

within the existing timeframe. As a result, the Authorisation Board has not recommended these applicants, and we have removed our evaluation of their original proposals from this report.

Ministry assessment of applications

8. A copy of evaluation summaries for the 11 remaining shortlisted applicants, based on information obtained through the processes outlined in paragraph four above, is attached to this report for your information.
9. The evaluation summaries include due diligence relating to each application and ERO or NZQA reports where they are available for the existing work of the applicant organisation. The assessments are focused on:
 - the quality of the proposed educational offering
 - the ability of the proposal to provide value-add to priority learners
 - governance
 - property
 - teaching and management capability
 - financial feasibility, and
 - network and risk analysis.
10. Based on these assessments, the Ministry has made a judgment of the readiness of the applicants to open a PSKH in 2014. We have categorised the 11 applications into the following three categories:
 - applications we recommend for consideration to open a PSKH in 2014
 - applications that have promise and that we recommend be developed further with a view to a future application
 - applications that would need significant reworking to be successful and that we do not recommend be considered to open a PSKH in 2014.

Preferred applicants recommended for consideration to open a PSKH in 2014

11. Three of the applicants who were interviewed had proposals with strengths across all of the assessment aspects that the Ministry considered essential to be successful as a PSKH. In particular, they were able to offer the opportunity to make a significant difference to learning outcomes for priority groups. These applicants were ranked by the Ministry in the following order:
 - (i) He Puna Marama Charitable Trust
 - (ii) Advanced Training Centres Ltd

(iii) Rise UP Trust.

12. In addition to these three applications, the Ministry assessed the proposal from Villa Education Trust as having the capability and capacity to set up a PSKH in 2014, although it was not as convinced of the ability of this proposal to make a significant difference to learning outcomes for priority groups, and has concerns about the ability of the applicants to fit easily into the locations being proposed. If you wish to bring forward four applicants to the contract negotiation stage, the Ministry would recommend that Villa Education Trust also be selected.
13. These top four ranked applications are among the six applicants recommended by the Authorisation Board.
14. **He Puna Marama Charitable Trust:** This is a proposal to set up a year 7-13 school with a maximum roll of 300 in Whangarei, targeting Māori students. In the Ministry's analysis, this was the strongest of the proposals submitted and the applicant was well-placed to begin operating in 2014. The only identified risk is a need to ensure the sustainability of its arrangements to share teaching of senior students with other local high schools. The Ministry is confident this can be addressed in the set-up phase.
15. **Advanced Training Centres Ltd:** This is a proposal to establish a year 11-13 school with a maximum roll of 192 in Albany targeting Māori and Pasifika students. The school would use the ethos and methodology of the military to move students into a broad range of further training and employment options. This was also a strong proposal.
16. The Ministry identified four key issues that will need to be addressed in the set-up phase, but has confidence that these will not be an impediment to successful implementation. These issues are:
 - managing the risk created by the commitment of key management personnel to both the school and the existing private training establishment run by the applicant
 - the need to secure high quality staff, including a principal, capable of delivering the academic curriculum offering, and having them trained in the ethos of the military environment in time to open in 2014
 - overcoming any difficulties in attracting sufficient priority learners, despite the provision of transport by the school from South Auckland to Albany
 - managing the risk that special education needs students may be discouraged from attending the school due to the sponsor's current lack of knowledge and understanding of inclusiveness requirements.
17. **Rise UP Trust:** This is a proposal to establish a year 1-8 school with a maximum roll of 100 in Mangere, targeting Māori and Pasifika students. The school is to be Christian-based. The merits of the applicant's proposal came through particularly at the interview phase.

18. The Ministry has identified four key issues that will need to be addressed in the set-up phase, but has confidence that these will not be an impediment to successful implementation. These issues are:

- ensuring that adequate management systems are in place by 2014
- clarifying the governance arrangements to strengthen accountability
- overcoming potential operational and teaching challenges associated with increasing the roll from 50 to 100 students within three years
- ensuring that suitable premises are secured in time for a 2014 opening.

19. The three recommended schools can be established well within budget:

School	2013/14	Out years
He Puna Marama	1,850,411	1,817,780
ATC	1,581,537	1,568,433
Rise-up	381,720	280,942
Total	3,813,668	3,667,155
Surplus/ deficit	2,032,630	701,064

Funding available: \$5,846,298 in 2013/14 and \$4,368,219 in out years

20. **Villa Education Trust:** This is a proposal to establish a year 7-10 school with a maximum roll of 420 in various sites, targeting low socio-economic, Māori and Pasifika students. The proposal is based on an existing school model run by the applicants in Newmarket. It proposes to set up sites of 60 students, using houses (or villas). The full proposal is for three sites in West Auckland; two sites in South Auckland and one site in Whanganui.

21. The applicant demonstrated the capability and capacity to open a PSKH in 2014. The Ministry does not support the site in Whanganui as this area already has an oversupply of school places and there are risks with overseeing a site that is so distant from the rest of the school.

22. We have reservations about the ability of the model to transfer to parts of Auckland where the applicant has no existing presence and few links with the local community. For this reason we recommend that this proposal be considered for establishment in South Auckland only, with a roll of 120 (two villas). West Auckland is already well-served with schools that cater to priority learners.

23. The key issues that will need to be addressed in the set-up phase are:

- building sufficient community support for the Villa schools to achieve enrolment targets
- ensuring a clear separation between governance and management to underpin performance and strengthen accountability structures.

24. On the basis of a reduced roll for Villa Educational Trust, these four proposals could be done within budget as the small shortfall in out years can be met from within baselines.