MINISTRY OF EDUCATION
TE TĀHUHU O TE MĀTAURANGA

ORIGINAL SENT TO
27 AUG 2018
MINISTERS OFFICE

Education Report: Initiating consultation about the possible closure of Hillcrest School (2856)

To:	Hon Chris Hipkins, Minister of Education		
Date:	27 August 2018	**Priority:**	High
Security Level:	In Confidence	**METIS No:**	1138307
Drafter:	Philippa Pidd	**DDI:**	s 9(2)(a)
Key Contact:	Katrina Casey	**DDI:**	
Messaging seen by Communications team:	No	**Round Robin:**	No

Purpose of Report

This report seeks your agreement to begin the consultation process about the possible closure of Hillcrest School (Pahiatua). This has been requested by the Board of Trustees of the school and has the support of the parent community.

Summary

1. Hillcrest School is on the outskirts of Pahiatua and is a Year 1-8 full primary school.

2. The roll at Hillcrest School has steadily declined from 49 students in March 2012, to nine students currently attending. Four of these students are in Year 8. The Board of Trustees believes the long term viability of the school is poor, due to a lack of predicted future students in the area.

3. The Board of Trustees wrote to the Ministry on 19 June 2018 asking for the voluntary closure of its school at the end of 2018. This has the support of the local parent community.

4. The Ministry advised you of the Board's request to close in the Education Weekly Update of 28 June 2018.

5. We were then asked to hold the request while the Board reconsidered its position. In August it revisited its decision to request the closure of the school at the Board Chair's request. There was a split vote about whether to progress the initial proposal (3 in favour and 2 against). We have therefore reactivated the request.

6. This report seeks your agreement to initiate consultation under section 157 of the Education Act 1989 (the Act) about the possible closure of Hillcrest School. Closure of the school, should it be approved, would then be under section 154 of the Act.

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Recommended Actions

The Ministry of Education recommends you:

a. **agree** to initiate consultation about the possible closure of Hillcrest School (Pahiatua) under section 157 of the Education Act 1989;

Agree / Disagree

b. **sign** the attached letter to the Chairperson of the Board of Trustees initiating consultation under section 157 of the Education Act 1989, and letters to the local MPs advising them of your decision;

c. **note** that should you agree to the consultation being undertaken, we will meet with the Chairperson of the Board of Trustees to provide them with your letter and discuss the next steps in the process;

Noted

d. **agree** that this report be provided to the Board of Trustees; and

Agree / Disagree

e. **agree** that this report be proactively released as part of the Ministry's next publication of reports on its website.

Agree / Disagree

Katrina Casey
Deputy Secretary
Sector Enablement and Support

27/8/2018

Hon Chris Hipkins
Minister of Education

28/8/18

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Background

1. Hillcrest School is a decile two, full primary school located less than one kilometre from Pahiatua School in the Tararua area (refer to the map, attached as Annex One).

2. The school is currently on a three year Education Review Office (ERO) review cycle.

3. It has had a Limited Statutory Manager (LSM) in place since August 2017. The LSM appointment was triggered by the reducing roll, poor academic achievement of students and concerns about the Board of Trustee's ability to govern. Their powers are in the areas of Governance, Principal Recruitment and Curriculum Compliance.

4. The roll has steadily declined from 49 students in 2012 to nine students as of June 2018. Pahiatua is not an area of population growth.

5. The Ministry met with the Board on 15 May 2018 to discuss the school's future viability. On 13 June 2018 the Ministry met them again, and Ministry staff also attended a community meeting to discuss options for the school.

6. The Board of Trustees then wrote to the Ministry on 19 June 2018 asking for the closure of its school. The letter is attached as Annex Two.

7. The Board revisited its decision at its August meeting, and it was decided to continue with the closure (although it is noted the vote was not unanimous).

8. The Ministry supports the Board's request.

Assessment

9. The Ministry agrees that Hillcrest School is no longer viable, and is being considered for closure for the following reasons:

    - the actual roll at Hillcrest School, on 6 July, was nine learners and the Board informed the Ministry that the predicted roll for 2019 is likely to drop to five;
    - there is no significant pre-school aged population in the area;
    - there are several other schools in close proximity which offer good educational opportunities;
    - the community is aware of the lack of opportunities for social interaction available to students as a result of the low numbers, and this is resulting in lower community support for the school; and
    - the quality of education is being affected by the increase in student behavioural and learning needs.

10. The Board of Trustees has discussed the future of the school but considers options to be limited.

11. The Ministry's view is that the students at Hillcrest School would benefit educationally from the resources and greater opportunities for social interaction in a larger school.

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Education in the Local Area

12. Hillcrest School is approximately one kilometre from Pahiatua School and 500 metres from St Anthony's School. Mangatainoka School is 5 kilometres away and Ballance School is 12 kilometres away on a good sealed road.

13. The rolls and capacities of these schools are as follows:

School	Roll (March 2018)	Capacity (No of students)	Surplus Capacity
Pahiatua School	388	317	-71
St Anthony's School	99	145	46
Mangatainoka School	42	75	33
Ballance School	29	75	46

Pahiatua School

14. The roll at Pahiatua is currently above its capacity. We will work alongside the Board to ensure it has a strategy to manage this down. This will likely include the implementation of an enrolment scheme.

Hillcrest School

15. Of the nine students at Hillcrest School, four are in Year 8 and will leave for college in December 2018. Some of the others have indicated that should the school close, they will enrol at Mangatainoka School or Ballance School.

Financial Implications

16. Hillcrest School has a deteriorating financial situation, with an operating deficit of $50,000 in 2017. Working Capital has fallen, with a balance of $68,000 at 31 December 2017. While this balance is adequate at 31 December 2017, the school could not sustain more than a few more years of results similar to 2017.

17. If the consultation about possible closure proceeds, the Ministry will prepare a further report for you. This will include information about costs and savings if the school is to be closed.

Property Implications

18. The property at Hillcrest School is Crown-owned. In the event that Hillcrest School does close, the Ministry will consider the situation of the wider network and projected demographic changes to determine whether or not the site will be required for future educational purposes. The school house, which is located on site, would be included in this process.

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19. If we determine that the site is no longer required, it will be disposed of in accordance with the requirements of the Public Works Act 1981.

Closure process for State School

20. Sections 154 and 157 of the Act require the Minister to undertake consultation about the possible closure of a school before making a final decision. If you agree to initiate this consultation process, the Ministry will formally consult with the Board of Hillcrest School and the Boards of other schools whose rolls might be affected should Hillcrest School close.

21. Once feedback from the consultation has been received, it will then be provided to you in another Education Report, for your final decision about the future of the school.

22. As the Board of Trustees has requested this process, if you are satisfied that the school should close, you do not need to request final arguments from the Board as to why it should stay open.

Conclusion

23. The Ministry agrees that Hillcrest School is no longer viable, and is being considered for closure for the following reasons:

- The actual roll at Hillcrest School on 6 July was nine students, and the Board informed the Ministry that the predicted roll for 2019 is likely to drop to five.
- There is no significant pre-school aged population in the area that would attend Hillcrest School.
- There are several other schools in close proximity which offer good educational opportunities.
- The community is aware of the lack of opportunities for social interaction available to students as a result of the low numbers, and this is resulting in lower community support for the school.
- The quality of education is being affected by the increase in student behavioural and learning needs.

24. The Board of Trustees has discussed the future of the school, but it considers the options to be limited.

25. The Ministry's view is that the students at Hillcrest School would benefit educationally from the resources and greater opportunities for social interaction in a larger school.

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Next Steps - Consultation Plan

26. If you agree to initiate consultation, please sign the letter to the Board Chairperson and return it to the Ministry. Staff from the Ministry's Lower Hutt office will meet with the Board to hand deliver the letter and discuss next steps in the process. We have also attached letters to the local MPs.

27. Following the consultation with the Board and neighbouring schools, the Ministry will develop a report for you to consider the possible closure of the school.

Annexes

Annex 1: Map of Pahiatua schools

Annex 2: Letter from Board Chair requesting closure

Annex 3: Legislation and Board-initiated closure process

Annex 4: Letter to Chair and local MPs

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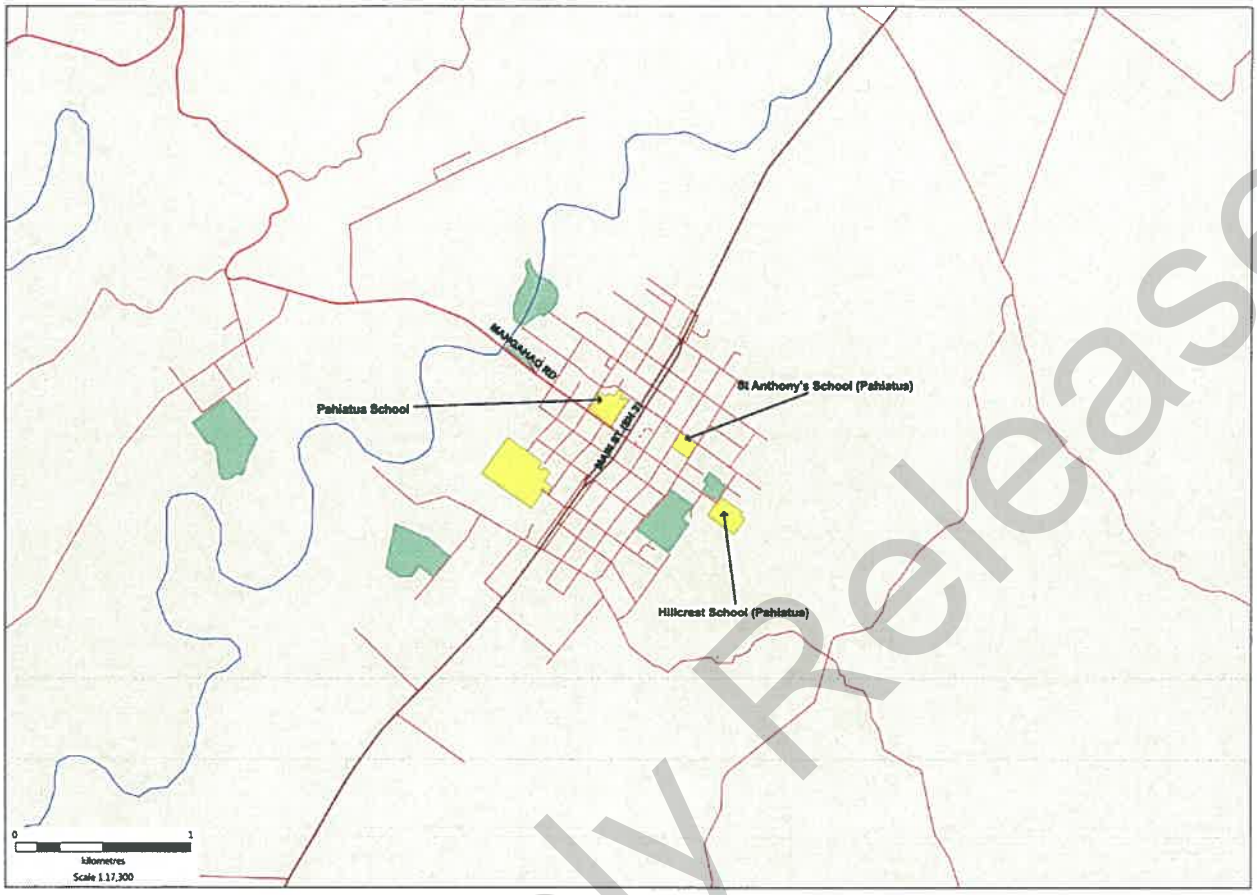
Annex One: Map of Pahiatua Schools



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Annex Two: Letter from Hillcrest School Board Chairperson

Hillcrest School
42 Princess St
Pahiatua 4910
(06) 3768910

Monday 19th June 2018

Kia ora Ross,

Following ongoing discussions around Hillcrest School, Pahiatua sustainability the Board has decided to seek closure of the school at the end of 2018.

The current roll is 9 but with four Year 8's moving on to college at the end of the year the roll is likely to be down to five, possibly six at the start of 2019.

The Board undertook considerable community consultation late last year on this matter and have continued this dialogue with whanau this year as well.

Following the Board meeting of May 15th, 2018, a follow-up Board planning hui on May 30th, 2018 and an advertised special Board meeting on June 13th, 2018 the following resolution was passed unanimously:

"After considerable community consultation in the latter part of 2017, and following further dialogue with school whanau this year, and after careful consideration of all matters particularly in regards what will best serve our students in terms of both achievement and social well-being, the Board of Trustees of Hillcrest School, Pahiatua has resolved to request of the Ministry of Education, the closure of the school. Following the Ministry of Education's response in regards this matter, there follows a further 28-day period of consultation, prior to the Board of Trustees making its final recommendation to the Ministry of Education as required by law".

This resolution was then shared at a well publicised community hui on June 13th, 2018 for information and discussion. This meeting was attended by Board members, school whanau and staff and by members of the wider community as well as by a representative from NZSTA and the MoE.

Whilst some attendees expressed some disappointment that this Board had come to this conclusion and decision, the widespread feeling within the meeting was that the decision was understandable and had been expected for some time. While some Board members had expressed the view that the school could well close at the end of Term 3, 2018, there was also a view and support at the community meeting for closure of the school to be at the end of the 2018 school year, not before.

This letter is a formal notification that the Board of Trustees of Hillcrest School Pahiatua, seek from the Ministry of Education the closure of the school.

Given the timeframes and various processes involved, including those employment related and to also ensure that sound transition arrangements are is place for the students, it is expected that the school closure is at the end of the 2018 school year (not prior).

Kind regards,
Te Aomihi Tangiwai
Board Chair

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154 Closure of schools

(1) Subject to section 157, and to section 438, where, after consulting the board of a State school, the Minister is satisfied that it should be closed, the Minister may, by written notice to the board, ask the board if it has any arguments in favour of the school's staying open.

(2) The Minister may, after considering all arguments (if any) received from the board within 28 days after it got notice under subsection (1), by notice in the *Gazette* specifying a day on which the school will close, close the school; and the school shall cease to be established on the day specified.

(2A) If the board of a State school at any time advises or indicates to the Minister in writing that it agrees to or does not oppose the proposed closure of the school, the Minister may (despite anything in subsection (1) or subsection (2) and regardless of whether the Minister has formally begun or completed the necessary consultation under subsection (1)) close the school by notice under subsection (2) at any time on or after receiving the board's written advice.

(2B) A decision to close a school under subsection (2) is in the Minister's absolute discretion.

(3) Where a school is closed under this section,—

(a) its board shall thereupon be deemed to have been dissolved; and

(b) all assets, liabilities, and debts that the board had immediately before dissolution shall be deemed to have become assets, liabilities, and debts of the Minister.

(3A) Without limiting the rights or privileges conferred on the Minister by subsection (3)(b), the following provisions apply to property that was, immediately before dissolution, held by the board in trust for the benefit of the school:

(a) the Minister may at any time apply to Public Trust to devise a scheme to modify the trust for the benefit of another school:

(b) if the Minister applies under paragraph (a) to Public Trust, subsections (2) to (7) of section 156C apply with any necessary modifications (as if the property were property to which that section applies).

(4) A school that has been closed may not be reopened, except by being established again under this Act.

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157 Consultations

(2) The Minister shall not—

(aa) declare a school to be a boys' school, a girls' school, or a co-educational school under section 146A(1); or

(ab) set limits by notice under section 146A(3) on the number of girls who may attend a boys' school, or boys who may attend a girls' school; or

(a) designate a primary school as a normal or model school under section 148(1)(a); or

(b) designate a normal or model school or model class within a primary school under section 148(1)(b); or

(c) revoke under paragraph (c) of subsection (1) of section 148 a designation under that subsection; or

(d) establish or disestablish an intermediate department under section 149; or

(e) determine under section 150(1) that a particular school is to be or cease to be a contributing school; or

(f) limit under section 151 the education given at a composite school; or

(g) change under section 153(1) the class of a school—

without consulting the board of the school concerned.

(3) The Minister shall not—

(a) establish a school under section 146(1); or

(aa) declare a school to be a boys' school, a girls' school, or a co-educational school under section 146A(1); or

(b) establish or disestablish an intermediate department under section 149; or

(c) determine under section 150(1) that a primary school is to be or cease to be a contributing school; or

(d) limit under section 151 the education given at a composite school; or

(e) change under section 153(1) the class of a school; or

(f) close a school under section 154; or

(fa) redesignate, or remove a designation from, a school under section 154A; or

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(g) merge any school or schools with another under section 156A,—

unless subsection (3A) applies, without first consulting the boards of all State schools whose rolls might, in the opinion of the Minister, be affected if the Minister takes that action.

(3A) Subsection (3)(f) and (g) does not apply if the relevant boards have already been consulted on a closure or merger option as part of a review of the provision of schooling in a particular area.

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The Board has initiated the Closure Process
Usually takes about 6 months

Phase	Action	Who is Involved
Board seeks the permanent closure of the school	The board writes to the Minister/Ministry requesting closure of the school. The letter usually includes information about why the board is making this request and the date of the board meeting that the proposal was supported. If the board has written to the Minister a reply, acknowledging the request and saying that the Ministry will be in contact (or continue to be in contact), will be sent by the Minister. If it has written to the Ministry the Ministry will reply directly. It is noted that often discussions about the future of a school have been taking place for some time before the board decides to request this in writing. Sometimes the board will have already discussed the future of the school with its community before it formally writes to the Ministry/Minister.	Board Ministry/Minister
Ministry contacts Board	If there has been little or no contact between the Ministry and the board, a meeting or number of meetings will be organised at this stage of the process. If there have been several meetings with the board, and its members are confident with the closure process, the contact may be by phone or email to confirm that the closure process is now formally underway.	Ministry/Board
First report to the Minister	The Ministry develops a report for the Minister about the current situation at the school. This includes background material such as: • the reasons for the board's request • if there are any issues or risks that are specific to the situation • the Ministry's contact with the school in the past, leading up to the closure request • the Ministry's recommendation for the Minister. The report also includes a letter to the board for the Minister's signature. If the Minister agrees to support the board's request this letter formally initiates the consultation process that is needed before any decision about closing the school can be made.	Minister/Ministry

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	If the Minister agrees to begin the consultation process: • The Ministry undertakes consultation with the boards of the schools whose roll may be affected should the school close • The board that requested closure undertakes consultation about the future of the school with its parent community and if it wishes its wider local community. Once it is completed the board reports to the Ministry on the outcome. There is no set timeframe for this consultation – it is usually about 4-6 weeks. The Ministry and board consultation processes may include meetings, letters, questionnaires, emails etc.	
Second report to the Minister	When the consultation feedback is received from the board, the Ministry develops a report for the Minister providing the information for his consideration. The report also includes the feedback that the Ministry has received from its consultation, and a letter from the Minister to the board. If the Minister is satisfied that the school should close he will write to the board informing it of the date of the closure. If the Minister considers that the school should remain open he will write to the board to inform it that it will not close. If the Minister agrees that the school should close he will also sign a notice for the New Zealand Gazette. The publication of the notice completes the legal part of the closure process.	Ministry/Minster
Closure gazetted	The closure gazette notice is published.	Ministry (National Office)
Implementation of the closure begins	Planning and implementation of the school closure is discussed with the board. This includes distribution of the school's assets, wrap-up of the school's finances and support for students to enrol in another school. The details are recorded in the EDI Memorandum of Agreement.	Ministry/ Board

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Annex Four: Letters to Board Chair and local MPs

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Office of Hon Chris Hipkins

MP for Rimutaka

Minister of Education
Minister of State Services
Leader of the House
Minister Responsible for Ministerial Services

Te Aomihi Tangiwai
Chairperson
Board of Trustees
Hillcrest School (Pahiatua)
42 Princess Street
Pahiatua 4910

Dear Te Aomihi

Thank you for your letter dated 19 June 2018 from the Hillcrest School Board of Trustees stating that the Board wishes to seek the voluntary closure of the school.

I note that over the past years the roll at Hillcrest School has declined from 49 in 2012 to nine students as of 6 July 2018. I am also informed that the predicted roll for 2019 is just 5 students, and that there are other primary schools in the area with capacity.

Firstly, I wish to thank your Board for being prepared to investigate and discuss various options on the future of Hillcrest School.

Before a decision is made as to whether or not to close a school, under section 154 of the Education Act 1989, the Ministry of Education consults on my behalf with the Board of the school, and with the Boards of any schools where the rolls might be affected. This is required under section 157 of the Education Act 1989. I have enclosed the relevant sections of the Act and a table outlining the closure process.

I am agreeing to enter into consultation regarding the possible closure of Hillcrest School (Pahiatua). This consultation period will conclude 5 weeks from receipt of this letter.

As your school has now formally entered this process the Board should be aware that it:

- should not make permanent appointments (teaching or non-teaching)
- should discuss the appointment of fixed term employees with Ministry staff before any such positions are advertised
- should only undertake health and safety property projects
- should be particularly prudent with expenditure of operational / school funding.

I have asked the Ministry to continue discussions and further consultation with your Board about the possible closure of Hillcrest School.

Yours sincerely

Chris Hipkins
Minister of Education

cc: Erika Ross, Director Education Wellington

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Office of Hon Chris Hipkins

MP for Rimutaka

Minister of Education
Minister of State Services
Leader of the House
Minister Responsible for Ministerial Services

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Alastair Scott
MP for Wairarapa
PARLIAMENT BUILDINGS

Dear Mr Scott

I have recently received a report from the Ministry of Education about the possible closure of Hillcrest School (Pahiatua).

On 19 June 2018 the Board of Trustees of Hillcrest School wrote to the Ministry requesting that the closure process be initiated. I note that the roll of the school has continued to decline and that there are two other schools within one kilometre of Hillcrest School.

Before a decision is made as to whether or not to close a school, under section 154 of the Education Act 1989, the Ministry of Education consults on my behalf, with the Board of the school, and with the Boards of any schools where the rolls might be affected. I have agreed that this consultation be initiated and have written to the Board to begin this process.

Once this consultation has been completed I will receive a further report from the Ministry. At that time I will make a final decision about the future of the school.

In the meantime the Ministry will continue to work with the Board of Hillcrest School to support it during this time.

Yours sincerely

Chris Hipkins
Minister of Education

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Office of Hon Chris Hipkins

MP for Rimutaka

Minister of Education
Minister of State Services

Leader of the House
Minister Responsible for Ministerial Services

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Hon Meka Whaitiri
MP for Ikaroa-Rāwhiti
PARLIAMENT BUILDINGS

Dear Meka

I have recently received a report from the Ministry of Education about the possible closure of Hillcrest School (Pahiatua).

On 19 June 2018 the Board of Trustees of Hillcrest School wrote to the Ministry requesting that the closure process be initiated. I note that the roll of the school has continued to decline and that there are two other schools within one kilometre of Hillcrest School.

Before a decision is made as to whether or not to close a school, under section 154 of the Education Act 1989, the Ministry of Education consults on my behalf, with the Board of the school, and with the Boards of any schools where the rolls might be affected. I have agreed that this consultation be initiated and have written to the Board to begin this process.

Once this consultation has been completed I will receive a further report from the Ministry. At that time I will make a final decision about the future of the school.

In the meantime the Ministry will continue to work with the Board of Hillcrest School to support it during this time.

Yours sincerely

Chris Hipkins
Minister of Education

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