



BRIEFING NOTE: Update on Partnership Schools | Kura Hourua Round Four application process

Date:	15 May 2017	Priority:	Medium
To:	Minister of Education, Hon Nikki Kaye Parliamentary Under-Secretary to the Minister of Education, Mr David Seymour MP		
Security Level:	In Confidence	METIS No:	1061196
Approved by:	Karl Le Quesne	DDI:	[REDACTED] s 9(2)(a) OIA

Purpose

1. This briefing note provides an update on progress on the Partnership Schools Kura Hourua (PSKH) Round Four selection process (METIS 1053671 refers).

Background

2. In April 2017 you agreed that two of the Round Four PSKH applicants (Te Taumata o Ngāti Whakaue Iho Ake Trust and Blue Light Ventures Inc) would proceed to the contract negotiation stage (METIS 1053671 refers).
3. The PSKH Authorisation Board (the Board) identified some outstanding matters in relation to each applicant that were required to be addressed by each applicant by 30 April 2017.
4. The Board delegated to Deputy Chair of the Board the review of the applicants' responses to the matters identified. The Deputy Chair has reviewed the actions taken by both Te Taumata o Ngāti Whakaue Iho Ake Trust and Blue Light Ventures and has advised that all the matters are satisfactorily resolved. A further update is provided below.

Te Taumata o Ngāti Whakaue Iho Ake Trust (Te Taumata)

5. Te Taumata proposed opening a composite school (years 1-10) in Rotorua, with an opening roll of 80 students and a maximum roll of 200 students.
6. The outstanding matters identified by the Board were:
 - a. the proposed property for the school may not be available in time; and
 - b. because the applicant is an iwi group intending to establish a separate legal entity to operate the school, additional due diligence checks will be required, including ensuring that commitments made by the iwi will apply to the new entity.
7. For the matter relating to the proposed property, Te Taumata have provided two property options:
 - a. leasing a new building to be constructed on land subject to successful completion of a land transfer, with a temporary adjacent site (a former private training establishment) to be used whilst the new building is constructed. The new building would be co-located with other educational facilities run by Ngāti Whakaue; or

- b. leasing a building that was formerly used for educational purposes, that could be fit for purpose for the year one roll, but would need renovation to accommodate the year two roll.
- 8. Both property options require a number of steps to be undertaken before the sites would be ready for occupation by a school. There is still a risk that either site may not be completed in time for opening.
- 9. Te Taumata has proposed a decision point of 31 July 2017 for them to notify you of their initial premises for the school. This is approximately two months sooner than was required for the Round Three schools, which had until 90 days prior to opening to inform the Minister of their site. The contract will be amended to reflect this – as it is expected to occur after you would have signed the applicant's contract.
- 10. In relation to the other outstanding matter outlined in paragraph 6(b) above, Te Taumata is in the process of establishing a new entity to be the sponsor of the school. We are advised that the proposed name will be Te Taumata o Ngati Whakaue Company Limited, once approved by the Companies Office. The entity will be checked as part of the Ministry's final due diligence before we recommend that you execute their contract.

Blue Light Ventures (Inc)

- 11. Blue Light Ventures proposed opening a senior secondary school (years 11-13) for males, to be located in Wairakei Village Taupo, with an opening roll of 30 and a maximum roll of 90 students.
- 12. The outstanding matters identified by the Board included:
 - a. the ongoing issues with the accuracy of its financial submission need to be addressed, and financial viability of the proposed school confirmed; and
 - b. that practical issues relating to the proposed property (eg obtaining a licence to operate a hostel, confirming its proposal to share some of a neighbouring school) need to be addressed.
- 13. These matters have been addressed as follows:
 - a. an accurate financial submission was provided to the Ministry, and the school's financial viability was subsequently confirmed by PricewaterhouseCoopers; and
 - b. the property matters in paragraph 12(b) above have been clarified, and we expect they will be relatively straightforward to resolve (eg the need to follow the Ministry's process for licensing a hostel, and to enter into a third party occupancy agreement with the neighbouring school's board). The contract for Blue Light Ventures will be updated to record the actions required to resolve these property matters and a date by which they will be resolved.

Contract for Round Four

- 14. The Round Four contract has been improved to ensure clarity of drafting and consistency with recent policy changes.
- 15. We will provide you with a copy of the draft contract in mid-May, before it is sent to the two preferred applicants for their consideration.
- 16. We have not yet discussed the improvements in detail with the applicants.
- 17. In order to provide a reasonable length of time for preferred applicants to consider the revised contract, we have adjusted the time available. On this basis we are planning to provide a report on 15 June for you to make your final decisions, with timing of the announcement still in June.