

Education Report: Establishing an Entity to Support Partnership Schools

This report provides information on establishing an entity to support Partnership Schools | Kura Hourua (Partnership Schools).

Recommendations

We recommend that you

- a. **note** that research indicates that if a school does not start well, it tends to stay a poor performer
- b. **note** that there is a risk that the steep learning curve for many new sponsors means that Partnership Schools will be less effective than they could be
- c. **note** that Partnership Schools could benefit from support from an entity providing a range of services, including pre-application and post-approval support, and brokering and advocacy services
- d. **note** that, in conjunction with the Authorisation Board, we have identified a range of support functions that may benefit the Partnership Schools model:
 - i. developing the pipeline of sponsors
 - ii. supporting applicants to develop strong, realistic applications
 - iii. brokering support between sponsors and business and philanthropic organisations
 - iv. ongoing support in the setting up and operation of schools
 - v. advocacy services on issues of policy and practice that affect the schools
 - vi. developing a pipeline of high-quality teachers and leaders capable of working in Partnership Schools
- e. **note** that options for discharging these functions include the establishment of a statutory body or a non-statutory body; or a contract with a new or existing organisation
- f. **note** that we consider a non-statutory body such as a charitable trust or incorporated society to be the most effective way of discharging these functions

- g. **note** that the Authorisation Board is aware of people who may wish to be involved in setting up and financing a new entity.



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NOTED / APPROVED


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19/02/14

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Education Report: Establishing an Entity to Support Partnership Schools

Purpose of report

1. This report provides information on establishing an entity to support Partnership Schools | Kura Hourua (Partnership Schools).
2. We have discussed this issue with the Authorisation Board and their views are reflected in this paper.

Background

3. The 2014 Confidence and Supply Agreement between National and ACT New Zealand committed to further develop the Partnership School model, including “maintaining the momentum and continuity of the initiative by strengthening and enhancing the application and governance processes in order to foster high quality applications and high-performing schools”.
4. The September 2014 Briefing for the Incoming Minister *Partnership School Model and Options for the Future* identified that efforts to strengthen the model should be focused on the following areas:
 - a. attracting strong, capable sponsors with a vision and understanding of what will work to raise student achievement
 - b. raising the quality of applications
 - c. ensuring successful sponsors have adequate set up time
 - d. supporting potential and successful sponsors to develop and maintain excellent schools.

Rationale for support

5. There is currently no source of specialised advice and support for the Partnership School model. The Ministry of Education is limited in its ability to strengthen the model. We are able to provide support for approved sponsors (e.g. help in understanding the legislative and contractual framework). We have not provided support to potential sponsors in the application phase as this would be in conflict with a fair and transparent procurement process.
6. Research¹ suggests that future school performance is based on how a school starts out. If a school does not start well, it tends to stay a poor performer. To achieve success, Partnership Schools need strong, capable sponsors that have the educational, financial, business and operational expertise to set up and maintain a successful school.

¹ For example *Charter Schools' Growth and Performance*, Centre for Research on Educational Outcomes (Stanford University, California) 2013.

7. Our experience so far is that the majority of prospective and approved sponsors are small charitable trusts. They often have limited experience in managing sizeable contracts and delivering large-scale educational operations. There has been less interest from the business and philanthropic sectors, and the pool of sponsors has not been as diverse as originally envisaged.
8. There is a risk that Partnership Schools will be less effective than they could be due to the steep learning curve for many new sponsors. Widening the pool of potential sponsors and providing greater support in the pre-application phase may help to provide a strong platform for establishing new schools. Similarly, more ongoing support for Partnership Schools may help to maximise the benefits of a strong start and maintain success over time.

Precedents

9. There are a number of school support organisations in the New Zealand education system. An example is the New Zealand School Trustees Association (NZSTA). NZSTA is contracted to provide support for boards of trustees, both in the new school setup phase, and through ongoing support for established schools.
10. Some overseas charter school models have entities² to help support prospective applicants and approved sponsors. They are often small not-for-profit organisations, which provide a range of services, including pre-application and post-approval support, and brokering and advocacy services.

Potential Functions

11. An effective support entity would ideally be able to provide a range of wraparound services for prospective and approved sponsors. In consultation with the Authorisation Board, we have identified the following potential functions that could support the model:
 - a) **developing the pipeline of sponsors:** engaging with interested parties to promote the model and develop a diverse pool of potential sponsors
 - b) **supporting applicants:** working with prospective sponsors to ensure that they put forward strong, realistic applications in any selection rounds
 - c) **ongoing support:** supporting sponsors in the setting up and ongoing operation of their schools
 - d) **brokering support:** acting as a broker between potential and actual sponsors, and philanthropic or business organisations that might wish to support Partnership Schools

² Examples include the New Schools Network in England and the New York City Charter Schools Center in the United States of America.

- e) **advocacy services:** providing a voice for Partnership Schools on issues of policy and practice that affect them
- f) developing a pipeline of high-quality teachers and leaders to work in Partnership Schools. This might include providing professional development and matching suitable candidates with Partnership Schools.

Comment on functions

- 12. The three functions that would have the most immediate impact on improving the quality of Partnership Schools are developing the pipeline of sponsors; supporting applicants; and providing ongoing support. Not all the functions would necessarily need to be carried out by one entity. For example, the Partnership Schools themselves could set up an advocacy group.

Options for providing support

- 13. We have considered whether the Ministry of Education or the Authorisation Board could carry out some or all of the functions. Both have a conflict of interest due to their role in providing advice to you on suitable applications for approval, and the ongoing monitoring of approved schools. Neither could undertake an advocacy role. Furthermore, as an unincorporated body, the Board could not employ staff or let contracts without personal risk to its members.
- 14. The Ministry of Education could potentially carry out the support to potential and approved sponsors using a “Chinese walls” approach but this would not wholly resolve the perception of conflict of interest.
- 15. We have identified three further options for providing support for the model: a new non-statutory body, a new statutory body and contracting with a new or existing organisation.
- 16. There are two forms that a non-statutory body could take. **Charitable trusts** are not-for-profit organisations that have a charitable purpose, such as education or relief from poverty. Charitable trusts are often funded by external sources, such as philanthropists a minimum of two trustees is required. **Incorporated societies** are not-for-profit organisations where members have a common interest. They must have a minimum of 15 members.
- 17. Statutory bodies are set up through legislation and should be considered when existing government agencies cannot undertake the required functions. Legislative change would take time to implement and may not be considered to be appropriate for such a small number of schools.
- 18. If the Crown wished, it could contract for any services that it wished to buy from a new or existing organisation capable of providing the required services.
- 19. A non-statutory body probably represents the most effective way of delivering all of the functions identified. However, particularly if the advocacy function were to be carried out by a separate organisation, a contract with an external organisation could be worth considering.

Establishing a non-statutory body

20. Non-statutory bodies rely on members of the public to establish them. The Board is aware of people who may wish to be involved in setting up and financing a new entity.
21. If you wish to explore this option further, you may wish to discuss with the Board how any interested parties could help establish and operate a new entity.
22. The Board notes that establishing a charitable trust or incorporated society may require some initial 'seed' funding. The Board is aware of potential donors that may be able to assist with establishing the body.
23. Of the two possible forms of non-statutory body, a charitable trust may be marginally more efficient to establish due to the fewer number of trustees required at establishment.

Other matters raised by the Authorisation Board

24. Members of the Board expressed support for the existing sponsors to come together to form a charitable trust, with membership dues generating funding.
25. There is no reason why this could not be implemented. However, membership fees may be a barrier for some sponsors, and the small number of existing sponsors would not provide large amounts of revenue for the entity.
26. There is also no barrier to sponsors being involved in the governance of a new entity. However, this could mean that some sponsors would be partly or wholly responsible for overseeing an entity designed to support other sponsors. This may be a challenging interface for sponsors to manage. It may also be challenging for sponsors involved in a new entity to balance the work required with the demands of setting up and running new schools.
27. We expect that existing sponsors would play a key role in a new entity regardless of their role in the governance of that entity. This might include being champions for the model, and providing advice to prospective applicants.

Risks

28. We have identified the following risks with establishing an entity to support the Partnership Schools model:

Risk	Mitigation
No entity is set up as interested parties do not come forward.	Consider other ways to strengthen the model.
The establishment of an entity to support the model may be construed as giving preferential treatment to Partnership Schools.	Reinforce that there is a precedent of providing support for state schools.