works supported by the EUR 150 million, 671 of the total 692 contracts have been awarded. It is of note that 600 of these have been completed across 10

regions, with the other 71 in progress. This represents a 90% completion rate¹⁰.

#ScuoleBelle: between July 2014 and December 2014, 7,235 interventions were completed, out of the planned 7,801. This represents almost a 93% realisation rate, with regions such as Piedmont, Liguria, Umbria, Abruzzo and Marche reporting a 100% completion rate. Friuli Venezia Giulia recorded the lowest realisation rate, at 82%, followed by Campania (84%). All available funds were utilised, highlighting the efficiency of the programme. As of July 2015, EUR 130 million were directly allocated to schools for the financing of the first 5,290 interventions (out of the total 10,160 for 2015). The region with the highest number of planned interventions is Campania (1,087 out of 5,290), with EUR 49.5 million worth of investments. Conversely, only 15 interventions are foreseen in Umbria, for a total of EUR 185,000 (the lowest allocation). The remaining 4,870 interventions for 2015 are expected to be completed between the second semester of 2015 and the first semester of 2016¹¹.

Perspectives and lessons learnt

The School Construction Plan is built on a series of lessons learnt from over a decade of national initiatives attempting to support investments in this area.

From the **government perspective**, the **first lesson learnt** is related to the governance of the resources to be allocated. Between 2004 and 2013, before the Plan was introduced, the situation was highly fragmented, with school construction interventions being financed through 8 different programmes and involving 12 different implementing procedures. This created confusion for both the local authorities overseeing the realisation of the works, and for the State, since the programmes involved a large number of ministries and were thus difficult to coordinate. To overcome these inefficiencies and ensure a better governance of the new programme, the government has set up a Mission Structure (*Struttura di Missione per l'edilizia scolastica*) within the Presidency of the Council of Ministers to coordinate the financing actions foreseen by the Plan. This also represents a solution to the underutilisation of resources caused by the intricacy of the bureaucratic procedures under the previous initiatives. Indeed, about 53% of the EUR 2.3 billion allocated for school interventions prior to 2013 had not been spent¹², creating a feeling of uncertainty with regard to the financial support available.

In this respect, a **second lesson learnt** concerns the accessibility of resources. In fact, the Stability Act used to block the release of finances to the beneficiaries (construction companies) even if local authorities had sufficient funds to support the works. The possibility to “unlock” such resources from the Stability Act under the new Plan (namely #ScuoleSicure) therefore removes this important barrier. However, from the **perspective of the local authorities**, the financial resources released from the constraints

of the Stability Act are still insufficient. According to the National Association of Italian Municipalities (*Associazione Nazionale Comuni Italiani – Anci*), for #ScuoleSicure to support all the interventions filed for approval, an additional EUR 70 million and EUR 120 million should be unlocked from the Stability Act for 2015 and 2016, respectively, on top of the currently available resources. A request for such increase has therefore been submitted by Anci to the Miur.

A **third lesson learnt** relates to the timeframe of the interventions. Under the previous programmes, the average time that elapsed between the decision of the government to approve the financing of the projects and the actual start of the works was between 2 and 3 years (reaching 6 years in some cases). This has been addressed by the new Plan through the introduction of deadlines for the submission of the projects to be procured. For instance, the deadline for local authorities to award tenders under #ScuoleSicure, was set to February 28th 2015 by the CIPE (decision n.22 of June 30th 2014), bringing down the procurement timeline from 2-3 years to 8 months. Moreover, the new Plan benefits from a series of exemptions from some of the obligations defined by the Public Procurement Code (*Codice Appalti pubblici*), to further accelerate the realisation of the interventions. As an example, there is the possibility not to publish on newspapers calls for tenders for works with a value greater than or equal to EUR 500,000. However, these provisions are not fully approved by the National Association of Building Contractors (*Associazione Nazionale Costruttori Edili – ANCE*), since they may reduce the number of tendering companies, hindering competition and distorting the market.

Criticisms to the Plan, mainly with respect to #ScuoleBelle, come from the **perspective of parents and students**, the ultimate beneficiaries. According to Active Citizenship (*Cittadinanza Attiva*), a non-profit organisation representing the interests of consumers and citizens, over 50 schools have collapsed since the launch of the Plan. Indeed, according to a survey by the Italian Parents Association (*Associazione Italiana Genitori – AGE*), 71% of parents is sceptical about the School Construction Plan, and another 19% is very pessimistic as to the actual results to be expected. Only 10% of parents is confident that the Plan will truly address the needs of the school building stock. Thus, AGE and Active Citizenship believe that priority should be given to improving the safety of schools (#ScuoleSicure), rather than spending funds merely on small aesthetic interventions under #ScuoleBelle. Namely, they call for the interruption of the latter, requesting that its resources be channelled towards #ScuoleSicure instead, particularly for the implementation of anti-seismic and hydrogeological risk prevention measures.

The usefulness and effectiveness of #ScuoleBelle is also questioned from the **perspective of the construction industry**. ANCE holds the view that the very small maintenance interventions foreseen by the programme (e.g. repainting,

substitution of broken windows, etc.) have had no impacts on the construction sector. This is also because they were procured to “socially useful workers¹³” (*Lavoratori socialmente utili*), already previously in charge of the maintenance and cleaning of schools, to avoid dismissing them and to cut the costs of the #ScuoleBelle programme. Indeed, savings of 45% were achieved, but this has created procurement issues, excluding construction companies from being awarded the contracts. This has been a problem particularly in regions like Campania, where about 90% of all planned school construction interventions fell under #ScuoleBelle, resulting in an almost null impact on the construction sector, and affecting the original purpose of the Plan in that area.

Despite the criticisms above, the Plan is generally seen positively by the industry, particularly the two programmes #ScuoleSicure and #ScuoleNuove. These have undergone relatively effective public procurement procedures, have seen a better governance and utilisation of resources, and have directly involved construction companies. Therefore, compared to the past, the Plan represents a step forward towards a more efficient and organic school construction policy, which is the focal point of the Government’s strategy to revive the Italian construction industry, and one of the main prospective markets for construction enterprises.

A final **recommendation** can be made with regard to the approach adopted for the screening of the projects to be financed through the Plan, which is currently based on the degree of project-readiness. Interventions at the most advanced stages of project planning are prioritised over others at a more preliminary phase. This implies that priority is not necessarily given to the most urgent ones. Therefore, more objective criteria related to the actual state of the building stock (e.g. structural risk, size of the student population, territorial conditions, etc.) should be taken into account when selecting the interventions.

Endnotes

¹ This figure (42,292) refers to the number of public school buildings assessed in the survey, which represents 95% of the total number of public schools in Italy (44,502). In turn, these account for 78.5% of the total Italian school building stock, with the remaining 21.5% consisting of private school buildings (12,202). Figures refer to the year 2013. Source: Istat, 2016. <http://dati.istat.it/Index.aspx?DataSetCode>

² Legambiente, XV rapporto di Legambiente sulla qualità dell’edilizia scolastica, delle strutture e dei servizi. November 2014. http://www.legambiente.it/sites/default/files/docs/ecosistema_scuola_-_xv_rapporto_def1311.pdf

³ Ministry of Education, University and Research, Scuola, presentata l’Anagrafe dell’Edilizia Scolastica. August 2015. <http://hubmiur.pubblica.istruzione.it/web/ministero/cs070815>

⁴ Italy Country Fact Sheet 2015, Eurostat data.

⁵ Ministry of Education, University and Research, ScuoleNuove. http://www.istruzione.it/edilizia_scolastica/scuole_nuove.shtml

⁶ Ministry of Education, University and Research, Edilizia Scolastica presentation, November 2015.

⁷ Ministry of Education, University and Research, ScuoleSicure. http://www.istruzione.it/edilizia_scolastica/scuole_sicure.shtml

⁸ The total is 100.1% due to approximations in the data at the source.

⁹ Data on the granted and actually used resources for 2015 will be published in 2016.

¹⁰ Data on the resources granted and utilised is not currently available.

¹¹ No further data on completed works vs. works to be completed is available for 2015.

¹² Associazione Nazionale Costruttori edili (ANCE), Audizione dell’Ance sulla situazione dell’edilizia scolastica in Italia. September 2013. <http://www.ance.it/docs/docDownload.aspx?id=14904>

¹³ These encompass individuals who are looking for their first job, individuals who have been unemployed for over 2 years, invalids, convicts and workers made redundant under specific critical conditions.