



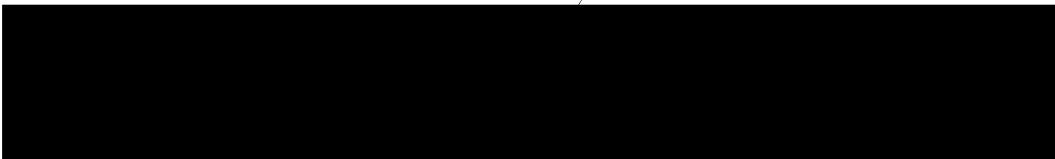


Education Report: Update on Te Pumanawa o Te Wairua

Executive Summary

1. This report provides you with information about the performance issues (as defined in the Partnership Schools Agreement) faced by Te Pumanawa o Te Wairua (formally Te Kura Hourua ki Whangaruru) and the options available to you under the Partnership Schools Agreement to manage Sponsors performance.
2. This advice follows from discussions with you in 2014 regarding your concerns about the performance of this Partnership School and our advice at that time that there was not enough evidence to undertake formal action through an intervention under the Agreement. This evidence is now available.
3. We now recommend that the Sponsor be issued with a Performance Notice that specifies the Sponsor's performance failure(s) and the actions the Sponsor is expected to complete to address the failure(s). We also recommend that as part of the Performance Notice, a specialist audit occur to review the school's operation and progress made against its remedial plan.
4. The Ministry has received advice from the Crown Law Office which is consistent with the approach we are recommending. 

 s 9(2)(h) OIA
5. The Education Review Office (ERO) submitted its final review report on 17 September 2014 and noted that while progress had been made in a number of areas, it found that the school was not in a position to operate effectively without further substantial support.
6. The Ministry has provided ongoing advice and support to the Sponsor on a number of areas including governance, management and operational matters through its establishment, opening and ongoing operation.
7. It is not currently evident the Sponsor has addressed the key issues identified by ERO. The Sponsor has prepared a remedial plan in response to the ERO's findings, but has not provided the Ministry with confidence that it will be able to effectively implement the plan.  s 9(2)(j) OIA
8. 
9. The Sponsor has also failed to address a number of areas identified by the Ministry that would generate the confidence that it could overcome the challenges and operate effectively in 2015.

10. The on-going issues present at the school are directly attributable to the quality of leadership and governance and school management running the school. Whilst the current management structure continues, the confidence of the Ministry in the Sponsor to implement its remedial plan and address the issues is very low.
11. The Partnership Schools Agreement sets out a range of possible interventions available for non-performance. Following the completion of the first year of the Agreement, the Sponsor has not met two of the key performance standards for enrolment and attendance set out in their Agreement, and is not on track to meet the achievement performance standard.
12. This process needs to be managed in the same way we would manage an employment performance issue, where we ensure the parties understand what is required of them and time is allowed to make any required changes; and not pre-determine any possible outcome as a result of invoking an intervention.
13. It is possible, that following the issuance of the Performance Notice and prior to a specialist audit, the Sponsor takes swift action and reorganises its leadership team with suitably appropriate and experienced personnel and is able to demonstrate significant improvement.

Recommendations

We recommend that the Minister of Education:

- a. **note** the Education Review Office (ERO) readiness review found that Te Pumanawa o Te Wairua was not in a position to operate effectively without further substantial support;
- b. **note** the Ministry of Education has provided ongoing advice and support to the Sponsor, Ngā Parirau Mātauranga Charitable Trust, on a number of areas including governance, management and operational matters;
- c. **note** the remedial plan submitted by the Sponsor in response to the ERO readiness review has not been satisfactory to resolve the outstanding issues present at the school;
- d. **note** the Sponsor has not met two of the Performance Standards set out in its Agreement;
- e. **note** whilst the current leadership structure remains at the school, the confidence of the Ministry in the Sponsor to implement its remedial plan and address the issues identified by ERO and the Ministry is very low;
- f. **note** the Partnership Schools Agreement sets out a range of interventions available to be used by the Minister if the Sponsor is not meeting the performance standards;
- g. **note** [REDACTED] and this is confirmed by legal advice from the Ministry and Crown Law; s 9(2)(h) OIA

- h. **agree** to issue the Sponsor, Ngā Parirau Mātauranga Charitable Trust, with a Performance Notice that specifies the Sponsor's performance failure(s) and the actions expected to address the failure(s);


AGREE / DISAGREE

- i. ~~note~~ if you agree to issue a Performance Notice, we will provide a notice for your signature following this decision; and will discuss the most appropriate way to deliver the notice, and

- j. **agree** to release the ERO Readiness Review and the Sponsor's Remedial Plan following the issuance of a Performance Notice at a time agreed with your office.


AGREE / DISAGREE


Katrina Casey
Deputy Secretary
Sector Enablement and Support

Encls

NOTED


Hon Hekia Parata
Minister of Education

David Seymour
Under-Secretary to the
Minister of Education

5.2.15

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Education Report: Update on Te Pumanawa o Te Wairua

Purpose of Report

1. This report provides you with information about the performance issues (as defined in the Partnership Schools Agreement) faced by Te Pumanawa o Te Wairua (formally Te Kura Hourua ki Whangaruru) and the options available to you under the Partnership Schools Agreement to manage Sponsors performance.

Background

2. Ngā Parirau Mātauranga Charitable Trust was approved on 16 September 2013 to open and operate a Year 9-13 secondary Partnership School.
3. The application from Ngā Parirau Mātauranga Charitable Trust was approved on the basis of its proposal to take an innovative approach to address under-achievement in an area of the country where there have been long-standing concerns about educational achievement.
4. The school has focused its efforts on those students which had a history of disengagement with the education system and present an achievement challenge that Partnership Schools were designed to address.
5. It was publicly well known the challenges Ngā Parirau Mātauranga had in the establishment and initial operation of the school. Despite a number of challenges during the establishment phase, Te Kura Hourua ki Whangaruru, supported by the Ministry, opened on Monday 10 February 2014 with 70 students.
6. You raised concerns with the Ministry in the second half of 2014 but at that time our advice was that there was not enough evidence to proceed to formal action under the Agreement.
7. You approved Ngā Parirau Mātauranga Charitable Trust a change of school name on 10 September 2014 and this change was subsequently gazetted on 18 December 2014. The school is now known as Te Pumanawa o Te Wairua. [METIS 883895 refers].

ERO Readiness Review

8. The Ministry entered into an agreement with the Education Review Office (ERO) on 27 September 2013 to conduct a readiness review for each of the first five Partnership Schools culminating in a final report to the Ministry at the end of April 2014.
9. In December 2013, ERO provided the Ministry an interim report on each of the Partnership Schools commenting on the progress at the time [METIS 830938 refers]. In this interim report, ERO noted:

"A further challenge sits in clarifying governance and management roles. The curriculum director is passionate about the task in hand and has a clear and compelling vision for engaging Māori learners. She has the committed backing of her trustees, but because of her background and expertise, may not be delegating sufficiently. The project is possibly at risk because so much depends on one person. The recent employment of administrative and teaching staff may help to alleviate some pressure."

10. At the end of April 2014, ERO submitted four of the five readiness reviews [METIS 868887 refers]. ERO advised the Ministry that Te Kura Hourua ki Whangaruru was not ready to operate effectively without substantial support. ✓
11. ERO communicated the following key issues to the Ministry and the Sponsor:
 - i. poor leadership
 - ii. dysfunctional relationships among staff
 - iii. lack of suitably qualified teachers
 - iv. inadequate curriculum documentation to provide guidance for untrained and relieving teachers
 - v. disengaged students
 - vi. lack of governance capacity.
12. Given the publicly well-known challenges the Sponsor experienced in the establishment and initial operation of its school, the Ministry and ERO agreed that the review period be extended until the end of August 2014 [METIS 868887 refers]. ✓
13. The Sponsor, in response to ERO's interim feedback developed its own plan which sought to address the issues noted by ERO and a number of other related challenges faced by the Sponsor. This process was supported by the appointed Governance Facilitator, Chris Saunders, and the Ministry.
14. Development of this plan resulted in a number of activities including the resignation of the Business Director which allowed for a restructure of the school management team and the appointment of an interim CEO.
15. During the interim CEO's tenure, a significant number of improvements were observed at the school including: ✓
 - i. restoring effective working relationships between staff and governance, and amongst staff
 - ii. ensuring student attendance was closely monitored, and associated issues addressed
 - iii. implementing a regular timetable in place for staff and students
 - iv. clarifying employment matters
 - v. enabling students and teaching staff to have appropriate access to ICT
 - vi. regular and clear reporting to the Sponsor.
16. All these things were considered critical to the success of the school, and provided the necessary confidence to the Ministry that the key challenges the school had faced had been overcome or were being effectively managed towards resolution. ✓

17. The interim CEO identified that ultimately, for the school to be a success, the Sponsor needed to reorganise its leadership team, to ensure that the challenges it had faced could be resolved to allow the school to be able to deliver on its commitments to the Crown and to its community. ✓
18. The Sponsor did not accept the interim CEO's proposal, choosing instead to continue to support the personnel in their current roles, resulting in the resignation of the interim CEO at the end of June 2014.
19. On 17 September 2014, ERO submitted its final readiness review report (Appendix 1). ERO noted that whilst progress had been made in a number of areas, it found that the school was not in a position to operate effectively without further substantial support. ERO identified the following key issues:
 - i. the quality of teaching and learning
 - ii. the quality of school management
 - iii. the variable implementation of leadership (governance) roles
 - iv. disengaged students
 - v. recruiting suitable staff
 - vi. the lack of business expertise.
20. The Ministry has provided ongoing advice and support to the Sponsor on a number of areas including governance, management and operational matters through its establishment, opening and ongoing operation.
21. The Ministry contracted a Governance Facilitator to support the Sponsor to set up its school to guide them in relation to what outcomes needed to be achieved, to what standard and by what date. This included providing clarity on the Sponsor's responsibilities as they relate to: financial management; governance and management; personnel recruitment; and compliance. This support was provided to all established Partnership Schools. ✓
22. The Ministry has also provided the Sponsor support on crisis intervention, access to Student Achievement Practitioners and direct access to a relationship manager who has provided advice and on-going support. ✓
23. A timeline documenting key events since the opening of the school is attached as Appendix 2.

Key Issues

Summary

24. Notwithstanding the issues identified by the ERO and the Sponsor's response to those issues, it is its performance against the Agreement that sets the obligation of the Sponsor.
25. Throughout 2014, the Sponsor has continued to meet its minimum requirements set out in the Agreement. We have previously verbally advised you not to take further action until it has been possible to assess the Sponsor's performance against the contracted performance standards at the conclusion of the school operating year. ✓

26. The Sponsor has not met two of the key performance standards on enrolment and attendance. Given the school has only been operating for a year, and has taken on students with a history of mixed attendance levels, this may be justifiable. However, the issues identified by the ERO and the Ministry conclude that the issuing of a Performance Notice is now recommended. ✓

ERO Readiness Review

27. The final readiness review identified a number of issues concluding that in ERO's opinion, the school was not yet in a position to operate effectively without further substantial support.
28. It is not evident that the Sponsor has addressed the key issues identified by ERO. The Sponsor has prepared a plan in response to ERO's findings, but has not provided the Ministry with confidence that it will be able to effectively implement the plan.

29. s 9(2)(j) OIA

Contractual Performance

30. The Sponsor has met, with no evidence to suggest otherwise, the minimum requirements of the Agreement.
31. The Sponsor has **not met** the following Performance Standards set out in the Agreement:

Performance Standard		Q1	Q2	Q3	Q4 (Annual)	Standard
Unjustified Absence [Schedule 6, 2.2]	Actual (%)	11%	17.2%	13.3%	TBC	2.8%
	% of Standard	392%	615%	475%	-	100%
Enrolment Variance [Schedule 6, 2.3]	Actual (#)	62	54	46	TBC	71
	% of Standard	87%	76%	65%	-	100%

32. The Sponsor is not on track to meet the achievement performance standard set out in the Agreement.

Performance Standard		Q1	Q2	Q3	Q4 (Annual)	Standard
Achievement NCEA L1 [Schedule 6, Annex A]	Actual (#)	N/R			5	
	Actual (%)	N/R	100% (est)		24%	80.9
	% of Standard				30%	100%
Achievement NCEA L2 [Schedule 6, Annex A]	Actual (#)	N/R	100% (est)		3	
	Actual (%)	N/R			30%	66.9%
	% of Standard	N/R			45%	100%

33. The NCEA standards in the Agreement refer to school leavers. The provisional NCEA achievement data shows the current rates put the contracted achievement rates in jeopardy.

School Leadership and Management

34. The Ministry advised the Sponsor in October 2014 (and further again in early December 2014) that it needed to address the following areas immediately to generate confidence that it could overcome the challenges and operate effectively in 2015:

- i. addition of Trust member(s) with current schooling experience
- ii. appointment of a suitably qualified CEO to manage the school
- iii. [REDACTED] s 9(2)(a) OIA
- iv. rebuilding the confidence of the schooling community to ensure that it is able to attract and retain students from 2015 onwards.

35. The Sponsor has appointed a new member to the Trust with broad educational experience, but has failed to address the other areas identified by the Ministry.

36. The Sponsor has sought to bolster the management team for the 2015 school year, with a trust member taking on an active operational role on a part time basis however, it is not clear they have the required skills to effectively manage the Education Director or the operations of the school. ??

s 9(2)(a) OIA, s 9(2)(f)(iv) OIA

37. [REDACTED]

38. The Sponsor continues to demonstrate a lack of necessary educational expertise to ensure effective leadership of the academic aspects of the school.

39. There is no evidence to demonstrate the Sponsor has managed to rebuild the confidence of the schooling community. As a result we have sought your approval to reduce the Guaranteed Minimum Roll for the school in 2015 to 40 from 71 in 2014 [METIS 901532 refers].

40. It is too early to report whether the school has managed to attract its guaranteed minimum roll for 2015. This will not be available until the school re-opens on 9 February 2015.

41. The isolation of the school has compounded the challenges they have faced, however, these are factors which have been brought to bear by the sponsor, and have more than reasonably been taken into consideration by the Ministry to date.

42. The on-going issues present at the school are directly attributable to the quality of the leadership and management running the school. YES

Ngā Parirau Mātauranga Action/Remedial Plan

43. In response to the ERO readiness review the Sponsor initially challenged the findings.

44. Following meetings with the Ministry, the Sponsor undertook and developed two plans to address the issues identified: a Professional Learning and Development plan and an Action Plan which focussed on the issues relating to the broader development of the school (Appendix 3).
45. The Ministry's assessment of the plans is that they need further refinement in terms of being SMART¹, however if the plans were implemented well, could resolve or go a long way to resolving the issues identified. The Ministry is also concerned about the length of time it would take for the plan to be implemented and improvements realised.
46. Whilst the current leadership structure remains, the confidence of the Ministry in the Sponsor to implement the plan and address the issues is very low.



Contractual Process

47. The Partnership Schools Agreement sets out the range of possible interventions available to be used by the Minister if the Sponsor is not meeting the performance standards. These include:
 - i. Performance Notice
 - ii. Remedial Plan
 - iii. Increased Reporting
 - iv. Specialist Audit
 - v. ERO investigation through early or special review.
48. If the Minister is not satisfied that the Sponsor's performance is improving or the Minister has reasonable grounds to believe there continues to be a risk to the operation of the school, or welfare or educational performance of the students, despite the use of the intervention, the Minister may utilise an alternative intervention as the Minister considers appropriate in the circumstances.
49. In addition to assessing the performance of the sponsor against the objectives and the performance standards, clause 21 of the Agreement provides a general ability for the Minister to intervene on the basis of reasonable grounds to believe there is either a risk to the operation of the school; or to the welfare or educational performance of the students.

Role of the Partnership Schools Authorisation Board in contractual matters

50. Section 158C of the Education Act 1989 (the Act) sets out the role of the Partnership Schools Authorisation Board, being to advise you on matters in relation to the approval of sponsors and monitoring the educational performance of Partnership Schools. The Act allows you to vary the terms of reference as you see fit.
51. Under the Act and the current terms of reference, the Authorisation Board does not have a defined role in making contractual management decisions.

¹ SMART stands for Simple, Measurable, Achievable, Realistic and Timely goals.

52. The Ministry values the broad range of expertise brought to bear by the Authorisation Board and the wide ranging advice it has been able to provide to date. The Authorisation Board have provided advice on developing the Partnership School policy, model and contractual framework cognisant of the Board's view on international best practice in these areas.
53. Contractual matters are operational in nature and should be managed through the established processes. The Ministry manages the Partnership School contracts on behalf of the Minister. The Minister makes all final decisions on contractual matters.
54. If the Authorisation Board has recommendations on contractual matters relating to the performance of any Partnership Schools, the Board should identify these and submit to the Deputy Secretary, Student Achievement. The Deputy Secretary would consider the advice in the relevant context and will ensure these views are reflected in any advice provided to you.

Agree

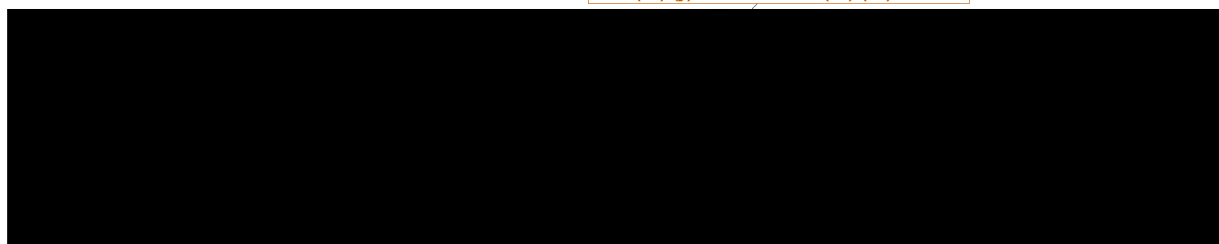
Recommended Action

55. The Sponsor had already been requested to submit a remedial plan in response to the ERO review. The development and implementation of a remedial plan has not been satisfactory to resolve the outstanding issues present at the school.

56. The Ministry has received advice from the Crown Law Office which is consistent with the approach we are recommending. s 9(2)(j) OIA, s 9(2)(h) OIA

Good.

57.



58. We recommend the Sponsor be issued with a Performance Notice as per clause 24.2 of the Agreement. Within the Agreement you have the ability to issue the Sponsor with a performance notice that specifies the Sponsor's performance failure(s) and the actions you expect of the Sponsor to address the failure(s).

✓

59. The Performance Notice provides a clear mechanism to communicate the concerns we have, our expectations, what we consider needs to occur to resolve the concerns and the implications of not making considerable progress towards meeting the expectations.

60. We consider that a specialist audit, looking at all aspects of the running of the school, is then required to allow us to confirm any progress made by the Sponsor.

✓

61. No other available intervention will provide the information required to accurately validate that the school is doing what they have advised they are doing. The specialised audit would allow you to determine whether the non-performance is capable of being remedied or not.

✓

62. If you agree to issue a Performance Notice it must set out:
- the failing of the ERO readiness review
 - the performance failures and the expectations under the Agreement
 - the actions the Minister expects of the sponsor
63. The Performance Notice should also set out:
- the support and advice the Ministry has provided with a view to resolving the issues ✓
 - that the Minister has assessed the Sponsor's performance against the performance standards but has not determined if the failings are capable or incapable of being remedied (20.2(b)) ✓
 - the notice of intention to conduct a specialist audit [clause 24.5] four weeks from the date of notice that reviews the school's operation and the progress the sponsor has made against their remedial plan. ✓
 - that failure to take immediate action in response to the performance notice intervention may result in termination of the Agreement. ✓

Next Steps

64. If you agree to issue a performance notice, a potential timeline to issue the notice is detailed below:

	When (2015)	Action
1	31 January	Receipt of the Sponsors Annual Report (31 January 2015).
2	Mid Feb	The Ministry confirms to Minister of Education areas of non-performance under the agreement (Mid February 2015)
3	Mid Feb	The Minister signs the Performance Notice and it is issued to the Sponsor mid February 2015, this will include a notice of intent to conduct a Specialist Audit four weeks from the date of letter
	Mid Feb	The Ministry to scope the specialist audit, consulting with the Minister of Education. The Ministry to confirm a suitably qualified organisation to undertake the Audit
4	From 20 March	Specialist Audit (from 20 March 2015)
5	Early April	Ministry receives findings of Specialist Audit and advises Minister whether the failings of the Sponsor to meet the performance is considered capable of remedy or incapable of remedy

65. The following table outlines the next steps after the performance notice is issued, based on two scenarios:
- It is determined that the performance failing(s) are **incapable** of being remedied.
 - It is determined that the performance failing(s) are **capable** of being remedied.

	When (2015)	Process: NO improvement in performance	Process: Improvement in performance
1	End March	If it is determined that the performance failing(s) are incapable of being remedied then the Minister will invoke termination proceedings.	If it is determined that the performance failing(s) are capable of being remedied then the intervention will be scaled back with on-going monitoring
2	Early April	The Minister will provide a written notice setting out the reason for the proposed termination and the date from which termination will take effect	The Minister will provide a written notice setting out the decision and planned future interventions (if any) to ensure sustained improvement within agreed timeframes
3	Mid April	The Sponsor may advise the Minister in writing as to any reasons why the Sponsor does not consider that the agreement is terminated	On-going monitoring
4	End April	If the Minister is not satisfied with the reasons provided in step 2, the Minister shall issue a written notice to the Sponsor	On-going monitoring
5	End of May	Agreement is terminated	Move towards business as usual

66. It is possible for the Sponsor to avoid termination, as we consider the most significant issue facing the Sponsor and preventing them from improving, is their current leadership arrangements.
67. It is possible that following the issuance of the Performance Notice and prior to the specialist audit, the Sponsor takes swift action and replaces the leadership team with suitably appropriate and experienced personnel and is able to demonstrate sufficient improvement.
68. If this situation arises, we would then recommend the continued use of appropriate interventions to monitor closely the improvement of the Sponsor's performance until intervention is no longer required.

Release of Information

69. We recommend that the ERO Readiness Review and the Sponsor's Remedial Plan be released following the issuance of a Performance Notice, if approved. If you agree, we will consult with your office about a potential release date, potentially to coincide with the next scheduled information release in March 2015 [METIS 904457 refers].

Yes