

24 June 2016

Education Report: Partnership Schools | Kura Hourua - application rounds four and five

Recommended actions

We recommend that you:

- a. **note** that funding for around seven new Partnership Schools was provisioned in Budget 2016, with new schools opening in 2018 and 2019 [CAB-16-MIN-0189.10 refers].
- b. **note** that the advice from Treasury is that Cabinet approval is not required to open rounds four and five, but will be required to draw down funding.
- c. **agree** to open round four in July 2016, with new schools opening in 2018.
AGREE / DISAGREE
- d. **note** that we will seek your approval to open round five at a later date.
- e. **agree** that the preference factors applied in round three will also be applied to applications in rounds four and five.
AGREE / DISAGREE
- f. **note** that the Partnership Schools Authorisation Board and the Ministry of Education have developed a new two-stage application process for rounds four and five.
- g. **note** that further work is being done on how best to implement the revised property funding approach approved by Cabinet, and we will provide further advice at a later date.
- h. **note** that the newly-established independent support entity, E Tipu e Rea, will assist prospective sponsors to develop quality applications, but is not expected to be fully operational until round five.

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Lisa Rodgers
Deputy Secretary
Early Learning and Student Achievement

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Hon Hekia Parata
Minister of Education

28/6/16

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Purpose of report

1. The purpose of this report is to seek your agreement to:
 - open application round four in July 2016;
 - apply the same preference factors that were applied in round three.

Cabinet expectations regarding the procurement process

2. Cabinet agreed to set sufficient contingency in Budget 2016 to establish and operate around seven more partnership schools.
3. The advice from Treasury is that you do not need to seek Cabinet approval to go to market but, as per previous rounds, you will be required to seek Cabinet approval to draw down the funds. [CAB-16-MIN-0189.10 refers].

Application and evaluation process

4. Following feedback from round three, the Partnership Schools Authorisation Board and the Ministry of Education have developed a two-stage application process for rounds four and five. The Ministry's procurement team has been involved in this redesign to ensure that the revised process complies with good procurement principles and practice.
5. This involves an initial presentation of concept, followed by submission of a full proposal and a full evaluation for selected applicants.
6. The key benefit of this approach is that it gives the evaluation panel the opportunity to give quick feedback as to whether a proposal is likely to be of interest. This will mean that only those applicants whose proposals are considered to have merit and a high probability of being approved will be required to submit a full proposal.
7. It is also proposed to give feedback to applicants during the procurement process, so that, where required, applications can be refined and resubmitted. This is expected to increase the quality of the applications that are finally approved.
8. You identified seven preference factors for inclusion in round three, as detailed in Appendix 1. We are seeking your confirmation that the preference factors remain unchanged and will be applied to rounds four and five.

Timelines

9. We recommend opening round four, once the contracts for round three have been signed. We will liaise with your offices on exact timing for round four.
10. It is anticipated that we will be in a position to recommend the preferred applicants for round four to you in October, with a view to you seeking Cabinet

approval to draw down on the contingency in November. Negotiations would commence thereafter, with contracts expected to be signed in January 2017.

11. We will update you regarding round five closer to the time. The expectation is that the expression of interest phase for round five will commence later this year, prior to the completion of round four, and that round five will be concluded and contracts signed in July 2017.

Property funding formula

12. In August 2015, Cabinet agreed to a revised property funding methodology that is aligned to schools' actual student numbers rather than maximum roll. The intention of the change was to incentivise roll growth [CAB Min (15) 26/4A refers]. The revised funding approach was applied to applications in round three.
13. We have carried out work to further refine how we implement the revised model and will seek your approval in separate advice.
14. It is not considered necessary for you to go back to Cabinet, should you agree to the proposed change, as it is in line with what Cabinet approved.

E Tipu e Rea

15. As you are aware, an independent entity, E Tipu e Rea has been established to assist prospective sponsors to develop quality applications.
16. E Tipu e Rea is still being set up and is expected to be fully operational to support the round five application process.

Appendix 1

The preference factors below were applied in round three. We are seeking your confirmation that these remain unchanged and that the same preference factors will be applied in rounds four and five.

Preference	Rationale
Schools that will make effective use of the flexibilities offered by the model.	The intention of the partnership schools initiative is to add value to the network by providing an additional schooling option that makes a significant difference for priority learners. The intention is not to replicate what is already on offer in the system, or to incorporate an existing school that may already be providing value.
Schools that offer innovative options for 0-8 year olds.	This enables potential sponsors to propose a schooling solution that aligns the curriculum and pedagogy across early childhood and primary age groups.
Schools that are large enough to be comfortably viable.	Partnership schools must be financially viable. There are benefits of scale for students, including broader curriculum options and greater teaching specialisation. Scale also enables schools to deliver more of the core curriculum themselves at senior levels rather than relying on external parties.
Are located in an area or areas where there are students who are not being well served by the education system.	This enables potential sponsors to use demographics and student achievement information on priority learners to demonstrate the need for a partnership school in a particular location.
Bring together education, business and/or community sector partnership(s).	We encourage applications from potential sponsors that have a track record in developing and maintaining tangible partnerships with the business and community to maximise the success of the school, in both establishment and ongoing operation of the school.
Have a focus on science, technology, engineering and mathematics (STEM).	The allows potential applicants to propose a partnership school that will provide 'best in class' pedagogical strategies in the teaching and learning of STEM subjects, creating pathways into a wide range of related careers.
Are not existing private schools seeking to convert to a partnership school.	The Government welcomes applications from potential sponsors who propose new and additional provision of education for their intended community.