

Dear 

Thank you for emailing the Ministry of Education on 12 July 2019, requesting the following three documents:

1. *Education Report: Request to revoke the notice directing the appointment of a Limited Statutory Manager, and Dissolve the Board and Direct the Secretary to Appoint a Commissioner to replace the Wairarapa College (241) Board of Trustees*
2. *Wairarapa College Scoping Report and Action Plan*
3. *Memo: Request to Direct the Appointment of a Limited Statutory Manager for the Wairarapa College (241) Board of Trustees, as an exit strategy from a Commissioner*

Your request has been considered under the Official Information Act 1982 (the Act).

The majority of schools operate successfully, but a small number develop difficulties or have unanticipated events that they cannot resolve without outside help. We always support schools to resolve problems themselves and only intervene as a last resort when there is risk present at the school that cannot be addressed in any other way. Where we do step in, an intervention aims to bring expertise and a fresh perspective. It also acts as a circuit breaker so that the focus of the school can go back on teaching and learning.

Michael Rondel was appointed to the role of Limited Statutory Manager (LSM) in September 2015, in response to a request from the Board of Trustees for support to address its significant financial issues. Michael assumed the Board of Trustees' responsibilities for employment, finance and property, advisory powers for Board systems and management, and communications.

In December 2017, the Minister of Education at the time, Hon Hekia Parata, dissolved the Board and appointed the school's former Principal John Carlyon as Commissioner.

We stepped up our intervention at the school because of the seriousness of the financial situation the Board found itself in. Although the Board had endeavoured to address this issue, we did not consider that enough progress had been made.

Many of the financial issues at the time of the LSM and Commissioner appointments were due to the school's staffing levels running well ahead of the funding the school was entitled to in relation to the size of its student roll.

## Your request

The documents you have requested are attached to this letter:

- **Document 1**, *Education Report: Request to revoke the notice directing the appointment of a Limited Statutory Manager, and Dissolve the Board and Direct the Secretary to Appoint a Commissioner to replace the Wairarapa College (241) Board of Trustees* our advice to the Minister of Education Hon Hekia Parata regarding the appointment of a Commissioner at the school; and
- **Document 2**, *Memo: Request to Direct the Appointment of a Limited Statutory Manager for the Wairarapa College (241) Board of Trustees, as an exit strategy from a Commissioner*, the advice I received in 2017 from the Director of Education for Wellington which recommended that Commissioner be replaced to allow the school to return to self-governance.

The other report you requested, *Wairarapa College Scoping Report and Action Plan*, is contained in the appendices to **Document 1**.

I have withheld information from both documents under the following sections of the Act:

- Section 9(2)(a) to protect the privacy of natural persons
- Section 9(2)(b)(ii), to protect information where making the information available would likely unreasonably prejudice the commercial information of its source or subject.

## School finances

The LSM's scoping report in the appendices to **Document 1** refers to a recapitalisation estimate of \$1.9 million. This figure was part of an initial assessment by the financial advisers to the College, which showed this to be the cost to the school for it to meet all of its financial obligations in 2017.

This included amounts owed to the Ministry as well as potential property repairs and maintenance costs. However, a \$10 million property redevelopment at Wairarapa College means the school requires less money for repairs and maintenance than BDO had initially anticipated.

It's important to note that this was not at any time a debt the school owed to the Ministry.

The school had a separate debt to the Ministry of \$627,000, largely connected to its overspending on staff. The school has now repaid this amount in full.

## Curriculum and pastoral needs analysis (CAPNA)

There are several references to CAPNA in the documentation being released to you. CAPNA is the final stage in a process schools go through when they need to reduce the number of teaching staff they employ. It allows Boards of Trustees (or a statutory appointee vested with the Board's delegation for employment) to make objective and measurable decisions on the positions which will need to be either disestablished or scaled back.

For secondary schools, this process is undertaken in line with provisions in the Secondary Teachers' Collective Agreement negotiated between the Ministry and the Post Primary Teachers' Association (PPTA). For more information about this, we recommend you read the PPTA's guidance for schools with issues around surplus staffing available, which is available from its website, at <https://www.ppta.org.nz/dmsdocument/573>.



## Pōto College House

Boards of Trustees are responsible in their capacity as the owners of hostels for making decisions about buildings, facilities, maintenance, emergency management and health and safety. The Ministry does not provide operating, maintenance or capital funding for hostels. For this reason, it is essential that hostel owners are able to pay running and upkeep costs using boarding fees or other Board funds.

We recognise that there is significant community support for Pōto College House remaining open, following the Board's decision to close its hostel at the end of 2019. I am advised this decision was made after exhausting all avenues to keep it open with its own resources.

The Ministry met with the Board in June this year to discuss options the Board was considering around the future of the hostel, including allowing a separate charitable trust to manage the facility. We will continue to support the Board through this process.

Thank you again for your request. If you have any further questions about this matter, please feel free to contact our Media Team by emailing [media@education.govt.nz](mailto:media@education.govt.nz).

Section 28(3) of the Act gives you the right to refer my response to an Ombudsman for review. You can do this by emailing [info@ombudsman.parliament.nz](mailto:info@ombudsman.parliament.nz).

Yours sincerely



Katrina Casey  
**Deputy Secretary**  
**Sector Enablement and Support**

cc: Erika Ross Director of Education for Wellington

**Education Report: Request to revoke the notice directing the appointment of a Limited Statutory Manager, and Dissolve the Board and Direct the Secretary to Appoint a Commissioner to replace the Wairarapa College (241) Board of Trustees**

Date:	7 December 2015	Priority:	High
Security Level:	In Confidence	METIS No:	973549

### Action Sought

Addressee	Action Sought	Deadline
Minister of Education	<b>Agree</b> to revoke the notice directing the appointment of a limited statutory manager for the Wairarapa College Board of Trustees, and Dissolve the Board and Direct the Secretary to Appoint a Commissioner. <b>Sign</b> the attached notice for the <i>New Zealand Gazette</i> .	
Enclosure: Yes		Round robin: No

### Contact for telephone discussion (if required)

Name	Position	Telephone	1 <sup>st</sup> Contact
Pauline Cleaver	Director of Education, Wellington	s 9(2)(a) OIA	✓
s 9(2)(a) OIA	Drafter, Wellington Area Office		
	NO Peer Review		

The following departments/agencies have seen this report:

MOE

Minister to Complete (please circle)

1 = very poor

2 = poor

3 = acceptable

4 = good

5 = very good

Minister's Office to Complete:

☐ Approved

☐ Declined

☐ Noted

☐ Needs change

☐ Seen

☐ Overtaken by events

☐ See minister's notes

☐ Withdrawn

☐ Signed

Comments:



7 December 2015

IM60/104/52/3

**Education Report: Request to Revoke the Notice Directing the Appointment of a Limited Statutory Manager, and Dissolve the Board and Direct the Secretary to Appoint a Commissioner for the Wairarapa College (241) Board of Trustees**

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**Recommended Actions**

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We recommend that you:

- a. **agree** to revoke the notice directing the appointment a Limited Statutory Manager, and dissolve the Wairarapa College Board of Trustees and direct the Secretary for Education to appoint a Commissioner to replace that Board; and

AGREE / DISAGREE

- b. **sign** the attached *New Zealand Gazette* notice.

Katrina Casey  
Deputy Secretary for Education  
Sector Enablement and Support

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Hon Hekia Parata  
Minister of Education

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## **Education Report: Request to Revoke the Notice directing the appointment of a Limited Statutory Manager, and Dissolve the Board and Direct the Secretary to Appoint a Commissioner to replace the Wairarapa College (241) Board of Trustees**

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### **Purpose of Report**

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1. This report asks you to revoke the notice of direction to appoint a Limited Statutory Manager, and dissolve the Wairarapa College Board of Trustees (the Board), under section 78N(1) of the Education Act 1989 (the Act), and direct the Secretary for Education to appoint a Commissioner to replace that Board because of the risks to the operation of the school.

### **Background**

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2. On 11 September 2015 a Limited Statutory Manager (LSM) was appointed under section 78M for the Board of Wairarapa College because of the serious risks to the operation of the school.
3. Michael Rondel was appointed as the LSM with the board's powers in employment, finance and property, and advisory powers for Board systems and management, and communications.
4. The school's profile information is attached as Appendix 1.
5. The LSM was appointed, with the support of the Board, because of the seriously deteriorating financial situation, compounded by staffing and employment concerns, property master planning and a Board owned boarding hostel requiring urgent remediation.
6. The LSM produced a detailed scoping report on 20 November, which identified that the recapitalisation estimate is \$1.86 million.
7. [REDACTED] Peter Gould has been appointed as an Acting Principal from Labour Weekend until the end of December 2015.  
[REDACTED]

s 9(2)(a) OIA

### **Justification for this Intervention**

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8. The Ministry has reviewed the current s78M intervention and, while the Board and Acting Principal have worked supportively with the LSM on areas of priority to date, additional risks have been identified.
9. The scale of the financial mismanagement has now been identified and is significant.
10. We are considering the most effective strategy to address the long term financial stability of the school.



11. The Board is currently carrying two casual vacancies, one of which occurred at the time of the appointment of the LSM and one since the LSM appointment. The Board is approaching triennial elections in May 2016. While the Board's view is that they can select appropriate skill sets from the community to fill the vacancies and that they will be well on the way to 'fixing things' by May 2016, the Ministry does not share that view.
12. A number of tough decisions will need to be made in the short to medium term future of this College, in order to lead it out of the current financial situation and still stay focused on staff management and meeting the educational requirements of its students.
13. The Ministry cannot be confident that democratic trustee selection and election processes will provide the necessary resolve at the governance level to meet the challenges that are ahead.
14. The LSM has indicated that a review is needed of the Board-owned boarding hostel. This hostel operation poses as yet unclear risks to the financial operation of the school.
15. In addition, when the Ministry met with the Board and Acting Principal on 25 November to discuss the findings of the LSM scoping report and propose next steps, the Board stated it was "not surprised" at the scale of the financial situation. This Board reaction further illustrates a lack of governance judgement.
16. The Ministry recommends a Commissioner because the need to negotiate with trustee membership will complicate the course of action required to bring this College back to financial viability. Residual powers held by the Board, in particular relating to the Board-owned boarding hostel, has added an unnecessary complexity to the work of the LSM and to the way ahead.
17. It is recommended that you revoke the s78M intervention, dissolve the Board and direct the Secretary for Education to appoint a Commissioner.
18. The Wairarapa College profile and background information is attached as Appendix 1.
19. The LSM intervention report is attached as Appendix 2, and the recent LSM scoping report and action plan is attached as Appendix 3.

#### Dissolving the Board

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20. You have the authority to dissolve the Board and to direct the Secretary for Education to appoint a Commissioner when you believe you have reasonable grounds to consider there is a risk to the operation of the school, the welfare or educational performance of its students.<sup>1</sup> You have delegated this authority to the Secretary for Education except when the Board of Trustees has not requested a Commissioner. The Wairarapa College Board of Trustees has not requested this level of statutory intervention.

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<sup>1</sup> Ref section 78I(2) and 78(N)(1) Education Act 1989.

21. When applying an intervention you must apply whichever intervention you consider is reasonable to deal with the risk without intervening more than is necessary in the affairs of the school.<sup>2</sup>
22. The *New Zealand Gazette* notice to revoke the Limited Statutory Manager, and dissolve the Board and direct the Secretary for Education to appoint a Commissioner is attached for your signature.

### Role of Commissioner

23. We are proposing to recommend to the Commissioner that the services of the outgoing LSM be contracted to support the Commissioner, particularly in the area of financial management.
24. The Commissioner is likely to continue with the current LSM tasks and additional areas identified in the recent scoping report to return the school to a position where full or partial self-governance is appropriate.

Tasks	Specific Actions
<b>Employment</b> <ul style="list-style-type: none"> <li>A sound and consistently implemented performance management system for the Principal which supports professional leadership and effective school operation and self review.</li> </ul>	<ul style="list-style-type: none"> <li>Review College understanding of governance and management roles and responsibilities, and associated delegations.</li> <li>Ensure that a Principal performance agreement is in place, aligned with the future direction of the College</li> <li>Ensure that Performance Appraisal practices are built on sound processes and understandings to ensure sustainability.</li> <li>[REDACTED]</li> <li>Ensure that school personnel policy and practices meet obligations to all staff.</li> <li>Ensure the CAPNA process is completed in line with fair and transparent employment practice.</li> <li>Implement actions as needed based on the CAPNA process undertaken in 2015.</li> <li>Review and adapt staffing in accordance with roll growth and decline.</li> </ul>

s 9(2)(a) OIA

<sup>2</sup> Ref section 78I(4) Education Act 1989.



<p><b>Financial and Property</b></p> <ul style="list-style-type: none"> <li>• Manage the effective business operations of the Board to comply with legislation relating to property and financial management.</li> <li>• Policy, systems and processes are developed to ensure sound financial and property decision making and implementation.</li> <li>• The Board meets the requirements for the Master planning process.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure management understanding and capability in the application and active monitoring of financial policies, including financial delegations and staffing.</li> <li>• Ensure there are clear delegations of roles for financial management, and that there is consistent application of these roles and accountabilities against them.</li> <li>• Ensure financial reporting has the information required to make sound financial decisions and align to strategic priorities.</li> <li>• Ensure effective financial controls, processes and decision making are in place and strictly adhered to.</li> <li>• Ensure effective and efficient use of, and accounting for, any Ministry funding.</li> <li>• Ensure the budget is aligned with sound and fiscally responsible strategic and annual student achievement priorities and strategic direction.</li> <li>• Ensure clear, accurate and timely financial reporting, including staff costing reports against budget and Ministry staffing entitlements.</li> <li>• Review property and financial operations management capability in order to meet any individual development needs.</li> <li>• Ensure health and safety issues are addressed in a timely and effective manner.</li> </ul>
<p><b>Board Organisation and Management</b></p> <ul style="list-style-type: none"> <li>• Ensure strategic planning processes are informed by appropriate student progress and achievement data and information.</li> </ul>	<ul style="list-style-type: none"> <li>• Review systems that guide any Charter development, monitoring and review, Board organisation, and management policy frameworks.</li> <li>• Ensure a coherent governance framework including a rigorous programme of self review and setting of strategic direction within resource.</li> <li>• Ensure strategic direction is informed by rigorous, analysed data and information.</li> <li>• Ensure robust systems and processes are in place for the incoming board.</li> </ul>
<p><b>Communication</b></p> <ul style="list-style-type: none"> <li>• Ensure the Board has a communications policy and adheres to it.</li> </ul>	<ul style="list-style-type: none"> <li>• Manage all communications with the media, communications within the school, and communications between the school and its community in line with developed communications strategy.</li> </ul>

<p><b>Curriculum Management</b></p> <ul style="list-style-type: none"> <li>• Allocate and monitor resources <i>effectively</i> to support curriculum redesign and continuous improvement in student progress and achievement</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure curriculum provision and redesign is effectively led and managed, based on the budgeted resourcing.</li> <li>• Ensure senior management closely monitor the impacts of changes to curriculum provision as part of effective self review.</li> <li>• Ensure outcomes for curriculum redesign are closely linked to performance management requirements of the Principal and senior management team.</li> <li>• Ensure any new or changed systems of curriculum management will be incorporated into board policy, management practice, and staff assessment and teaching practices.</li> <li>• The Principal and staff will be supported in bringing about change based on the financial constraints in the school.</li> </ul>
<p><b>Prepare for an Election</b></p> <p>Work with a reference group or community focus group/s (if appropriate and timing is right).</p>	<ul style="list-style-type: none"> <li>• To be considered at the Commissioner's discretion.</li> <li>• Develop a timeline for the election of a new Board and a transition plan for new trustees.</li> </ul>

25. The Commissioner will report monthly to the Ministry. The Ministry will track progress against the plan and work with the appointee to ensure the tasks are completed or agree to amendments if the risks at the school change.
26. The Ministry will formally review this intervention at a relevant time within a maximum period of twelve months. When satisfied a Commissioner is no longer required the Secretary or his delegate will authorise the Commissioner to set a date for an election of trustees.

## Risks

27. As the Board of Wairarapa College does not support this level of statutory intervention, dissolving the Board and appointing a Commissioner involves risks.
28. The Board and Acting Principal have indicated that there is currently strong good will in the staff and community to support the College. They are concerned that this may be lost if a Commissioner is appointed.
29. To address continuity issues it is proposed that the current LSM will be contracted to work with the Commissioner. This will provide deliberate continuity and demonstrate that current momentum will not be lost.
30. At the discretion of the Commissioner, a community advisory group will be formed to ensure that the community stay connected with progress.



31. The Ministry will ensure consistent communications messages with the Commissioner and the College.

### Consultation

32. The Ministry discussed the proposed intervention with the Wairarapa College Board of Trustees, including the Acting Principal and deputy Principal, on 25 November 2015. The Board has not requested the proposed intervention at Commissioner level because it maintains that their role adds to current staff and community goodwill.
33. The Board only sees disadvantage in disestablishing their role because it considers the powers of the LSM are sufficient to address the risks. [Refer Appendix 4, Wairarapa College Board of Trustees 1 December 2015 submission]

RELEASED UNDER THE OFFICIAL INFORMATION ACT

## Appendix 1

### School Profile

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1. Wairarapa College is a decile 6, Year 9 – 13 secondary school, situated in Masterton.
2. The July 2015 roll was 959.
3. Based on July figures, the roll has declined from 1090 students in 2010 to 959 in 2015.
4. July 2014 ethnicity data comprised 72.8% European, 22.8% Māori, and 2.5% Pasifika.
5. The College is on a 3 year review cycle by the Education Review Office (ERO) in the January 2014 report, and has a history of 3 year ERO review cycles. The next ERO review is scheduled for late 2016.
6. The College has a Board-owned boarding hostel.

RELEASED UNDER THE OFFICIAL INFORMATION ACT



## NOTICE FOR NEW ZEALAND GAZETTE

### **Notice of Dissolution of the Wairarapa College (241) Board of Trustees and Direction to Appoint a Commissioner and Revocation of Notice of Direction to Appoint a Limited Statutory Manager for the Wairarapa College Board of Trustees**

Under section 78N(1) of the Education Act 1989, the Wairarapa College board of trustees is now dissolved and I direct the Secretary for Education to appoint a commissioner to replace that board.

The notice of direction to appoint a limited statutory manager for the Wairarapa College board of trustees (as published in the *New Zealand Gazette*, 10 September 2015, issue No. 98) is revoked under section 78M(7) of the Education Act 1989.

This notice takes effect on the day of publication.

Dated at Wellington this                      day of December 2015.

Hon Hekia Parata  
Minister of Education

# MEMO

**To:** Katrina Casey, Deputy Secretary, Sector Enablement and Support  
**From:** Pauline Cleaver, Director of Education, Wellington  
**CC:**  
**Date:** 3 September 2015  
**Subject:** Request to direct the Group Manager to Appoint a Limited Statutory Manager for the Wairarapa College (241) Board of Trustees

## Purpose

1. This memorandum asks you to direct the Group Manager, Sector Enablement and Support, to appoint a Limited Statutory Manager (LSM) for the Wairarapa College Board of Trustees (the Board), under section 78M of the Education Act 1989 (the Act) because of the risks to the operation of the school.

## Background

2. Wairarapa College has a history of three year Education Review Cycle visits, with confirmed Reports in October 2007, November 2010 and January 2014.
3. The January 2014 ERO report indicated:
  - a. Trustees have worked with an external facilitator to revise the school's strategic plan and charter.
  - b. Consultation with staff, students and families has informed decisions about the revised school values and new strategic goals.
  - c. The school has set targets to improve student attendance, retention and academic outcomes.
4. The Principal has been principal at the College since 2003 and the Board Chair has been on the Board since 2010.

## Justification for the Intervention

5. The Ministry has identified the following risk areas:

Risk Areas to Address	Evidence of Risk
<b>School Operation:</b> <ul style="list-style-type: none"><li>• Inadequate Board systems and processes</li></ul>	<ul style="list-style-type: none"><li>• The Board was made aware of a deteriorating financial situation up to 18 months ago but did not understand the gravity of the situation over time.</li><li>• The Board has not acted urgently enough to contain the escalating risk. It felt that it could manage the College out of the presenting financial difficulties.</li><li>• The Board member with finance committee responsibility is spending excess hours trying to clarify the financial situation.</li><li>• Reporting to the Board by the principal lacks alignment to the strategic plan and does not highlight presenting issues.</li></ul>



	<ul style="list-style-type: none"> <li>The Board does not have clarity about the staffing situation which has contributed significantly to the poor financial situation.</li> </ul>
<ul style="list-style-type: none"> <li>Employment management</li> </ul>	<ul style="list-style-type: none"> <li>There is little evidence that the Principal has been held accountable for financial or staff management.</li> <li>There is not clear evidence of robust Performance Management at any level within the school.</li> <li>Close oversight of the employment situation needs to be in place over 2015 – 16 because a CAPNA process needs to be undertaken and it is likely to have a significant impact on staff.</li> <li>There are not reliable systems in place for all staff to ensure cash flow is managed.</li> <li>The current financial situation indicates that there is a lack of staff management capability to provide pertinent information to the Board so it can make effective decisions.</li> <li>[REDACTED]</li> </ul>
<ul style="list-style-type: none"> <li>Financial management</li> </ul>	<ul style="list-style-type: none"> <li>In the last five years the College has had continuous losses.</li> <li>Currently the College is projecting to run out of cash by the end of October 2015 despite a bulk grant drop of \$550,000 (approx) on 1 October 2015. A cash deficit is projected but any figure is unreliable due to the unreliability of internal systems.</li> <li>The current financial position indicates that the Board will run out of cash before the October funding drop. On current information the Board will not be able to pay bills and wages in early September.</li> <li>Accounts totalling \$140,000 are being delayed at the end of September for the October funding drop.</li> <li>Bank Staffing overuse has been as follows: <ul style="list-style-type: none"> <li>2013: \$59,000 (which was repaid in January 2015)</li> <li>2014: \$205,000</li> <li>2015: to date \$147,000 (Pay period 201611)</li> </ul> </li> <li>The 2015 Review Audit Management letter had 18 points that indicated that the school has inadequate financial management.</li> <li>Internal systems have not been sufficient to give the Board reliable information on which to make sound decisions and track financial performance.</li> <li>The current financial system configuration was installed and modified two years ago. It is not providing accurate information due to poor data collection/input.</li> <li>The College has set aside a "tagged funds" bank account of \$5,000 as international fees protection. The Balance Sheet in July 2015 reports there are no International Student Fees paid in advance.</li> <li>In December 2014 \$48,674 was paid in International Student Fees advance while the College reported a \$115,000 overdraft.</li> <li>A plan for financial management was requested by the Board recently and is complete, but information in that plan is not consistent with good accounting practice.</li> <li>The Ministry has provided support from the Senior Advisor: Finance but the situation is still unclear.</li> </ul>

s 9(2)(a) OIA

<p>s 9(2)(b)(ii) OIA</p>	<ul style="list-style-type: none"> <li>• In 2015 the Ministry funded \$20,000 for a chartered accountant to support the development of reliable reporting of the financial situation. The Board has not yet acted on advice from the accountant and there has been no impact on the quality of the financial reports to the Board.</li> <li>• The Board made an extended loan agreement with ANZ for [REDACTED] in 2014. This is in contravention of the Crown Entities Act in the giving of securities. No prior consent was received or given for this facility.</li> </ul> <p><i>Note: the SE&amp;S Financial Advisers are developing a parallel strategy for dealing with the school's debt.</i></p> <p><b>Staffing:</b></p> <ul style="list-style-type: none"> <li>• The current staff allocation is 64.4 FTTEs. The Board believes it is overstaffed by approximately six FTTE's and is paying for these from its operational grant.</li> <li>• The Board was unaware of the amount of staffing (teachers and non-teachers) being paid out of the operational grant until June 2015.</li> <li>• The CAPNA process run in 2014 was ineffective in reducing costs. This was due to the fact that some over expenditure appears to be in the employment of non teaching staff as well as teachers.</li> <li>• While the Board is currently looking at ways to reduce staffing costs until the end of 2015, it will not be able to reduce the substantial financial risk posed by personnel costs.</li> </ul> <p><b>Additional issues that impact on financial risk:</b></p> <ul style="list-style-type: none"> <li>• Some risks the Ministry identifies to the financial sustainability of the Board are not accurately reflected in the Board accounts e.g. hostel costs.</li> </ul>
<ul style="list-style-type: none"> <li>• Property management.</li> </ul>	<p><b>Longer Term Issues</b></p> <ul style="list-style-type: none"> <li>• The Ministry Business Case, including rationalisation and the relocation of the Special Needs Learning Centre, is currently being finalised and has included ongoing discussion with the Board Chair. The estimated cost of stage 1 works is \$9 million.</li> <li>• The Ministry has taken over the management of the College's 5YA funding of \$1.3 million until the Master Planning process currently underway, is completed. The Ministry did this under clause 3 (b) and (c) of the Property Occupancy Document. The intention is that the College and the Ministry work in partnership on property issues.</li> <li>• There has been historical poor maintenance and the absence of adequate asset management systems and processes.</li> <li>• The College is seven teaching spaces in surplus and therefore requires a rationalisation of space of an estimated 1000 actual gross metres square.</li> <li>• The boiler plant equipment has reached the end of its asset life and requires replacement.</li> <li>• We are currently working with the school on some immediate Health and safety issues. The estimated costs for two of the projects is \$400,000.</li> </ul>



	<b>Other risks:</b> <ul style="list-style-type: none"> <li>• The Board owns the College hostel and is responsible for all the associated costs.</li> <li>• The hostel staff accommodation has earthquake issues.</li> </ul>
<ul style="list-style-type: none"> <li>• Curriculum management</li> </ul>	<ul style="list-style-type: none"> <li>• The curriculum provision for 2016 will be significantly impacted by the necessary reduction in staffing.</li> <li>• A re-design of curriculum and subject offerings is urgently required.</li> <li>• Senior Management reports that there is a lack of cohesion to drive change in the school.</li> <li>• Staff are not aligned in implementing the shared vision and there is resistance to change.</li> <li>• Any changes to leadership during the critical timeframe may impact the ability of the SLT to push through the required change.</li> <li>• The CAPNA process is impacting on staff and the amount of work to be done over the next thirteen weeks is a significant risk to student performance for the remainder of the year.</li> </ul>

6. The Ministry recommends a s78M LSM because:
  - a non-statutory approach has not been successful.
  - support from a Ministry funded accountant and the Senior Advisor: Finance has not enabled the College to reduce and manage the financial risks, and the associated risks to property and employment.
  - a lower level intervention requiring s78K specialist help or a s78L action plan, is not appropriate. There is a need for urgent direction and support to manage the risks across a number of areas.
  - the appointment of a commissioner under s78N is not currently justified as the Board is not divided and trustees demonstrate a willingness to build capability alongside an LSM.
7. When applying an intervention you must apply whichever intervention you consider is reasonable to deal with the risk without intervening more than is necessary in the affairs of the school.
8. The Wairarapa College profile is attached as Appendix 1.
9. I recommend that you direct the Group Manager, Sector Enablement and Support, to appoint a LSM. There is a likelihood that you may be requested to consider the appointment of a second LSM following the scoping period.

#### **Statutory Powers**

10. To ensure that the risks are addressed and resolved, we recommend that the Board's powers of finance, employment and property, be promptly vested with the LSM. The LSM must also advise the Board on communications, and Board organisation and management.
11. The immediate priority work is to contain the financial, employment and property risks. It is intended that due to the potential risks to curriculum delivery from a reduction in staffing in 2016, and the necessary financial constraints, the Board's powers for curriculum management may need to be vested in an additional LSM following the scoping period.

12. Curriculum management issues need to be addressed at the governance and management level. Appointment of a second LSM will be recommended within the next two weeks.
13. You have the delegated authority under section 78M of the Act to vest functions, powers and duties of the Board in a LSM. A *New Zealand Gazette* notice to vest Board powers and direct the Group Manager, Sector Enablement and Support (the Secretary's delegate) to appoint a LSM is attached for your signature.

#### Role of LSM

14. The LSM is likely to carry out the tasks below to return the school to a position where statutory intervention is no longer required.

Expected Outcomes	Specific Actions
<b>Employment</b> <ul style="list-style-type: none"> <li>A sound and consistently implemented performance management system for the principal which supports professional leadership and effective school operation and self review.</li> </ul>	<ul style="list-style-type: none"> <li>Review Board and Principal understanding of governance and management roles and responsibilities, and associated delegations.</li> <li>Ensure that Performance Appraisal practices are built on sound processes and understandings to ensure sustainability.</li> <li>Ensure the Principal is appraised appropriately.</li> <li>Ensure that school personnel policy and practices meet obligations to all staff.</li> <li>Ensure any CAPNA process is undertaken in line with fair and transparent employment practice.</li> <li>Implement actions as needed based on the CAPNA process undertaken in 2015.</li> </ul>
<b>Financial and Property</b> <ul style="list-style-type: none"> <li>Manage the effective business operations of the Board to comply with legislation relating to property and financial management.</li> <li>Policy, systems and processes are developed to ensure sound financial and property decision making and implementation.</li> <li>The Board meets the requirements for the Master planning process in 2015 -16.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure Board understanding and capability in the application and active monitoring of Board financial policies, including financial delegations and staffing.</li> <li>Ensure there are clear delegations of roles for financial management, and that there is consistent application of these roles and accountabilities against them.</li> <li>Ensure financial reporting to the Board has the information required to make sound financial decisions and align to strategic priorities.</li> <li>Ensure effective financial controls, processes and decision making are in place and strictly adhered to.</li> <li>Ensure the budget is aligned with sound and fiscally responsible strategic and annual student achievement priorities and strategic direction.</li> <li>Ensure the Board receives clear, accurate and timely financial reporting, including staff costing reports against budget and Ministry staffing entitlements.</li> <li>Review property and financial operations</li> </ul>



	management capability in order to meet any individual development needs.
<b>Board Organisation and Management</b> <ul style="list-style-type: none"> <li>Ensure strategic planning processes are informed by appropriate student progress and achievement data and information.</li> </ul>	<ul style="list-style-type: none"> <li>Advise the Board on reviewing systems that guide any Charter development, monitoring and review, Board organisation, and management policy frameworks.</li> <li>Provide advice and guidance to the Board on all Board systems and processes.</li> <li>Support the Board to ensure a coherent governance framework including a rigorous programme of self review and setting of strategic direction within resource.</li> <li>Ensure strategic direction is informed by rigorous, analysed data and information.</li> </ul>
<b>Communication</b> <ul style="list-style-type: none"> <li>Ensure the Board has a communications policy and adheres to it.</li> </ul>	<ul style="list-style-type: none"> <li>Provide advice to the Board and Principal on all communications with the media, communications within the school, and communications between the school and its community.</li> <li>Ensure the Board develops and follows a communications strategy.</li> </ul>

15. The LSM will scope the risks and develop a plan for the financial management of the school within 10 days. Ongoing scoping of needs and further planning will occur in the 3-4 weeks beyond this. The plan will outline specific actions to return the school to self management.
16. The LSM will report monthly, in writing, to the Ministry. The Ministry will track progress against the plan and work with the appointee to ensure the tasks are completed or agree to amendments if the risks at the school change.
17. The Secretary's delegate will review the intervention within twelve months. When satisfied that the LSM is no longer required they may recommend that you revoke the intervention. If you agree, the powers vested in the LSM will then return to the Board.

#### Risks

18. Removing powers from the Board and appointing a LSM is unlikely to create risks as the Board has requested and agreed to this level and scope of intervention.
19. The intervention will be closely monitored and if there is any sign that the intervention progress is being impeded by the Board we will be recommending dissolution of the Board and appointment of a Commissioner.

#### Consultation

20. The Ministry discussed the proposed intervention with the Wairarapa College Board of Trustees on 31 August 2015. The Board requested the proposed intervention of a LSM because they accept the presenting level and scope of risk, and are ready to work with a LSM.
21. The Ministry has also had a phone discussion with regional NZSTA to check on any recent advice sought by the Board. In the course of this conversation with the

NZSTA Professional Development Advisor they were advised of our intended course of action. The LSM will work with the support of NZSTA who are committed to providing ongoing training to the Board.

#### Media Responsibility

22. Media requests to the Ministry relating to this specific intervention will be handled by Pauline Cleaver, Director of Education, Wellington.
23. The LSM will advise the Board and Principal on any media enquiries to the College relating to the vested powers.
24. The Board, with the advice of the LSM, will manage all other media enquiries according to its media policy.

#### Recommendations

We recommend that you:

- a. **agree** to direct the Group Manager, Sector Enablement and Support to appoint a Limited Statutory Manager, under section 78M of the Education Act 1989, for the Wairarapa College Board of Trustees;

AGREE / DISAGREE

- b. **sign** the attached *New Zealand Gazette* notice.

  
Katrina Casey  
Deputy Secretary  
Sector Enablement and Support

3, 9, 15

We get the job done *Ka oli a mātou ngā mahi*

We are respectful, we listen, we learn *He rōpū manaaki, he rōpū whakarongo, he rōpū ako mātou*

We back ourselves and others to win *Ka manawanui ki a mātou, me ētahi ake kia wikitoria*

We work together for maximum impact *Ka mahi ngātahi mo te tūkinga nui tonu*

*Great results are our bottom line* *Ko ngā huanga tino pai a mātou whāinga mutunga*

## Appendix 1

### School Profile

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1. Wairarapa College is a decile 6, Year 9 – 13 secondary school, situated in Masterton.
2. The July 2015 roll was 959.
3. Based on July figures, the roll has declined from 1090 students in 2010 to 959 in 2015.
4. July 2014 ethnicity data comprised 72.8% European, 22.8% Māori, and 2.5% Pasifika.
5. The College is on a 3 year review cycle by the Education Review Office (ERO) in the January 2014 report, and has a history of 3 year ERO review cycles.
6. The College has a Board-owned boarding hostel.





**WAIRARAPA COLLEGE**  
*with wisdom and courage*

## **SUBMISSION TO MINISTRY OF EDUCATION**

### **GOVERNANCE ARRANGEMENTS**

**01 December 2015**

#### **Background**

In early October 2016, the BOT of Wairarapa College and the Ministry of Education agreed that the additional support made possible by a Limited Statutory Manager (Finance, Employment, Property) would be beneficial to the College. The College is facing significant issues in relation to three areas of responsibility as follows:

- Finance:
- Recurring budget deficits
  - Inaccurate financial management systems
  - High debts and lack of working capital
- Employment:
- Teaching staff at levels above the MoE entitlement
  - Acting Principal in place for Term 4 2015 to address the staffing and curriculum issue
- Property:
- Unresolved Master Plan (since 2012)
  - No 5YA allocation due to Master Plan process
  - Deferred maintenance due to above issues

Since the appointment of the LSM, Michael Rondel, there has been significant progress on a number of these issues. These include:

- Financial analysis of financial position
- CAPNA process to bring 2016 staffing within entitlement
- Curriculum review to enable staffing reduction and establish the foundations for the future
- Agreement on roofing repairs
- Discussions with MoE on Master Plan

During these actions, there has been no community backlash either in the public forums or directly to the college.

At a meeting held prior to the BOT meeting on 25<sup>th</sup> November, the Ministry representatives indicated that it is their intention to recommend to the appropriate people that the level of intervention be escalated to the appointment of a Commissioner due their belief that the risks to the Ministry and the College warranted that level of intervention. This has been prompted by the receipt of the report from the LSM that quantified the funds necessary to be in the order of \$1.85 million.

They raised some specific risks that were of concern to them that were outside the issues above.

**This submission is from the Board of Trustees in response to this stated intention and has the objective of maintaining the status quo of the LSM intervention and no appointment of a Commissioner.**

#### **Perceived Areas of Risk and the Benefit of a Commissioner**

**Finance:** The appointment of the LSM has removed the BOT's power to make financial commitments. Along with accounting support a reconciliation of the College's financial position has been carried out and in terms of our financial position (excluding property and staff reduction costs) the result has not been significantly different to that predicted by the Board.

The continued status of the LSM means that the Board has no financial powers and the appointment of a Commissioner would merely transfer that power from one Ministry appointee to another.

In terms of the financial management system, there has been significant progress made and the LSM report indicates that. It would be counter-productive to introduce a new regime at this time.

Overall, the financial issues are ones of management to an agreed plan which is governed by the LSM. The replacement with a Commissioner could introduce uncertainty and delay to the resolution of the issues.

**Employment:** Despite the fact that the employment powers of the Board have been assumed by the LSM, the Board fully engaged with the recent CAPNA process. It is our contention that have this degree of engagement has made the process more accepted, but no less painful, than if it had been run entirely by people external to the College.

The concurrent reshaping of the curriculum has also involved the Board where we have been able to provide a "community perspective".

This has been vital given the fact that we have an Acting Principal leading this process. The independence of this role has provided some benefit but in isolation from community views, would have made the reaction from staff and community less accepting. The Acting Principal has stated both verbally at the meeting on the 25<sup>th</sup> and also in writing that he sees real risk in introducing another change to the College with no real benefit. That risk is around a further negative community backlash resulting in students choosing to enrol elsewhere, thus raising the spectre of yet another CAPNA if roll reduction cannot be stopped. And the consequent loss of further operations grant funding as well. This raises the significant risk of a spiral of decline rather than a stabilisation and future growth path.



With Board and LSM support, new delivery models are being explored to ensure that the education delivery at Wairarapa College is maintained and improved. This aspect has never been in question.

Property: The College has faced significant property issues over the past 4 years, not all of which have been of its making.

The last 5YA property period expired in 2011 and we embarked on the usual condition assessment process with OCTA and received the report in mid-2012. This report highlighted significant seismic issues, weather tightness issues as well as the usual cyclical maintenance factors.

The scale of the seismic issue, particularly in the Sutherland Block, prompted the Ministry to propose a Master Planning process to reshape the entire campus. This was described as an inclusive and relatively short process. The Board agreed to this as we could see significant benefits in having a master plan to bring the College into the 21<sup>st</sup> century in terms of MLE over a staged programme.

Once we entered the Master Planning process, our 5YA was placed on hold meaning we had no property funds. The past 5YA had a value of \$1.2 million, which the Ministry has not spent to date.

At the beginning of the process, we worked with the Ministry to engage with our community.

The resulting Master Plan concept was agreed and that is where the inclusiveness ended. Since that time (early 2014), we have been excluded from the process and of course have not had any property funding either. Also since 2011, the condition of our property has deteriorated which now requires some urgent and significant expenditure. This must be considered a catch up on the 5YA funds not expended in this time.

The replacement of the Board by a Commissioner will not make any difference to this situation. It is expected that any actual projects under the Master Plan would be managed by the Ministry in any case. However, in terms of the implementation of the Master Plan, it will be vital to have community engagement provide by a Board.

#### **Additional Items**

At the meeting on the 25<sup>th</sup> November 2015, several additional items were raised by the Ministry representatives as risk factors that would be mitigated by the appointment of a Commissioner.

These are discussed below:

#### **Hostel**

The Wairarapa College, College House, is an integral part of the College housing approximately 100 students.

The Board acknowledges that the Hostel operation is separate from the operation of the College and that any support received from the Government for the College operation should not be used to "prop up" the Hostel. This particularly applies to property funding.



The Board is well aware of the property issues facing the Hostel but has been awaiting Master Plan outcomes as there are agreed synergies for any development work. The Board is also aware of the need to ensure the Hostel is financial viable in its own right and will continue to plan for that in the future.

Given that financial, employment and property powers already rest with the LSM, we do not see how the appointment of a Commissioner will mitigate whatever risk exists in this regard.

#### Board Composition and Stability

The Board of Wairarapa College has usually comprised of 5 parent representatives, the Principal, the Staff Rep and the Student Rep like most secondary schools in NZ.

At the last Board election time, an election was required as there were more candidates than positions for Parent Rep's.

The Board have been active and fully participating in the various aspects of governance that have faced us in this electoral term.

Just prior to the appointment of the LSM, we received the resignation of a long-standing Trustee for personal reasons and since that time we had a further resignation, again for personal reasons. This leaves us with 3 Parent Rep's at this time.

The plan is to follow the legislated process of replacing at least one of those Trustees (resigned more than 6 months before the next election) by selection and have followed the process of seeking community endorsement of that plan. We see this process of selection as a useful tool in the succession planning that any competent Board would undertake and have canvassed some potential candidates (experienced Trustees at contributing schools) with a view to them acting as selected candidates until the next election and then standing for election. This process would keep community involvement and the LSM could ensure candidate suitability and monitor their progress going forwards.

Of the 3 current Parent Rep's, two have indicated an intention to re-stand adding a degree of continuity.

In relation to the environment they would be coming into, the Action Plan from the LSM suggests that, provided the current momentum is maintained, many of the decisions that have a degree of risk attached have been made and the new Board would be implementing positive change in the school as it moves forward.

Therefore the Board as it stands does not pose a risk to the Ministry or the College.

In fact it is our contention that the removal of the Board by the appointment of a Commissioner would introduce a new risk – community disengagement. This refers to both the internal and external community.

We have been heartened by the degree of community support the College has received during the last few months of activity. We believe that is due to the fact that we have been consistent and open in our communications and that people recognise that the current difficult times are necessary to get us to a positive future. Introducing another change that removes the community link will endanger this goodwill and maybe the biggest risk to a successful transition to sustainable and successful school. The major current reshaping of staffing and curriculum has empowered the school

in to a much better place for delivering a modern curriculum, with a major relook taking place at how and why things are being and could be done, using a different context.

### **Conclusion**

The Board of Trustees of Wairarapa College recommend to the Ministry of Education that they **do not appoint a Commissioner** to Wairarapa College.

We believe that such an appointment will not mitigate the risks as perceived by the Ministry and will in fact introduce a new risk.

This risk is of loss of community engagement and support which may lead to reduced enrolments necessitating further rationalisation and then further loss of confidence. This would create an environment that is not conducive to maintaining and improving student achievement and wellbeing.

We are confident that with the Board and the LSM in place the College is well placed to protect the Ministries interests and assets and make the necessary changes to ensure that Wairarapa College remains the mainstay of network provision of secondary education in Wairarapa.

Wairarapa College Board of Trustees

RELEASED UNDER THE OFFICIAL INFORMATION ACT



# Wairarapa College Scoping Report and Action Plan

**Prepared by Mr Michael Rondel as  
Limited Statutory Manager**

**Date: 20 November 2015**

### Scoping Exercise took account of:

- Various discussions with Board Chairperson, Geoff Copps
- Discussions with Principal, Mike Schwass and Executive Officer, Michelle Stanley
- Discussions with Board Finance Committee Chair, Andrew Kerr and meeting with other board members on 11 September 2015
- Review of 2012, 2013, 2014 Annual Report, Financial Statements and Analysis of Variance
- Attendance at September and October 2015 Board meetings
- 2014 Audit Link Management letter
- July 2015 monthly management reports
- Latest SUE and Banking Staffing reports
- Draft Openbook Financial Review dated December 2014
- Overview of financial systems, processes and other financial information including current creditors, ANZ facilities details
- Email correspondence with ANZ
- Review and analysis of the College's current cash flow position and projections to 23 October 2015
- Proposed CAPNA process and timeline
- Discussions with NZSTA
- Overview of property matters and assessment of key issues. This included discussions with Asset Manager Mike Geenty and Hostel Manager Josh Symes, tour of the hostel and the college buildings and grounds together and understanding of health and safety issues. Subsequent meetings and correspondence with Ministry of Education property staff
- Discussions with Ministry of Education (MOE) staff – [REDACTED] Senior Adviser, [REDACTED] Senior Adviser College Finance, Andrea Williams and [REDACTED]  
s 9(2)(a) OIA
- Initial review various Board and College policy and process documents including finance and employment policies, charter and strategic plan
- Latest Education Review Office Review Report dated 14 January 2014



## Wairarapa College Scoping Report and Action Plan

### Powers and Duties of the Limited Statutory Manager

Financial Operations, Property Management and Employment

Advice on Communications, Board Organisation and Management

### Required tasks to complete during your appointment:

Tasks	Specific Actions
<b><i>Employment</i></b> <ul style="list-style-type: none"><li>A sound and consistently implemented performance management system for the principal which supports professional leadership and effective college operation and self-review.</li></ul>	<ul style="list-style-type: none"><li>Review Board and Principal understanding of governance and management roles and responsibilities, and associated delegations.</li><li>Ensure that Performance Appraisal practices are built on sound processes and understandings to ensure sustainability.</li><li>Ensure the Principal is appraised appropriately.</li><li>Ensure that college personnel policy and practices meet obligations to all staff.</li><li>Ensure any CAPNA process is undertaken in line with fair and transparent employment practice.</li><li>Implement actions as needed based on the CAPNA process undertaken in 2015.</li></ul>
<b><i>Financial and Property</i></b> <ul style="list-style-type: none"><li>Manage the effective business operations of the Board to comply with legislation relating to property and financial management.</li><li>Policy, systems and processes are developed to ensure sound financial and property decision making and implementation.</li></ul>	<ul style="list-style-type: none"><li>Ensure Board understanding and capability in the application and active monitoring of Board financial policies, including financial delegations and staffing.</li><li>Ensure there are clear delegations of roles for financial management, and that there is consistent application of these roles and accountabilities against them.</li><li>Ensure financial reporting to the Board has the information required to make sound financial decisions and align to strategic priorities.</li></ul>

## Wairarapa College Scoping Report and Action Plan

<ul style="list-style-type: none"> <li>The Board meets the requirements for the property Master Planning process in 2015 -16.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure effective financial controls, processes and decision making are in place and strictly adhered to.</li> <li>Ensure the budget is aligned with sound and fiscally responsible strategic and annual student achievement priorities and strategic direction.</li> <li>Ensure the Board receives clear, accurate and timely financial reporting, including staff costing reports against budget and Ministry staffing entitlements.</li> <li>Review property and financial operations management capability in order to meet any individual development needs.</li> </ul>
<p><b><i>Board Organisation and Management</i></b></p> <ul style="list-style-type: none"> <li>Ensure strategic planning processes are informed by appropriate student progress and achievement data and information.</li> </ul>	<ul style="list-style-type: none"> <li>Advise the Board on reviewing systems that guide any Charter development, monitoring and review, Board organisation, and management policy frameworks.</li> <li>Provide advice and guidance to the Board on all Board systems and processes.</li> <li>Support the Board to ensure a coherent governance framework including a rigorous programme of self review and setting of strategic direction within resource.</li> <li>Ensure strategic direction is informed by rigorous, analysed data and information.</li> </ul>
<p><b><i>Communication</i></b></p> <ul style="list-style-type: none"> <li>Ensure the Board has a communications policy and adheres to it.</li> </ul>	<ul style="list-style-type: none"> <li>Provide advice to the Board and Principal on all communications with the media, communications within the college, and communications between the college and its community.</li> <li>Ensure the Board develops and follows a communications strategy.</li> </ul>



## Wairarapa College Scoping Report and Action Plan

### Wairarapa College: Action Plan under the s78M intervention

	Sep/Oct 2015	Nov/Dec 2015	Jan/Feb 2016	Mar/Apr 2016	May/Jun 2016	Jul/Aug 2016
<b>Financial</b>						
Review the current financial status of the College.	Analysis of cash position to ensure college can meet its financial commitments. Seek temporary funding to cover any shortfall. Review overall financial position	Analyse cash flow requirements to 31/12/15 and establish and any further funding required.	Ongoing monthly review	Ongoing monthly review	Ongoing monthly review	Ongoing monthly review
Implement measures to ensure the Board meets its statutory financial obligations.	Initial assessment of areas where Board is not meeting statutory requirements.	Implement payments approval and other associated processes. Prepare 2016 budget and cash flow forecast.	2016 budget approved.	Ongoing focus to improve on 2016 budget performance	Track performance against budget	Initial work on 2017 budget process
Negotiate an agreement with the Ministry of Education to recapitalise the College.	Initial estimate of amount that may be required to recapitalise College	Updated estimate of amount required to recapitalise College	Business case to MOE for recapitalisation of College	New funding arrangements in place and MOE advances and other debt repaid		
Review financial management policies and procedures, and document and implement necessary changes to ensure the Board receives accurate, relevant and timely financial information.	Initial assessment of all areas to establish areas where Board is not meeting good practice standards.	Resolve problems with BASIS accounting software to ensure accurate financial reporting and monitoring is achieved	Review all policies and processes.	Implement changes required. Investigate accounting software options. Decision on staying with BASIS or move to new system.	Implement change to new accounting software if change decision made	Ongoing monitoring of processes and systems

## Wairarapa College Scoping Report and Action Plan

<p>Prepare an action plan to return the financial situation of the college to a sustainable position.</p> <p>Support and guide the Board to ensure that all new and improved systems are consolidated into Board practice. See Board Organisation and Management below</p>				<p>Preparation of draft action plan that will ensure the college is financially viable in the long term.</p>	<p>Work with Board to finalise action plan including a return to operating surpluses, provision for asset replacement and positive working capital</p>	<p>Work with Board to ensure Board ownership and commitment to action plan and track progress</p>
<p><b>Property</b></p> <p>Assess the current status of all property aspects of the College.</p> <p>Identify all property health and safety issues and implement actions to resolve.</p> <p>Master Planning Process</p>	<p>Review all areas of Board property responsibilities. Undertake property inspection and meet with MOE property staff.</p> <p>Detailed list of health and safety matters prepared.</p> <p>Initial review and understanding of position</p>	<p>Identify priority areas for action. Liaise with MOE</p> <p>Urgent actions identified and work underway to correct. Liaison with MOE property staff for funding</p> <p>Work with MOE to achieve revised timeline for process.</p>	<p>Ongoing review</p> <p>Plan in place to address any remaining health and safety issues. Plan implemented.</p> <p>Track process to ensure Board meets master planning requirements.</p>	<p>Ongoing review</p> <p>Ongoing monitoring of H &amp; S matters</p> <p>I</p> <p>Monitor progress and ensure any other College property issues are considered as part of the process.</p>	<p>Ongoing review</p> <p>Ongoing monitoring of H &amp; S matters</p> <p>Monitor progress process.</p>	<p>Ongoing review</p> <p>Ongoing monitoring of H &amp; S matters</p> <p>Monitor progress process.</p>



## Wairarapa College Scoping Report and Action Plan

<p>Review Board Hostel operation</p> <p>Information Technology Infrastructure</p> <p>Review property management policies and procedures, and document and implement necessary changes to ensure the Board meets its statutory obligations.</p> <p>Support and guide the Board to ensure that all new and improved property systems are consolidated into Board practice. See Board Organisation and Management below</p>	<p>Initial review and understanding of hostel operation.</p> <p>Initial review and understanding of IT issues.</p>	<p>Any urgent health and safety matters are addressed.</p> <p>Identify key issues</p> <p>Initial assessment of all areas to establish areas where Board is not meeting good practice standards</p>	<p>Work with Board, management and MOE to agree urgent actions required.</p> <p>Identify and agree changes required</p>	<p>Undertake review of hostel operation and options for the future.</p> <p>Implement changes.</p>	<p>Report review outcomes.</p> <p>Work with Board, management and MOE to develop long term plan to resolve the College's IT issues.</p> <p>Ongoing monitoring of processes and systems</p>	<p>Board approval of future actions and commence implementation.</p> <p>Ongoing monitoring of processes and systems</p>
<p><b>Employment</b></p> <p>Support Board and Management with 2015 CAPNA process</p>	<p>Review progress to date</p>	<p>Oversees process with board and senior management team to ensure fair and transparent CAPNA process completed.</p>	<p>Revised curriculum and teacher staffing in place</p>			



## Wairarapa College Scoping Report and Action Plan

<p>Investigate the Board's spending in the area of employment and advise the Board about how to decrease spending in this area.</p> <p>Assist the Board to work with NZSTA to ensure that any redundancies or other changes to staff employment conditions follow the correct legal process.</p> <p>Performance Management System is reviewed</p> <p>Support and guide the Board to ensure that all new and improved employment systems are consolidated into Board practice. <b>Also see Board Organisation and Management below</b></p>	<p>Initial review of current board funded staffing including hostel operation.</p>	<p>Consider if formal review required. Implement any changes possible for 2016.</p> <p>NZSTA are consulted for any 2013 staffing changes.</p> <p>Initial review of current performance management system undertaken</p>	<p>Consolidate changes</p>	<p>Ongoing monitoring of board funded staffing.</p> <p>Component of NZSTA HR audit below.</p> <p>NZSTA HR audit undertaken.</p>	<p>Ongoing monitoring of board funded staffing.</p> <p>Work with Board and management to agree any changes to performance management system.</p>	<p>Ongoing monitoring of board funded staffing.</p> <p>Implement changes.</p>
<p><b>Board Organisation and Management</b></p> <p>Review all board and management policies and procedures, document and implement necessary changes to ensure the Board receives accurate, relevant and timely reports and information.</p>				<p>Review all policies and processes including financial related areas.</p>	<p>Document and implement changes required. Succession planning with new Board to ensure financial, property, employment and</p>	<p>Reinforcement of board and management governance responsibilities including enforcement of information provision,</p>

## Wairarapa College Scoping Report and Action Plan

Support and guide the Board to ensure that all new and improved systems are consolidated into Board practice.					other governance responsibilities are understood.  Assess training requirements for new board. Plan actions.	interpretation of monthly finance, property, employment and other relevant reports.  Implement training and development programme.
<i>Communication</i>  Support Board with communications strategy and process	Work with Board with communication around LSM appointment	Review current communication strategy and process	Agree any changes and implement			

## Wairarapa College Scoping Report and Action Plan

### Estimated LSM Budget for period September 2015 to August 2016

Month	Sep to 16 Oct 2015	17 oct to 31 Oct 2015	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	
LSM Hours													
Cost													
Travel													
Total Cost	\$23,595.00	\$ 9,425.00	\$20,250.00	\$14,125.00	\$ 8,275.00	\$18,300.00	\$13,150.00	\$10,225.00	\$ 8,850.00	\$10,225.00	\$ 8,850.00	\$ 8,850.00	\$154,120.00

Notes:	1. Expenses will be managed to minimise this cost including early booking of flights where possible. Skype/Video Conference will used where possible.												
	2. Close monitoring of hours will be maintained and the Ministry of Education will be advised if any significant variation to projected hours are expected. Travel time not charged.												
	3. Sep to 16 Oct 2015 budget already agreed to.												

§ 9(2)(b)(ii) OIA



## Wairarapa College Scoping Report and Action Plan

Nov-15 Wairarapa College - Recapitalisation Estimate		
Requirement	Amount	Comments
Working Capital Deficit 31/12/14	927,000	Includes 2014 Banking Staffing overuse, income in advance, current liability for cyclical maintenance provision (\$333k) and ANZ term loans (none in Term Liabilities), overdraft s 9(2)(b)(ii) OIA
Projected cash shortfall from 2015 year operations	460,000	Projected cash shortfall from 2015 year operations including accounting for tagged funds, income in advance, all accounts payable paid up to date less urgent MOE property H&S expenses and other separately accounted for expenses/adjustments below.
Banking Staffing overuse 2015	220,000	
less banking staffing 2014 repaid 2015	(41,000)	
less accounts payable 31 Dec 2014	(227,000)	
less reduced Bank overdraft	(75,000)	
Property - urgent health and safety and other repairs and maintenance to MOE owned property	50,000	How to be funded? MOE will fund most of this via 5YA or other funding?
Hostel - urgent health and safety and other repairs and maintenance	50,000	
Restructure costs including employment related	225,000	This is an estimated cost and includes current CAPNA costs some of which will be covered by MOE via teachers salaries. Excludes any costs related to support staff changes that may be required in due course
Provision of working capital base funding	200,000	
Urgent CAPEX catch up	40,000	Early estimate only
IT Upgrade	50,000	Early estimate only
s 9(2)(a) OIA		
<b>Total</b>	<b>1,861,000</b>	



## MEMO

**To:** Katrina Casey, Deputy Secretary, Sector Enablement and Support  
**From:** Jann Marshall, Acting Director of Education, Wellington  
**CC:** Jim Greening, Chief Advisor, Operational Delivery  
**Date:** 9 October 2017  
**Subject:** Request to Direct the Appointment of a Limited Statutory Manager for the Wairarapa College (241) Board of Trustees, as an exit strategy from a Commissioner

### Purpose

1. This memorandum asks you, as the Minister of Education's delegate, to direct the appointment of a Limited Statutory Manager (LSM) under section 78M of the Education Act 1989 (Act) for the newly elected Wairarapa College Board of Trustees (the Board). The LSM appointment will commence when the current Commissioner goes out of office as an exit strategy from a Commissioner because of the remaining risk to the operation of the school.
2. The school profile information is available in **Appendix A** for your reference.

### Issues, evidence and outcomes

3. An intervention under 78M of the Act is required if the Minister of Education (or delegate) has reasonable grounds to believe that there are risks to the operation of a school, or the welfare or educational performance of its students. I have reviewed the current intervention and can confirm that there is sufficient evidence that the level of risk at the College has reduced, and the Commissioner is no longer required and must appoint a date for the election of trustees. As an exit strategy, the Commissioner has agreed that an incoming Board is supported by a LSM in the areas of employment and financial management.
4. **Appendix B** outlines the key issues that have been identified and reviewed in Wairarapa College, which provide reasonable grounds to believe that there is risk to the operation of the school.

### Functions, powers and duties to be vested with the LSM

5. The LSM will be vested with the Board's powers of employment and managing financial operations and will also be required to advise the Board on its operation and management. Further detail of the functions, powers and duties to be vested with the LSM is provided in the *New Zealand Gazette* notice attached for your signature. The notice will be published on Thursday 12 October (the second week of the school holidays).
6. The LSM will be expected to apply these functions, powers and duties to address the identified issues at the school and build the Board's capability so it can achieve the expected intervention outcomes listed in **Appendix B**.



## Rationale for intervening at this level

7. I propose that reducing the intervention to this level (LSM) is required as the property and curriculum risks facing the College have reduced to such an extent that these powers can be returned to an elected board (Appendix B green section). The proposed exit strategy is to appoint a LSM, under section 78M of the Act, as an intermediate step in returning the Board to full self-management.
8. A return to an elected Board is timely to ensure the College community voice is evident in strategic planning and property master planning. Alongside the opportunities to be gained, through moving to an elected Board, are residual risks in employment and financial operations that need managing.
9. The level of Crown investment that continues in the College's recovery deserves a continued level of statutory management direction and support, particularly embarking on a major property redevelopment process. In addition, the Principal appointed in July 2016 has some staff performance management challenges to address and a staff culture that needs to continue to be influenced, changed and modernised.
10. The Commissioner has worked closely with a community advisory group, members of which have the capabilities and interest to stand for election. However, some previous Board members are signalling an interest in re-standing for election.
11. An alternative governance model has been considered as an exit strategy, but we consider that intervention at the level of LSM will, as an interim measure, appropriately contain and manage any residual risk in the areas of employment and financial management upon exit.
12. If you agree to the proposed strategy, the Ministry will work with the Commissioner to advise the electoral communities (staff, student and parent community) that a LSM with employment and financial powers would be appointed as the Commissioner goes out of office. In addition, workshops would be run with the nominating and voting communities to ensure they are well informed about the election opportunity and what it means to work with a LSM. It is critical that the Principal is not distracted by new trustees learning their roles, as she continues to lead staff practice changes and as the College continues to manage its financial recovery strategy.
13. The Commissioner has been in the role for nearly two years. We propose a change of appointee at the same time as the replacement intervention commences will reinforce a new phase of the College's recovery. The current Commissioner and the Principal support this recommendation. A careful handover is planned should you support this exit strategy.

## Lower Statutory Intervention would be insufficient because

- the appointment of an additional trustee or as the presiding trustee by the Minister, would not be a sufficient level of intervention to contain and manage any potential adverse trustee influence;
- a Specialist Advisor may not have the influence to ensure that the new employment management practices are embedded; and

**Conclusion:** a LSM is an effective interim measure between a Commissioner and the return to full self-governance and ensures that the Ministry is intervening at the lowest level to manage the risks.

## Financial check

14. The Senior Financial Advisor reviewed the school's financial situation at the time of the original intervention in September 2015 and indicated that the Board was likely to require financial



assistance to pay for the intervention. The College continues to receive financial assistance from the Ministry for the Commissioner. This support will be reviewed for the LSM.

15. The current financial check shows loans to the ANZ bank are being repaid as per the loan agreements. The 2016 financial report shows an operating surplus of \$334K after depreciation and a reduced working capital deficit of \$600K (2015 it was \$1.1M). Staffing continues to be managed within entitlement. The 2017 budget is aligned to strategic priorities. The Ministry has now come to an agreement about how the remaining debt is to be handled. In May 2017 the Ministry provided an additional operational grant of \$696,643, conditional on the school agreeing to pay all staff through the Ministry payroll system and using the grant to repay the 2014 banking staffing debt of \$189,069, the 2015 banking staffing debt of \$287,574 and the 2015 Ministry temporary advance of \$150K. The Ministry also agreed to pay the school \$70k to restore some capital. This was agreed to by the Commissioner.

### Consultation

16. On 2 August 2017, the Ministry met with the Principal to discuss the progress she feels has been made in the intervention and her view of moving to a Board election. She is in favour of moving to an election and of an exit strategy which will support an incoming board with a LSM for finance and employment with advisory functions for Board operations and management.
17. On 23 August 2017, Senior Advisors met with the Commissioner to consider his view of the College's readiness to move to an election. He noted that progress towards outcomes continues and the actions needed are in hand. He considers the return to an elected board will be good for the community. Also discussed were areas that are of potential risk if not well managed while moving to self-governance and a proposal to retain finance and employment powers with a LSM and advisory function for Board operations and management.
18. At a follow up meeting with the Commissioner on 12 September 2017 we discussed the potential risk that an incoming Board may become dependent on him when moving to a new phase of support for the College. We advised we were proposing a change in appointee (and this was not a criticism of his work). The Ministry has worked with the Commissioner and Principal to plan for a term 1, 2018 election date. This gives sufficient time to prepare the electoral community with the support of the Commissioner and Principal with external support for community workshops that can cover staff, students and parent communities. It was agreed that the Commissioner can consider running a 'Meet the Candidates' workshop in term 1, 2018.
19. The Ministry met with a New Zealand School Trustees Association (NZSTA) Professional Development Adviser on 18 September 2017 to discuss the proposed exit strategy and support that NZSTA could give at both the preparation of the electoral community and the possible support they could give in the preparation of the potential Board members.

### Issues likely to arise following intervention

20. The following issues are likely to arise if this intervention is approved:

Likely issues	Mitigation these issues
<ul style="list-style-type: none"><li>The community and staff may perceive the continuation of the intervention, albeit at a lower level, as a vote of no confidence in the College.</li><li>Continued intervention may erode parent support for the governance of the College.</li></ul>	<ul style="list-style-type: none"><li>A positive communications strategy will emphasize the benefits of support for the Board during the transition back to full self-governance.</li><li>The Commissioner is working with an advisory group many of whom intend to stand for election. In addition, the College electoral community will be invited to facilitated workshops in term 4, 2017, to</li></ul>



<ul style="list-style-type: none"> <li>Continued intervention may lead to media enquiries.</li> </ul>	<p>prepare them for a Board taking office with limited powers, and the reasons for this gradual exit strategy.</p> <ul style="list-style-type: none"> <li>The new Board will, at the appropriate time, issue a media statement.</li> </ul>
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### Implementation and exit

21. You have the delegated authority, as the Minister of Education's delegate, to direct the appointment of a LSM vested with specified functions, powers and duties of the Board. If you agree to do this, the appointed LSM will scope the issues in greater depth and develop a scoping report within the first four weeks of appointment.
22. The Ministry will finalise the set of expected outcomes for this intervention based on the facts collated in the scoping report, and then the LSM will develop a planned approach to achieve these outcomes. The LSM will then continue to report monthly to the Ministry on progress towards achieving these outcomes.
23. The Secretary for Education (or delegate) will review the intervention within twelve months of the intervention taking effect. When it is considered the LSM is no longer required you will be asked to revoke the notice directing the appointment of the LSM. The powers vested in the LSM will then return to the Board.

### Recommendations

We recommend that you:

- a. **agree** to direct the appointment of a Limited Statutory Manager, under section 78M of the Education Act 1989, for the Wairarapa College (241) Board of Trustees.

AGREE / DISAGREE

- b. **sign** the attached *New Zealand Gazette* notice for publication on Thursday 12 October 2017.

(electronic sign-off in SIMS 9 October 2017)

Jann Marshall

Acting Director of Education, Wellington

  
 Katrina Casey  
 Deputy Secretary  
 Sector Enablement and Support

10/10/2017

## Appendix 1

## School Profile

1. Wairarapa College is a decile 6, co-educational, Year 9-15 state secondary school, in Masterton.
2. The July 2017 roll was 1015, comprising\* 24.3% (248) who identify as Māori, 3.4% (35) as Pasifika, 2.5% (25) as Asian, 69.4% (708) as European/ Pākehā, and 2.1% (21) students who identify with other ethnicities. There are 7 international students enrolled at the College. Over the last five years, the roll has fluctuated between 945 in July 2013 and 988 in 2016. The staffing entitlement is 63.60 full time teacher equivalents. (\*Note some students identify with more than one ethnic or cultural group. Information from CSIS).
3. The Education Review Office (ERO) reviewed the school in June 2017. ERO's 2017 Report concluded *After a period of challenge and uncertainty, the College is now able to focus more on sustainability and improvement. Many students achieve well, but improving the achievement of Māori and boys as groups remains a key priority. Building the quality of teaching and leadership across the school is an ongoing focus.* ERO intends to carry out another review over the course of one-to-two years.
4. The Wairarapa College Board of Trustees owns the school hostel, Poto-College House, which at the time of the 2017 ERO visit accommodated 73 students (7% of the school roll). Most students are five-day weekly boarders. ERO noted, *the hostel owner has attested that all the requirements of the Hostel Regulations are met. ... There is limited documentation to support the functioning of the hostel. The owner should ensure that written policies and procedures are in place to guide hostel management and operations. These should complement the school policies and procedures that also apply to the hostel.*

## Student Achievement information

5. At the time the LSM intervention was applied in 2015, School wide 88% of students left with NCEA level 2 or Above, this meets the National target of 85%. Both European/Pākehā and Asian students also meet the National target with 100% of Asian students and 89% of European/Pākehā students having left with NCEA level 2 or above. Both Māori and Pasifika ethnic groups were below the target of 85%. With 60% of Pasifika students and 75% of Māori students leaving with NCEA level 2 or above.
6. 2016 Data:
  - Consistent trends of declining achievement in total population and European population.
  - Disparity between Māori and European is increasing.
  - Decreases in achievement for Total, Māori and European from 2015 to 2016, increases for Pasifika and Asian.
7. Overall NCEA Level 2 achievement has decreased by 10%, from 88% to 78%, between 2014 and 2016. Māori Achievement increased between 2014 and 2015, however it decreased substantially by 18% to 63% in 2016. Pasifika Achievement was steady in 2014 and 2015, however it has increased by 23% in 2016, up to 83%. European achievement has been steadily declining since 2014, down to 80% in 2016, from 89% in 2014. Asian achievement has increased to 100% in 2016. There was no 'Other ethnicity' in 2016 and only 1 MELAA. Disparity between Māori and Europeans has increased, from 4% in 2015 to 17% in 2016. This appears to be fluctuating and there is no consistent trend. There are however consistent trends of declining achievement in total population achievement and European achievement.
8. The College is part of the Masterton (Whakaoriori) Community of Learning \ Kāhui Ako.



## Appendix B: 78N Issues and Outcomes reviewed

<u>Issues relating to...</u>	<u>Further Details</u>	<u>Expected Intervention Outcome - The Board will...</u>	<u>What has been Achieved?</u>	<u>What is Yet to be Achieved?</u>	<u>How Outstanding Items will be Achieved</u>	<u>Any Further Comments</u>
<u>financial management.</u>	The LSM was appointed, with the support of the Board, because of the seriously deteriorating financial situation, compounded by staffing and employment concerns, property master planning and a Board owned boarding hostel requiring urgent remediation. The LSM produced a detailed scoping report on 20 November, which identified that the recapitalisation estimate is \$1.86 million. The scale of the financial mismanagement has now been identified and is significant.	Ensure that regular monitoring, evaluation and reporting in relation to financial delegations takes place.	Financial management and systems are now stable. Support for the Commissioner and Principal by contracted support has ensured robust systems are in place. The Commissioner reports that the school is now operating within its means (April 2017). The systems that have now been put in place by accounting firm BDO will now allow for secure and stable planning and reporting on financial matters to an incoming Board. The Commissioner is now receiving financial reports from the new provider that are useful for planning and reporting. The school is now managing the financial systems alongside the service provider. The Board owned hostel and school's financial affairs are now clearly delineated. The hostel is now operating within the resource it generates. Loans to the ANZ bank are being repaid as in loan agreements. The 2016 financial report show an operating surplus of \$334K after depreciation and a reduced working capital deficit of \$600K (2015 it was \$1.1M). Staffing continues to be managed within entitlement. The 2017 budget is aligned to strategic priorities. The	Continue to embed financial management and reporting in the interim period before a Board is elected. Continue to embed systems and processes for effective financial governance and decision making after a Board is elected. Ensure that an incoming Board has quality information for resourcing decision making. Ensure appropriate monitoring of budget and financial systems. Induct the incoming Board into sound financial governance for improved student achievement and outcomes.	Until the incoming Board is elected the Commissioner will continue to embed effective financial systems. The Commissioner will ensure an appropriate handover of information about financial matters to the incoming statutory appointee (proposed LSM). The incoming statutory appointee (proposed LSM) will ensure that financial systems and processes are embedded and serve effective Board governance. The LSM will ensure the appropriate Board training is implemented to ensure sound financial monitoring, resourcing and reporting. External expertise will be contracted as needed by the LSM to ensure any financial risk is managed. The availability of the current contracted provider, BDO, allows for continuity between interventions. The LSM will ensure that financial governance policies are fit for purpose and are understood and implemented by a new Board.	The time between this review and the election of an incoming Board will ensure that there is further time for management of systems and processes to be further embedded. There remains exposure to financial risk with the school still in recovery from over expenditure of the past. The Ministry has ensured that the school has had a financial support package to manage debt and allow for working capital. A Board needs to be supported to ensure that the Crown investment is soundly monitored. The level of Crown investment that continues in the College's recovery deserves a continued level of statutory management direction and support, particularly embarking on a major property redevelopment process.

<u>Issues relating to...</u>	<u>Further Details</u>	<u>Expected Intervention Outcome - The Board will...</u>	<u>What has been Achieved?</u>	<u>What is Yet to be Achieved?</u>	<u>How Outstanding Items will be Achieved</u>	<u>Any Further Comments</u>
			<p>Ministry has now come to an agreement about how the remaining debt is to be handled. In May 2017 the MOE provided an additional operational grant of \$696,643, conditional on the school agreeing to pay all staff through the MOE payroll system and using the grant to repay the 2014 bank staffing debt of \$189,069, the 2015 bank staffing debt of \$287,574 and the 2015 MOE temporary advance of \$150K. The MOE also agreed to pay the school \$70k to restore some capital. This was agreed to by the Commissioner.</p> <p>[REDACTED] s 9(2)(a) OIA</p> <p>[REDACTED] She has had close contact with the contracted financial support BDO and financial service provider to understand the new systems. The Executive Officer has also had support and training to manage the improved systems. The financial service provider has continued to refine the reporting to meet the needs of the Commissioner and a Board.</p>			
<u>Board roles and responsibilities.</u>	<p>The Board have acted imprudently and without due care to ensure that the College remains on a sound financial footing. Issues are greater than a Board can be expected to</p>	<p>Have a shared understanding of individual roles and responsibilities and distribution of tasks.</p>	<p>The Commissioner has ensured that immediate risks are managed. The Commissioner has worked closely with a community advisory group, members of which have the capabilities and interest to stand for election.</p>	<p>Induction of a new Board into the roles and responsibilities of a Board will be required.</p>	<p>This is planned for through exit strategy planning. This proposes an LSM with responsibility for employment and finance and advisory powers in Board organisation and management. NZSTA will be available for training and support to develop the understanding of the Board</p>	<p>It is understood that some previous Board members may stand for election. The exit strategy and training and support package will be vital to ensure any risks are minimized.</p>



<u>Issues relating to...</u>	<u>Further Details</u>	<u>Expected Intervention Outcome - The Board will...</u>	<u>What has been Achieved?</u>	<u>What is Yet to be Achieved?</u>	<u>How Outstanding Items will be Achieved</u>	<u>Any Further Comments</u>
	now manage. Size of recapitalization shows risk to leaving the responsibilities with the Board.				roles and responsibilities. NZSTA has confirmed its availability to support the appointee and the Board.	
<u>curriculum management.</u>	A CAPNA process has been undertaken by the relieving Principal. This will mean the loss of staffing positions as the school has been staffed in excess of MOE entitlements. This has impacted on financial viability. The CAPNA will have significant implications for curriculum redesign as that is needed. Financial pressure may impact on curriculum delivery options and will need careful management.	Ensure the school curriculum is inclusive and responsive to local needs, contexts and the environment and enables all students to become confident, connected, actively involved, lifelong learners.	The Principal appointed in June 2016 is managing the development of curriculum and new pedagogy required to deliver on that curriculum. The staff is now engaged in review of the curriculum with support from both the Principal and an external facilitator in preparation for the property development work. The curriculum and property Master Planning work are linked to ensure that any new property work delivers the appropriate environment in which to deliver an appropriate curriculum. Planning is in place to deliver on the ERO recommendations confirmed in June 2017 in a 1-2 year review cycle. PLD support has been allocated in 2017 to mid-2018 to develop teaching as inquiry and internal evaluation processes across the school. The application for PLD was successful after initial support to focus on an inquiry to develop outcomes. There has been a development in inquiry practices led by the Principal. There are inequities between Māori and non-Māori achievement. These are recognised and planning for addressing these is part of the	The modernisation of the Wairarapa College curriculum and pathways for learning is an ongoing and substantial piece of work. The academic monitoring and mentoring programme will need to be fully implemented and evaluated.	The full implementation and review of the PLD delivery plan will ensure that the actions and outcomes that have been planned for, are achieved. Continuing review and guidance from ERO will also support both reflection and progress towards goals. Curriculum review is now being led and implemented by the Principal with both internal and external support. The Secondary Tertiary Lead Advisor is now supporting the College as are the PLD facilitators. The external support for preparing the educational brief for property master planning is aligning well to curriculum development. Resourcing has been allocated to support curriculum development and professional development of leaders and staff.	<b>Sufficient progress has been made that this issue will not be moved to a new intervention.</b>  This work is based on effective cycles of teaching as inquiry and internal evaluation processes. The Principal is able to support a Board with the areas that need to be addressed and in reporting to the Board.



<u>Issues relating to...</u>	<u>Further Details</u>	<u>Expected Intervention Outcome - The Board will...</u>	<u>What has been Achieved?</u>	<u>What is Yet to be Achieved?</u>	<u>How Outstanding Items will be Achieved</u>	<u>Any Further Comments</u>
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current PLD delivery plan. This is ongoing work that is being managed well and has the support of both the Principal and the Commissioner. The work in the school is being supported by expert PLD facilitators who bring a range of perspectives to the work in order to achieve identified outcomes. The PLD is designed to bring about change to teacher practices where needed, to achieve the outcomes of internal review. The building of consistent practice is a priority across the senior and middle leaders. This was identified by ERO as a key lever for change and has been incorporated into the 2017 -18 PLD delivery plan. All teachers now have to have a teacher inquiry focused on improving student achievement for priority learners based on current data and evidence. An increasing number of staff are involved in the range of curriculum changes. A major trend and commitment the College is making is to the development of a school-wide academic tracking/mentoring programme. The Commissioner reports this will have major impacts on student achievement, parental involvement and understandings, communication with parents



<u>Issues relating to...</u>	<u>Further Details</u>	<u>Expected Intervention Outcome - The Board will...</u>	<u>What has been Achieved?</u>	<u>What is Yet to be Achieved?</u>	<u>How Outstanding Items will be Achieved</u>	<u>Any Further Comments</u>
<u>property management.</u>	<p>Longer Term Issues</p> <ul style="list-style-type: none"> <li>• The Ministry Business Case, including rationalisation and the relocation of the Special Needs Learning Centre, is currently being finalised and has included ongoing discussion with the Board Chair. The estimated cost of stage 1 works is \$9 million.</li> <li>• The Business Case has shortlisted five potential investment options.</li> <li>• The Ministry is yet to formally identify a preferred option. However, to date, discussions have focused on Option C as a likely pathway forward.</li> <li>• The Ministry has taken over the management of the College's 5YA funding of \$1.3 million until the Master Planning process currently underway, is completed. The Ministry did this</li> </ul>	<p>Ensure that regular monitoring, evaluation and reporting in relation to property management delegations takes place.</p>	<p>and contributing schools, and on staff methodology and development.</p> <p>A \$10m plan for capital works has been announced by the Minister to resolve some long standing property infrastructure and rationalisation issues. The Ministry's Capital Works team is working alongside the school to prepare the Educational Brief for alignment of delivery of the curriculum and the development and rationalisation work that will be required. Opus are working alongside the school to identify priorities for the Stage 1 development. A number of long standing issues have been resolved with the replacement of the roof of the Sutherland Block. A maintenance schedule is in place, and Health and Safety requirements are now considered and addressed. There is still maintenance work to be completed due to the longstanding poor condition of the infrastructure and property. This has been prioritised and budgeted for. The priorities for action are informing resourcing. The educational brief work is being led by the Principal with a facilitator (used by the MOE Capital Works team to work alongside the school) and senior management. There is still</p>	<p>Complete educational brief work alongside Capital Works team. Continue to plan for implementation for property development. Continue to budget for and implement the maintenance and property plans as a normal part of management and governance business. it.</p>	<p>The MOE capital works team and Opus will continue to support the school and incoming Board to make decisions based on their support and guidance. The school has maintenance plans to implement. The school has contracted a property management company to support it.</p>	<p><b>Sufficient progress has been made that this issue will not be moved to a new intervention.</b></p> <p>The Ministry will continue to support an incoming Board as needed in the work about property development and in giving advice about property matters. There are advantages in a Board now being elected to enable a wider community voice to contribute to property development work. The Board-owned hostel now has an active parents' group led by the Commissioner that deals with matters of interest to the hostel parents and students, including financial matters. The boarding hostel is now running as a self-sustaining entity. There are still matters for a Board to monitor about the ongoing longer term viability of the hostel if student numbers drop.</p>



<u>Issues relating to...</u>	<u>Further Details</u>	<u>Expected Intervention Outcome - The Board will...</u>	<u>What has been Achieved?</u>	<u>What is Yet to be Achieved?</u>	<u>How Outstanding Items will be Achieved</u>	<u>Any Further Comments</u>
	<p>under clause 3 (b) and (c) of the Property Occupancy Document. The intention is that the College and the Ministry work in partnership on property issues.</p> <ul style="list-style-type: none"> <li>• There has been historical poor maintenance and the absence of adequate asset management systems and processes.</li> <li>• Areas of concern for earthquake strengthening comprise: Block A 40% at NBS but with a heavy reinforced steel masonry façade, Block C Central Wing is 15% NBS at IL3, Block D is 15% NBS at IL3, Block F is 15% NBS at IL3. Moderate weather tightness failure has been identified in the Block A roof and wall planes.</li> <li>• The College is seven teaching spaces in surplus and therefore requires a rationalisation of space of an estimated 1000</li> </ul>		<p>some longstanding risk due to the fact that the property needs maintenance and hard decisions may have to be made due to the prioritising needed when some buildings may be repurposed, demolished or refurbished as part of the Master Plan. The contracted support to the Commissioner reports that the school is aware of the need to continue to build reserves for projects over the next few years. The Commissioner reports that management and systems are in place to ensure the hostel (Poto College House) meets the requirements of a student boarding establishment.</p>			



<u>Issues relating to...</u>	<u>Further Details</u>	<u>Expected Intervention Outcome - The Board will...</u>	<u>What has been Achieved?</u>	<u>What is Yet to be Achieved?</u>	<u>How Outstanding Items will be Achieved</u>	<u>Any Further Comments</u>
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actual gross metres square.

- The boiler plant equipment has reached the end of its asset life and requires replacement.
- The Ministry is currently leading a project to replace and upgrade the air ventilation system in the College's technology blocks. The air ventilation system has not been maintained over a significant period. The estimated cost of this work is \$50,000.
- In November 2013, a storm event damaged the roof to A Block. While emergency repairs have been completed to address urgent health and safety issues, we have been working to identify a long term solution. The estimated cost of this work is \$350,000. These works are significant and will be completed in the next two months.
- Roof repairs are required to Blocks C, D, E, F, O and J. We

Issues relating to...

Further Details

Expected Intervention Outcome - The Board will...

What has been Achieved?

What is Yet to be Achieved?

How Outstanding Items will be Achieved

Any Further Comments

are currently discussing this costing information with the College to identify what work can be prioritised now and what work can be deferred as part of the Master Plan process discussed above.

- A limited SNUP upgrade was completed in July 2015. A full SNUP upgrade will occur as part of the programme of works envisaged in each of the investment options discussed in the Business Case.
- Other risks: • The Board owns the College hostel and is responsible for all the associated costs.
- The hostel staff accommodation has earthquake issues.

managing Principal performance.

s 9(2)(a) OIA

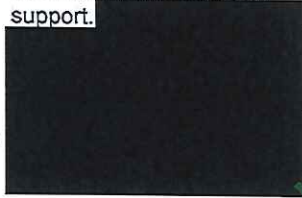
The systems for Principal performance management have been established by the Commissioner.

Improvement of staff performance management is a delegated management responsibility. The Principal will report to the Board about progress towards meeting ERO recommendations. In the interim period while a Board is developing understanding and is able to act appropriately on its


s 9(2)(a) OIA

(Unspecified)



<u>Issues relating to...</u>	<u>Further Details</u>	<u>Expected Intervention Outcome - The Board will...</u>	<u>What has been Achieved?</u>	<u>What is Yet to be Achieved?</u>	<u>How Outstanding Items will be Achieved</u>	<u>Any Further Comments</u>
		learning and development opportunities.	2017) indicated the need to further develop the performance management systems and practices. This has been planned for and the implementation of a more robust system is in the implementation phase. A staff member has been delegated this work. It is progressing to plan with the support of the Principal. Progress to have the new systems fully embedded and consistent across the school will need to be monitored via internal evaluation and Principal performance management.	employer responsibilities, that this area needs LSM support. 	responsibilities will be an outcome for a LSM appointee.	
<u>effective governance and stewardship.</u>	This Board has not managed the financial affairs with prudence. There are other areas evident that indicate the governance of the school has not attended to matters of urgency. It will need for the skills of a Board to be built based on Trustees need by the Commissioner in preparation for a new Board.	Ensure ongoing improvement in the effectiveness and efficiency of governance and stewardship, through induction and ongoing training, the distribution of tasks and succession planning.	The Commissioner has been working alongside a community group who may form a core of a Board. The group has been working alongside the Commissioner on all matters that could be shared with them. There is capability within the group and some may stand for Board election. Policy development has continued under the Commissioner.	An incoming Board will need to have training and support in order to effectively fulfil their roles and responsibilities. A planned transition process will take place between the Commissioner, Board and the LSM to ensure a smooth handover of information.	The development of effective governance and management will be supported by NZSTA and the LSM.	As part of the exit strategy to move to Board election, it is proposed to have a change of person as the LSM appointee. It is agreed after discussion with the Commissioner and Principal that it is timely for a change to happen as the intervention moves to a new phase as a section 78M intervention.
<u>human resource management procedures and practices.</u>	Due to a CAPNA being required in the College there are issues that need to be addressed in the management of staff.	Ensure that human resource management procedures and practices promote and support high	Principal performance management has been developed and is in place. The Commissioner has undertaken the new Principals performance appraisal.	The performance management of the Principal needs to be minded in the period as the school returned to self-governance. A new Board	The appointment of a LSM with employment powers will ensure the ongoing focus of the Principal on matters that will deliver on the strategic vision, student achievement targets and ERO	(Unspecified)

s 9(2)(a) OIA

<u>Issues relating to...</u>	<u>Further Details</u>	<u>Expected Intervention Outcome - The Board will...</u>	<u>What has been Achieved?</u>	<u>What is Yet to be Achieved?</u>	<u>How Outstanding Items will be Achieved</u>	<u>Any Further Comments</u>
	Unclear practices in employment and management of staff need to be clarified. The absence of the Principal and two Acting Principals in different time periods has meant change management issues for staff. Middle management and SMT not working together as a leadership team.	quality education outcomes and safety.	Progress has been reported by the Commissioner in achieving development that is needed to deliver on the strategic and annual goals. However this is not complete, embedded or sustained at this stage. In 2016 ERO reported that there needs to be development of performance management systems across the school. The Commissioner reports that an effective performance management system is not yet robust. Progress has been made on this work but with the development of teaching as inquiry it will be aligned and strengthened. The Principal is focusing on the development of more robust performance management and appraisal systems that are useful for the ongoing resourcing of the school and support of staff.	needs to be inducted into the role of employer responsibilities. In addition,  Develop a robust effective performance management system to support, educate and advise staff.	recommendations will be maintained while a new Board is learning its role in employment.	

#### New Issues:

<u>Issues Relating To...</u>	<u>Further Details</u>	<u>Expected Intervention Outcome - The Board will...</u>	<u>Move to New Intervention?</u>
<u>Board self review.</u>	As there has not been Board membership, developing the new elected Board's capability is a key priority of the 78M intervention support. It is recognised that the skill set of a Board to have a deep understanding of schools review will be vital if the College it to continue to grow and develop. There are issues including student achievement priorities, ERO recommendations, finance and property planning that need the Board to be focused on relevant self-review practices and the resourcing decisions that sit alongside those. The Commissioner reports the College hostel has good numbers and parental support and the future is looking more positive than earlier.	Review and reflect on Board performance and effectiveness in terms of the school vision, values, strategic direction, goals and priorities, and seek relevant advice and support where required.	Yes
<u>policies and procedures.</u>	The LSM needs to ensure that understanding and knowledge of the policies and procedures that underpin governance are fit for purpose by offering advice as	Ensure that school policies and procedures are coherent and fit for purpose.	Yes



Issues Relating To...

Further Details

Expected Intervention Outcome - The Board will...

Move to New Intervention?

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required.

relationships between Board members, professional leaders and/or other staff.

It is important to ensure that as the new Board takes office the relationships between the incoming Board and the Principal are based on mutual trust and respect, and shaped around respective employment roles and responsibilities.

Develop and maintain relationships with professional leaders and/or other staff based on trust, integrity, openness, clarity about roles and responsibilities, transparency and shared knowledge, in the interests of improving valued outcomes.

Yes

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the school vision, values and strategic direction.

With the incoming Board there is the need to ensure that the current strategic vision reflects the aspirations of the community, and is reflected into the property and curriculum development. Having community input through a Board at this vital stage of the school's development is an important next step. The input of the community, staff and students via a Board, and a Principal supported with direction and advice from the LSM, will ensure that the vision can be progressed through clear and cohesive strategic planning.

Work with the school community to develop and regularly refresh the school's vision, values, strategic direction, goals and priorities for equity and excellence.

Yes