



Briefing Note: Future Education Update

To:	Hon Chris Hipkins, Minister of Education		
Cc:	Hon Aupito William Sio, Associate Minister of Education Hon Jan Tinetti, Associate Minister of Education Hon Kelvin Davis, Associate Minister of Education		
Date:	19 December 2022	Priority:	Low
Security Level:	In Confidence	METIS No:	1302449
Drafter:	Martin Collison	DDI:	9(2)(a)
Key Contact:	Ross Clapcott	DDI:	
Messaging seen by Communications team:	Yes	Round Robin:	No

Purpose of Report

The purpose of this paper is to provide you with an update on the contractor and consultancy costs associated with the detailed design and structure change of the Ministry of Education that was announced on 23 November 2022.

Summary

1. This process is the most significant internal review of functions and organisational change programme that the Ministry has undertaken in more than 30 years.
2. The work has included the mapping and analysis of the 100's of functions that the Ministry undertakes and the options analysis for the different approaches to organisation design before confirming a final design. Following the initial implementation and establishment of a new leadership structure in 2021, the Ministry undertook a further restructure of all leadership positions at Tier 3 and 4 as well as some targeted management positions in other tiers of the organisation.
3. The total external contractor and consultancy cost of the detailed design and structure change programme is \$9.32m. This cost was incurred over two financial years:
 - 2021/22 – \$5.22m
 - 2022/23 – \$4.10m
4. This supported the planning, communication and delivery of the organisational design after the initial launch of the high -level Ministry of Education structure in October 2021.

5. The final decisions on this restructure were published in November 2022 with a 31 March 2023 effective date for people changes.

Proactive Release recommendation

Agree that this Briefing be proactively released following your consideration of it, with any redactions made in line with the Official Information Act 1982.

Agree

Disagree



Iona Holsted
Secretary for Education

19/12/2022



Hon Chris Hipkins
Minister of Education

16/1/2022

Background

6. In September 2021 (METIS no: 1271572) I briefed you on the plan for the Future Education programme to establish Te Mahau as the education services agency within a redesigned Ministry of Education that was scheduled to take place in October 2021.
7. This design responded to Government's decisions in 2019 which were outlined in *Supporting all schools to succeed* following the review of tomorrow's schools (SWC-19-MIN-0153).
8. On 4 October 2021, these changes were implemented. This included the formal establishment of Te Mahau and changes to the Ministry's Leadership Team. The change proposal and October redesign were high-level, and I signalled that substantive and detailed organisational design and structure change, led by the new leadership team would be undertaken in 2022.
9. This detailed design and structure change process has involved three phases and the final design decisions were published on 23 November 2022. Those phases were:
 - a. Design of enterprise level Operating Model
 - b. Review and redesign of business group functions
 - c. Organisational structure change
10. This was the most significant internal review of functions and organisational change programme that the Ministry has undertaken in more than 30 years. Appendix 1 provides a summary of process and the impact on positions.

Financial summary

11. The total contractor and consultancy cost for the detailed design and structure change programme is \$9.32m. This cost was incurred over two financial years:
 - 2021/22 – \$5.22m
 - 2022/23 – \$4.10m
12. These costs included a total of \$3.05m for the detailed analysis of the 100s of functions that the Ministry undertakes, consideration of the operational interactions across the business and the assessment of reconfiguration options as well as the final design of the new enterprise operating model.
13. A further \$3.6m for the design of individual business group functional operating model across the 10 new business groups.
14. \$2.67m for the management and implementation of organisational change necessary to implement the restructure across the new business group structure.

15. A breakdown of the costs is provided in **Table 1**.

Table 1

Direct external costs	FY21/22	FY22/23
Enterprise Operating Model	\$3.05m	
Reviewed and redesigned business group functions	\$2.17m	\$1.43m
Organisational structure change including baselined HR data sets aligned to the redesigned functions		\$2.67m
Restructure Total	\$5.22m	\$4.10m

Deliverables

16. Some key components of the design have been developed as part of this cost which will have ongoing utility for the Ministry as it further embeds its new structure. These include:
- a. Detailed business group operating model design maps - Design of the interactions between functions across Te Tāhuhu and Te Mahau for outward facing service delivery, mapping of the integration, coordination and collaboration across business groups to deliver on outward facing service.
 - b. Baselined HR data sets– all current HR system details have been data cleansed and updated to ensure accuracy and completeness which will provide data integrity.
 - c. Common role architecture - provides a common language and framework for decisions about roles and accountabilities across the organisation, clarifies accountabilities at each level of leadership, and for each type of role that is designed/changed through this process, simplifies the leadership landscape by offering a condensed set of roles that are designed to flex as the organisation evolves.
17. Ongoing implementation of the structure will be managed within, and across, business groups alongside delivery of the Government's programme.

Appendix 1

The scope of the change process has been large with; all staff consulted with a focus on tier 3 and 4 positions, with some targeted wider roles, one all-of -business group (Te Pae Aronui | Operations and Integration, and one all of function group - Digital in Te Pou Hanganga Matihiko | Infrastructure and Digital.

3,302 digital submissions and responses were recorded during the consultation process and 265 written group submissions were received.

3,800 HRIS records have been verified (1.45M data fields) and a Ministry-specific role architecture suitable for the Ministry's delivery and support focus has been created, and consulted on, to enable ongoing implementation and resetting expectations across all roles in the organisation.

Overall 280 positions have been disestablished across the Ministry Leadership cohort.

121 positions have been established in the frontline – these include new Tier 4 positions (Integrated Service Managers, managers supporting change implementation as a conduit for change to the sector, and Lead Advisors for Early Childhood).

Overall, leadership roles have become larger with greater integration. This provides for minimising duplication and optimising savings that can be realised in the first year of the new structure.

The design incorporates the 21 Leadership Advisors and 31 Curriculum Leads funded by Government, with Leadership Advisors in regional senior leadership teams, and Curriculum advisors becoming part of 50 newly integrated teams across Te Mahau.

These will be led by new Integrated Service Manager roles across the regions at the frontline – bringing learning support, education advice and curriculum advisors into teams that can support early learning services and schools at a local level.

Three Directors will now cover Auckland rather than one to reflect the population, number of schools and early learning services in Auckland enabling more responsive support from their teams.

The Curriculum Centre has been designed to be well placed to deliver the major curriculum change programmes.

A broad range of previously stand-alone national functions have been integrated in Te Mahau under; Design, Delivery, Data and Insight and Regulation, so they are more able to support frontline teams and deliver national programmes.

A number of fixed term contracts, which have been a feature during the period of restructure, will come to an end progressively over 2023/24.