

Education Report: Partnership Schools | Kura Hourua Contract Variations

Recommendations

We recommend that the Minister of Education:

- a. **note** the first five Partnership Schools have now completed a full year of operation and require variations to their Agreements ahead of the 2015 school year;
- b. **approve** the following variations across all five Agreements:

- i. amend Schedule 7(2) to automate the quarterly operational payments using the same approach and scheduled date of payments applicable to state schools

AGREE / DISAGREE

- ii. allow for a Partnership School's maximum roll to be agreed and adjusted at any time of the year

AGREE / DISAGREE

- iii. allow for the Minister of Education to adjust the Guaranteed Minimum Roll at any time of the year

AGREE / DISAGREE

- iv. set the International Student Cap at nil for 2015

AGREE / DISAGREE

- c. **approve** the following variations for each individual Agreement:

Villa Education Trust - South Auckland Middle School

- i. agree the school term dates for the 2015 year as follows:

Term 1 - 3 February 2015 until 2 April 2015
Term 2 - 20 April 2015 until 3 July 2015
Term 3 - 20 July 2015 until 25 September 2015
Term 4 - 12 October 2015 until 18 December 2015
Total = 384 half days

AGREE / DISAGREE

- ii. set the 2015 Guaranteed Minimum Roll at 120 and the Quarterly Operational Payment at \$304,321.50 (excluding GST)

AGREE / DISAGREE

**Ngā Parirau Mātauranga Charitable Trust - Te Pumanawa O Te Wairua
(formerly Te Kura Hourua ki Whangaruru)**

- i. note on 10 September 2014 you approved the following variations:
- a. change of school name from Te Kura Hourua ki Whangaruru to Te Pumanawa O Te Wairua. A Gazette Notice will be inserted as part of this variation to reflect this change
- b. decrease the percentage of registered teachers from 70% to 65% and increase the percentage of non-registered teachers from 15% to 17.5% for Ngā Parirau Mātauranga Charitable Trust. This change is reflected in the attached variation document

- ii. set the enrolment variance for the financial performance measure at 40 for 2015

AGREE / DISAGREE

- iii. set the 2015 Guaranteed Minimum Roll at 40 and agree the Quarterly Operational Payment at \$412,147.79

AGREE / DISAGREE

- iv. note we are in the process of reviewing the response from Ngā Parirau Mātauranga Charitable Trust to the Education Review Office Readiness Review and the Trust's performance against the contractual requirements

- v. note we will provide you with separate advice on these matters

He Puna Marama Charitable Trust - Te Kura Hourua o Whangarei Terenga Paraoa

- i. vary the school term dates for the 2015 year as follows:

Term 1 - 9 February 2015 until 2 April 2015
Term 2 - 27 April 2015 until 26 June 2015
Term 3 - 13 July 2015 until 19 September 2015
Term 4 - 5 October 2015 until 5 December 2015
Total = 364 half days

AGREE / DISAGREE

- ii. increase the number of teachers at Te Kura Hourua o Whangarei Terenga Paraoa

AGREE / DISAGREE

- iii. set the percentage of the curriculum taught by registered teachers and holders of Limited Authority to Teach at 60% for the 2015 year

 AGREE / DISAGREE

- iv. set the enrolment variance for the financial performance measure at 70 for 2015

 AGREE / DISAGREE

- v. set the 2015 student achievement performance standards for class levels 11 to 13 (NCEA 1 – 84% and NCEA 2 – 73%)

 AGREE / DISAGREE

- vi. set the 2015 Guaranteed Minimum Roll of 70 and agree the Quarterly Operational Payment of \$536,271.42

 AGREE / DISAGREE

The Rise UP Trust – The Rise UP Academy

- i. note on 26 November 2014 you approved the Rise UP Trust's request to extend the class level to include Years 7 and 8 and to increase the maximum roll from 100 to 200

- ii. adjust the total number of half days that the school will be open for teaching as a minimum from 386 to 370

 AGREE / DISAGREE

- iii. increase the number of full time equivalent teaching positions to eight for 2015

 AGREE / DISAGREE

- iv. set the enrolment variance for the financial performance measure at 100 for 2015

 AGREE / DISAGREE

- v. set the 2015 Guaranteed Minimum Roll at 100 and agree the Quarterly Operational Payment of \$209,340.48

 AGREE / DISAGREE

Advance Training Group (formerly Advance Training Centres Limited) – Vanguard Military School

- i. set the enrolment variance for the financial performance measure at 144 for 2015

 AGREE / DISAGREE

- ii. set the Guaranteed Minimum Roll at 144 and agree the Quarterly Operational Payment at \$ 586,741.30

 AGREE / DISAGREE

- iii. note on 10 September 2014 you approved the change of sponsor name from Advance Training Centres Limited to Advance Training Group

- iv. note a deed of novation is being prepared to effect the change of sponsor name

d. **sign** the five attached variation documents.



Katrina Casey
Deputy Secretary
Sector Enablement and Support

Encls



Hon Hekia Parata
Minister of Education

David Seymour
Under-Secretary to the
Minister of Education

10.2.15

___/___/___

Education Report: Partnership Schools | Kura Hourua Contract Variations

Purpose of Report

1. This report seeks your approval to vary the Partnership Schools Agreements for the first five schools that were approved in 2013.

Background

2. You approved and signed Agreements with five Sponsors to open a Partnership School on 16 September 2013 [METIS 810310 refers]. All schools successfully opened in February 2014.
3. All five schools have now completed a full year of operation and require variations to their Agreements ahead of the 2015 school year.
4. No amendment to the Partnership Schools Agreement is effective unless it is in writing and signed by both parties [Clause 34.12].

Payment

5. Schedule 7(2) of the Partnership Schools Agreement sets out how Sponsors are to be paid. The Ministry has reviewed how it pays the Partnership Schools and has made changes to the payment process, automating the quarterly operational payments using the same approach and scheduled date of payments applicable to state schools.
6. This change was reflected in the Agreements signed by you for schools from the second application round [METIS 883895 refers], and to ensure consistency across all agreements, now needs to be changed for each of the agreements that were already in place.

Guaranteed Minimum Roll

7. The Guaranteed Minimum Roll for each year of the Agreement is to be agreed by the Minister of Education and the Sponsor in writing by way of variation to the Agreement, by the end of the current year [Schedule 7 (1.2)].
8. The process for reviewing and discussing the Guaranteed Minimum Roll for the next school year can be initiated by the Minister or the Sponsor following the submission of the third quarter report.
9. All Sponsors have submitted their third quarter reports and the guaranteed minimum roll for 2015 has been discussed with each Sponsor. The following table sets out the proposed guaranteed minimum rolls:

School	2014 Guaranteed Minimum Roll	2015 proposed Guaranteed Minimum Roll	Maximum Roll
South Auckland Middle School	90	120	120
Te Kura Hourua ki Whangaruru	71	40	128
Te Kura Hourua o Whangarei Terenga Paraoa	50	70	300
The Rise UP Academy	50	100	200
Vanguard Military School	108	144	192

10. On 26 November 2014 you approved the Rise UP Trust's request to extend the class level to include Years 7 and 8 and to increase the maximum roll from 100 to 200 [METIS 894825 refers].

Quarterly Operational Payment

11. The quarterly operational payment for any year from 2015 onwards will be determined by the Ministry of Education on behalf of the Minister of Education in accordance to the framework described in the Agreement [Schedule 7 (1.4 (a))].
12. The proposed annual operational payment for 2015 is set out in the table below, payable quarterly in advance:

School	Property and insurance funding	Base funding	Centrally funded support	Per Student funding	Total
South Auckland Middle School	\$303,681.34	\$578,021.11	\$33,120.00	\$608,643.00	\$1,523,465.45
Te Kura Hourua ki Whangaruru	\$412,286.66	\$1,008,510.90	\$11,040.00	\$216,753.60	\$1,648,591.16
Te Kura Hourua o Whangarei Terenga Paraoa	\$737,936.00	\$1,008,510.90	\$19,320.00	\$379,318.80	\$2,145,085.70
The Rise UP Academy	\$189,709.62	\$147,531.31	\$27,600.00	\$472,521.00	\$837,361.93
Vanguard Military School	\$518,397.33	\$1,008,510.90	\$39,744.00	\$780,312.96	\$2,346,965.19

13. The centrally funded support and the per-student funding are calculated using the Guaranteed Minimum Roll values referred to under each specific agreement. The base funding and property and insurance funding are not calculated using the guaranteed minimum roll.

Adjustment to the Guaranteed Minimum Roll and Maximum Roll

14. The Partnership Schools Agreement currently provides no provision to adjust the Guaranteed Minimum Roll after it has been agreed. We recommend changing the Agreement to allow the Minister of Education to adjust the Guaranteed Minimum Roll each quarter during the year, if the actual number of students is materially lower than the Guaranteed Minimum Roll.
15. Sponsors currently can only initiate a review of their maximum roll under clause 7.1(c)¹ of the Partnership Schools Agreement at their second quarter review. This means any variation to adjust the maximum roll has to be confirmed no later than September each year.
16. We recommend changing the Agreement to allow a Partnership School's maximum roll to be reviewed and agreed at any time of the year. The timeframes currently stipulated in the Agreement are very tight from the Sponsor raising its intention to initiate a review through to approving any such variation before the end of September [METIS 894825 refers].
17. We would seek variation to the Guaranteed Minimum Roll and Maximum roll clauses for the four Partnership School Agreements approved in 2014 early in 2015.

Individual Variation Agreements

18. The following section outlines the specific variations required by Agreement.

The Villa Education Trust - South Auckland Middle School

19. The variations required to the Villa Education Trust Agreement include:

- i. International Student Cap for the 2015 year [Schedule 1(2)]
The international student cap will be set at nil for 2015.
- ii. School term dates for the 2015 year [Schedule 1(3.2)]
The 2015 school terms shall be set as follows:

Term 1 - 3 February 2015 until 2 April 2015
Term 2 - 20 April 2015 until 3 July 2015
Term 3 - 20 July 2015 until 25 September 2015
Term 4 - 12 October 2015 until 18 December 2015
Total = 384 half days

¹ Clause 7.1(c) is one of the powers and duties you have agreed to be administered by the Deputy Secretary, Sector Enablement and Support [METIS 878319 refers].

- iii. Teaching Positions and number of Teachers [Schedule 4 (1) and (2)]
Correction to existing errors across the two tables.
- iv. Guaranteed Minimum Roll for 2015 [Schedule 7(1.2)]
The guaranteed minimum roll for 2015 is proposed to be 120.
- v. Quarterly Operational Payments [Schedule 7(1.4(a) and (b))]
The Quarterly Operational Payment for the 2015 Year is \$304,321.50 (exclusive of GST).

Ngā Parirau Mātauranga Charitable Trust - Te Pumanawa O Te Wairua (formerly Te Kura Hourua ki Whangaruru)

20. The variations required to the Ngā Parirau Mātauranga Agreement include:

- i. International Student Cap for the 2015 year [Schedule 1(2)]
The international student cap will be set at nil for 2015.
- ii. School Name Change Gazette Notice [Schedule 1]
On 10 September 2014 you approved the change to the Sponsor's school name from Te Kura Hourua ki Whangaruru to Te Pumanawa O Te Wairua [METIS 894825 refers]. This change was gazetted on 18 December 2014. The New Zealand Gazette Notice will be inserted into the Agreement as Annex B to Schedule 1.
- iii. Teaching positions for 2015 [Schedule 4(1)]
On 10 September 2014 you approved to decrease the percentage of registered teachers from 70% to 65% and increase the percentage of non-registered teachers from 15% to 17.5% [METIS 868887 refers]. This variation will reflect this change as follows:

Year	Position	No
2015	Curriculum Director	0.5
	Full Time Teachers	5
	Part Time Teachers	2
	TOTAL	7.5

[Schedule 4(1)]

Year	Registered	Limited Authority to Teach	Non-Registered
2015	65%	17.5%	17.5%

[Schedule 4(2)]

- iv. Enrolment Variance [Schedule 6(2.3)]
The enrolment variance will be set at 40 for 2015.
- v. Guaranteed Minimum Roll for 2015 [Schedule 7(1.2)]
The Guaranteed Minimum Roll for 2015 is proposed to be a maximum of 40.

- vi. Quarterly Operational Payments [Schedule 7(1.4(a) and (b))
The Quarterly Operational Payment for the 2015 Year is \$412,147.79 (exclusive of GST).
21. We are in the process of reviewing the response from Ngā Parirau Mātauranga Charitable Trust to the Education Review Office Readiness Review and the Trust's performance against the contractual requirements. We will provide you separate advice on these matters.

He Puna Marama Charitable Trust - Te Kura Hourua o Whangarei Terenga Paraoa

22. The variations required to the He Puna Marama Charitable Trust Agreement include:

- i. International Student Cap for the 2015 year [Schedule 1(2)]
The international student cap will be set at nil for 2015.

- ii. School term dates for the 2015 year [Schedule 1(3.2)]
The 2015 school terms shall be set as follows:

Term 1 - 9 February 2015 until 2 April 2015
Term 2 - 27 April 2015 until 26 June 2015
Term 3 - 13 July 2015 until 19 September 2015
Term 4 - 5 October 2015 until 5 December 2015
Total = 364 half days

- iii. Teaching Positions [Schedule 4(1)]
The number of full time equivalent teaching positions for the school in 2015 is as follows:

Year	Position	No
2015	Tumuaki – Education Leader	1
	Kaiwhakaaao – HOD	1
	Kaiwhakaaao	6.5
	TOTAL	8.5

- iv. Number of Registered Teachers [Schedule 4(2)]
The number of Registered Teachers and Holders of Limited Authority to Teach is as follows:

Year	Registered	Limited Authority to Teach	Non-Registered
2015	7	0	1.5

- v. Percentage of Curriculum time taught by Registered Teachers [Schedule 4(3)]

The percentage of the curriculum taught by registered teachers and holders of limited authority to teach shall be set as follows:

Year	% Curriculum time taught by Registered Teachers or holders of Limited Authority to Teach
2015	60%

- vi. Enrolment Variance [Schedule 6(2.3)]
The enrolment variance will be set at 70 for 2015.
- vii. Performance Management Standards² – Student Achievement 2015 [Schedule 6, Annex A(2)]
The 2015 student achievement performance standards for class levels 11 to 13 (NCEA) will be set to the values in the following table:

NCEA level/ University Entrance	Performance Standard			
	2014	2015	2016	2017
School leavers with NCEA level 1	80.9%	84%	TBD	90%
School leavers with NCEA level 2	66.9%	73%	TBD	85%

- viii. Guaranteed Minimum Roll for 2015 [Schedule 7 (1.2)]
The Guaranteed Minimum Roll for 2015 is proposed to be 70.
- ix. Quarterly Operational Payments [Schedule 7 (1.4(a) and (b))]
The Quarterly Operational Payment for the 2015 Year is \$536,271.42 (exclusive of GST).

The Rise UP Trust – The Rise UP Academy

23. Additional variations required to the Rise UP Trust Agreement include:
- i. International Student Cap for the 2015 year [Schedule 1(2)]
The international student cap will be set at nil for 2015.
 - ii. School Term dates for the 2015 year [Schedule 1(3.2)]
The total number of half days that the school will be open for teaching as a minimum is to change from 386 to 370.

²The Agreement with He Puna Marama Charitable Trust requires the performance standards for 2015 to set through this Variation Agreement. All other Sponsors set their 2015 annual performance standard target at the time of forming the agreement in September 2013.

- iii. Teaching Positions [Schedule 4(1)]
The number of full time equivalent teaching positions for the school in 2015 is as follows:

Year	Position	No
2015	Lead Teacher	1
	Teachers	5
	Teachers Aide	2
	TOTAL	8

- iv. Number of Registered Teachers [Schedule 4(2)]
The number of registered teachers and holders of limited authority to teach is as follows:

Year	Registered	Limited Authority to Teach	Non-Registered
2014	3	1	0
2015	6	2	0

- v. Enrolment Variance [Schedule 6 (2.3)]
The enrolment variance will be set at 100 for 2015.
- vi. Guaranteed Minimum Roll for 2015 [Schedule 7 (1.2)]
The Guaranteed Minimum Roll for 2015 is proposed to be 100.
- vii. Quarterly Operational Payments [Schedule 7 (1.4(a) and (b))]
The Quarterly Operational Payment for the 2015 Year is \$209,340.48 (exclusive of GST).

Advance Training Centres Limited - Vanguard Military School

24. The variations required to the Advance Training Centres Agreement include:

- i. International Student Cap for the 2015 year [Schedule 1 (2)]
The International Student Cap will be set at nil for 2015.
- ii. Enrolment Variance [Schedule 6 (2.3)]
The enrolment variance will be set at 144 for 2015.
- iii. Teaching Positions and number of Teachers [Schedule 4 (1) and (2)]
Correction to existing errors across the two tables.
- iv. Guaranteed Minimum Roll for 2015 [Schedule 7 (1.2)]
The Guaranteed Minimum Roll for 2015 is proposed to be 144.
- v. Quarterly Operational Payments [Schedule 7 (1.4(a) and (b))]
The Quarterly Operational Payment for the 2015 Year is \$586,741.30 (exclusive of GST).

25. On 10 September 2014 you approved the change to the Sponsor's name from Advance Training Centres Limited to Advance Training Group [METIS 894825 refers]. The change was gazetted on 18 December 2014, but is not reflected in the attached variation document. A deed of novation is required and is being prepared to effect the change of the parties to the Agreement from Advance Training Centres Limited to Advance Training Group Limited and the Minister of Education.

Next Steps

26. All proposed variations have been discussed with each Sponsor. Each Sponsor agrees to the variations specific to them contained in the attached variation documents.
27. If you agree the variations for each Partnership School Agreement we request you sign each variation. It is preferred that these variations are in place before the schools reopen for the 2015 school year.