



Briefing Note: Update on Alternative Education Redesign

To:	Hon Jan Tinetti, Associate Minister of Education		
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Purpose of Report

This report provides an update on the recontracting work for Alternative Education and other key aspects of the redesign of Alternative Education.

Summary

- This paper sets out the Alternative Education (AE) recontracting process. Current AE contracts end in December 2022 and will not be rolled over.
- Recontracting is a critical part of the change process to redesign AE towards the ideal state which was agreed by Cabinet in 2019. Information is provided about three other key aspects of the Redesign; the eligibility criteria, referral process and funding model. Key deliverables and a timeline are provided. Risks are identified.
- The Ministry would welcome a discussion with you about this briefing note.

Proactive Release

- a **agree** that the Ministry of Education release this briefing in full once it has been considered by you.

Agree / Disagree



Sean Teddy
Hautu | Te Pae Aronui

12/7/2022

Hon Jan Tinetti
Associate Minister of Education

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Background

1. In 2019 Cabinet approved an ideal future state which describes an ‘end-to-end’ system of support for Alternative Education provision (which encompasses Alternative Education (AE), Activity Centres and Te Kura’s at-risk gateways). The key objectives of the Redesign are:
 - Identifying and responding to ākonga needs earlier.
 - An ākonga centred model of supported provision, integrated within the schooling system.
 - Better preparing ākonga for, and successfully transitioning them into, their next best step.
2. Due to the current fiscal environment, you have previously agreed that the Redesign of Alternative Education provision should be implemented incrementally. In 2022, the focus of the redesign is:
 - Updating the AE Guidelines, including eligibility criteria, referral process into ‘at-risk’ education provision (including AE) and the funding model for AE.
 - Developing policy options for supporting primary aged ākonga who are at risk of disengaging, following receipt of the evaluation of the Te Tupu Managed Moves pilot expected in July 2022. This evaluation is likely to inform future Budget bids.
 - Recontracting for AE service delivery in 2023.
3. This briefing note provides a work programme for the recontracting part of the Redesign.

Current Contracts

4. All current contracts end on 31 December 2022. The total appropriation in 2023 (including funding allocated through Budget 22) will be \$24,175,000.
5. All contracts are outcome agreements with managing schools, where there are mixed models of provision including:
 - on-site-school provision
 - off-site provision managed by schools
 - off-site provision managed by schools and subcontracted to iwi or non-government organisations (NGOs)
 - consortia models where a lead school manages the provision across a cluster of schools.
6. The outcome agreements fund schools on a per place model. In 2023, with the additional cost pressure funding allocated to AE through Budget 22, each place will be funded at \$12,720. The per place model provides a set number of AE spaces available at any one point in time, which may be occupied by more than one student over the contracting period as students move into and out of AE. The number of places allocated to managing schools ranges from two to 156, with the median number of places being 11. The performance measures for AE are outlined in Annex 1.
7. Other features of the outcome agreements include:
 - A pedagogical leadership plan must be developed to support AE tutors to provide high-quality teaching and learning practices.
 - Managing schools can use 5% of the per place funding to provide pedagogical leadership.
 - Managing schools can use 10% of their total contract for administration purposes.
8. Where there is a consortium model, a memorandum of understanding (MoU) is agreed by the Ministry, managing school and enrolling schools. The MoU sets out the purpose, roles and responsibilities and relationship principles. Unlike the outcome agreement, the MoU is not legally binding.

Alternative Education Provision - A Pathway Not a Destination

9. AE provision in 2023 must align with the Ministry's key strategies including the National Education Learning Priorities, Ka Hikitia, the Learning Support Action Plan, the Action Plan for Pacific Education and the Attendance and Engagement Strategy.
10. Moving Alternative Education provision towards the ideal state through the Redesign is priority six of the Learning Support Action Plan. The Redesign is also an action in the Attendance and Engagement Strategy, under the 'participating' focus area.
11. The re-contracting process for AE is a component of the redesign work. New contracts for AE will focus on strengthening roles and responsibilities for all parties working with ākonga who are at-risk of disengaging. This reflects an incremental approach to the Redesign of Alternative Education provision within the current fiscal constraints.
12. New contracts for AE will set some minimum requirements. These include:
 - Ensuring ākonga can participate and engage in education that best meets their needs.
 - Strengthening educationally powerful connections between whānau and places of learning.
 - Providing barrier-free access to supports that ākonga in schools receive, including specialist learning support services.
 - Supporting well planned transitions moving into, through and out of AE, where ākonga and whānau participate in decision-making.
 - Integrating provision with schools, enabling schools to maintain relationships with ākonga and their whānau and ensuring schools continue to be responsible for ākonga learning progression.
 - Supporting ākonga to meet goals that are relevant to them and their whānau.
 - Where the service is to be provided at an off-site location the Board must enter into a written agreement with the Secretary. This sets out who is responsible for the education provided at the off-site location, who is responsible for the welfare and safety of students at that location, and any other matters the Secretary considers relevant (refer section 117 of the Education and Training Act).
13. In 2019 [see METIS 1183415], the means of addressing the gaps between the current and ideal state were identified as including:
 - addressing inequity of funding across settings, and ensuring resourcing is adequate for quality service provision
 - ensuring access to supports and services to help reengagement
 - providing consistent access to quality teaching and learning while in alternative provision
 - building strong and responsive educationally powerful relationships
 - providing better connection between alternative settings and mainstream schooling.
14. Setting the minimum requirements into contracts for AE will positively step the Redesign forward. Other workstreams across the Ministry will also contribute to progressing towards the ideal state. For example, the development of regional attendance and engagements strategies will help to address the current gaps around ensuring access to supports and services to keep ākonga engaged in education. However, gaps remain, particularly around adequacy of resourcing, which will require further work beyond the work programme for 2022.

Approach for New AE Contracts

15. New contracts provide an opportunity to move AE towards the ideal state. Our key messages for recontracting are:

- AE must be flexible, adaptable, and focussed on meeting the needs of ākonga.
- AE must be culturally responsive.
- A range of AE models or types of provision are likely to best meet the needs of ākonga, including on site, off site, school-led, iwi-led and community-based programmes.
- Collaborative partnerships between clusters of secondary schools, iwi and Māori organisations and community providers create a powerful context for ākonga engagement and educational achievement.
- AE must be well supported by enrolling schools and be part of the education network in a community.
- AE is a learning support intervention and connections with Ministry learning support specialists and services like RTLB must be robust.

16. Two key steps in securing new contracts are sector engagement and procurement.

Sector engagement with schools, iwi and the community

17. Across Te Mahau some regions are already collaboratively working with schools, communities, hapū and iwi to redesign their AE provision for 2023. In other places, the current AE provision is already close to the ideal state. In both these situations, new contracts will be able to be negotiated and signed by December 2022.

18. In other places, we have not yet begun sector or iwi engagement about AE provision. Te Mahau is having to prioritise sector engagement on AE alongside other change that is being made in the education system. In Te Mahau, there is some change fatigue, and in some areas a lack of capacity to make change.

19. We also know that iwi relations and partnerships are in different stages of maturity across the country. Te Tāhuhu has committed to take practical action to give effect to te Tiriti o Waitangi. This means providing genuine opportunities and space for tino rangatiratanga to be exercised by and for Māori. Iwi Māori are wanting to be involved in conversations about how AE can best meet the needs of rangatahi. Dr Hana O'Regan, Lead Advisor for the Mātauranga Iwi Leaders Group (one pou of the National Iwi Chairs Forum) has asked to work with us on the Alternative Education provision Redesign, which we have commenced. Partnering successfully with iwi Māori is likely to be a critical success factor for the Redesign.

20. Moving towards the ideal state must be a collaborative process if we are to build sustainable change and solutions. Genuine co-design is time-consuming. Where Te Mahau regions have not already started this process, there is now not enough time to co-design a new AE provision for contracts to be negotiated and signed by December and new services to be implemented ready for term 1 2023. In these cases, it is most likely that a new contract will be offered to the existing AE provider. Co-design will occur when the sector and Te Mahau have capacity, with a view to all AE provision having been reviewed and reset by the end of 2023. This is the same two-phased approach that we have taken to the redesign of the Attendance Service.

Procurement

21. A sourcing strategy is being developed. It is being designed to promote a better shared understanding of what each party's roles and responsibilities are, as well as addressing risks and concerns raised by stakeholders. The sourcing strategy will:
 - Create a consistent approach across all activities using a framework approach from a programme perspective, implemented at a regional level alongside Te Mahau.
 - Promote a simple, effective and collaborative approach to defining needs whilst ensuring Procurement Rules and the Ministry's procurement policy are adhered to.
 - Encourage innovation and collaborative working while ensuring all 'must haves' are met.
22. To achieve this, all requirements will be documented using a purpose-built template and framework adapted from NZ Government Procurement Branch's Outcome Agreement Management Plan called the 'Engagement and Service Delivery Framework' (ESDF). The ESDF has been designed to operate as both a sourcing and contract management tool and is fit-for-purpose for AE. The ESDF will:
 - acknowledge and cover existing Ministry strategies and policies
 - meet the Government's Procurement Rules
 - reflect the Kia Tutahi Relationship Accord and ensure a balance of good process highlighting inclusiveness and cost consciousness
 - work across all requirements irrespective of the model of provision being considered for AE
 - allow for regional development involving all key stakeholders, including the Ministry, school, iwi and NGOs while ensuring all mandatory requirements are covered at each location.
23. Placing the focus on the ESDF is intended to minimise focus on the contract itself. By collaborating over what and how the services will be designed and delivered, contractual safeguards will become more secondary.
24. Another feature of the ESDF is an 'opt-in' approach. This will require that enrolling schools must acknowledge their role in the AE provision and all obligations imposed on them through the ESDF.
25. The sourcing strategy for AE is being developed on the basis of an opt-out from open tenders as per Procurement Rule 12.3. This provides the most flexibility in terms of engagement with prospective providers. It allows for all possible procurement options, to align with a Te Mahau-led approach in determining the best delivery models for a community, whether that be with a school or cluster of schools, or iwi Māori, or through a competitive tender with NGOs. Using the opt-out provision, the Ministry is still required to operate under the Government Procurement Principles and Charter and other good practice guidance and must also continue to achieve the best public value over the life of the contract.
26. We will be using Results Based Accountability (RBA) principles to ensure we have appropriate measures in place to determine the success or otherwise of the services being provided. RBA will also facilitate the gathering of data and information for the Ministry to determine programme performance and whether the services are making a difference.
27. The sourcing strategy setting out the national provision of AE in 2023 will be approved by the Chief Procurement Officer, Hautū and the Secretary by 30 August.
28. Once the sourcing strategy has been approved, contracting processes will commence with the aim of all contracts being signed by December 2022. Service delivery would then commence from term one 2023. However, you should note there are risks emerging that are likely to negatively impact this timeline. These are discussed further below.

Key Deliverables for the New Contracts Process

29. The following table sets out the key deliverables for the new contracts process:

TASKS	TIMEFRAME
Sourcing strategy approved (procurement begins if required)	30 August
AE Guidelines : eligibility criteria, referral process, funding model (draft, consult and approve)	30 August
Contracts : drafted, negotiated, and signed	August-September
Training and implementation support	November-December
Service commences	Term 1 2023

Risks in Progressing AE Contracting

30. Risks in progressing AE contracting include the following:

- AE providers and schools consistently report that the funding provided by the Ministry is not sufficient to meet all the costs of providing an effective service. This potentially impacts on the quality of teaching provided to ākonga in AE and the quality of the learning environment. Some schools, iwi and community providers may have the expertise to provide AE but may choose not to enter into a contract because they view the funding as insufficient to provide a quality service.
- Collaborative co-design is time-consuming. Currently the quality of AE provision is variable across the country and within regions. In some places the current AE provision is already aligned with the ideal state, or schools and iwi are ready to make change (see Annex 2 for examples of good practice). In other places, more time is needed for co-design and some schools will need support to change their practices and operating models. Where schools, iwi or regions are ready and where AE provision is matching the ideal state, new contracts will be able to be signed by December 2022. In other areas where a new provider is not ready to take up the provision, we may require new shorter-term contracts to allow more time to finalise the design process and contract negotiations. All AE provision will have been reviewed and reset by the end of 2023.
- There is variability in school capacity and willingness to take more responsibility for at-risk ākonga. We know that for the ideal state to work, a culture shift and change may be needed by some teachers and schools to be more inclusive of ākonga and their whānau. Te Mahau will support the culture shift.
- If policy changes are required (for example, to change the funding model) Cabinet or Ministerial approval may be needed, and this may push out the contracting timeline.

Other aspects of the Redesign

31. We are updating the AE Guidelines, which set out the operating model, to make them consistent with the ideal state. Changes to the eligibility criteria, referral process and funding model are under consideration. Following consultation with the sector, Te Mahau and iwi partners the Guidelines will be finalised by August 2022.

Eligibility criteria

32. Stakeholders have informed the Ministry that the current eligibility criteria are a barrier to more flexible options for re-engaging at-risk ākonga. We are drafting and will consult on new eligibility criteria and these will be finalised by August 2022.

Referral process

33. In February 2021, you agreed that the referrals process for AE provision should be an initial area of focus. We engaged with the sector and with ākonga between July and August 2021 on the referral process, including workshopping how to move from the current state closer to the ideal state. Engagement with ākonga and further work on the referrals process was interrupted by the move to Covid Alert Level 4, and the need for the Ministry to pivot to support the education sector response to Covid-19. The Ministry resumed work on the referral process in December 2021, and has further engaged with peak bodies, within Te Mahau, Māori organisations and iwi Māori.
34. Based on this engagement, we heard that the referral process needed:
- to be more inclusive, with ākonga and whānau at the centre of decision making
 - to remove stigmatising language, such as “at-risk”, and to move to strengths based, rather than failure based, assessments and criteria
 - increased flexibility, so that referral to an alternative setting could be initiated by anyone (not just enrolling schools), including self-referral by ākonga and whānau, and providing the ability to move between settings
 - to support enduring relationships, particularly to support transitions into and out of alternative settings – including a lead contact person in the enrolling school to ensure that the link with the enrolling school remained strong, as well as someone to consistently walk alongside ākonga at various parts of the journey and act as an advocate
 - to combine the currently separate guidance for referrals to Activity Centres and AE into a single process
 - to align referral processes for Te Kura At-Risk gateways where the Ministry is the referrer.
35. A key proposal for change is likely to be a greater level of regional involvement from Te Mahau. Our regional education advisors could have a greater role in supporting information gathering to inform decision-making about where a disengaged ākonga’s next best step might be and potentially verifying placement decisions. We will quantify this resourcing impact.
36. The referral process could be reframed as a ‘request for support’ to understand ākonga needs and how they can be supported. This may result in better in-class support or it may be a step into an alternative provision, which may include AE, an Activity Centre or Te Kura. The enrolling school will still maintain their responsibilities for the ākonga. This is more aligned with the Learning Support Delivery Model and the way that specialist learning support services are delivered.
37. A revised referral process has been drafted. Wider consultation with hapū, iwi and Māori organisations has occurred in some regions. Further consultation will and the referral process will be finalised in August 2022.

Funding model

38. We are exploring the possibility of replacing the per place funding model to allow more flexibility and responsiveness to better meet the needs of ākonga.

39. Stakeholders and partners have identified several issues with the current funding model including a lack of flexibility, insufficient funding passed onto providers from managing schools to deliver quality service, and a perceived lack of value from current components of the funding. We have identified options to enable more flexible use of the existing funding and provide additional value while moving AE towards the ideal state. All these options need to be discussed with stakeholders and partners to understand their impact and feasibility. The following options may be considered individually or as a suite:
- a. Improve flexibility of funding by moving away from per place funding. The per place allocation of funding, set into the current contracts, means it is difficult to respond to changes in demand for AE over the country and move resources to where the need is, resulting in waiting lists in some areas and excess capacity in others. Options to move away from per place funding could include:
 - i. splitting funding by takiwā or Ministry region with the allocation managed by Te Mahau
 - ii. allocating a proportion of funding as base funding to establish standing capacity with a further proportion being per student to enable resources to move with the student.
 - b. Retain per place funding but reduce the number of places (currently 1,888) to increase the per place rate.
 - c. Review the use of the 10% administration fee by managing schools, considering whether to remove or reduce this. Reducing the percentage would increase the funding for AE providers. For example, reducing to 5% would provide an additional \$636 per place from 2023. We are currently collecting more information to get a better understanding of how the administration fee is used by managing schools.
 - d. Review the use of pedagogical leadership funding and consider whether there is an opportunity to gain greater value from this funding. Pedagogical leadership is provided by registered teachers employed by the managing school to AE tutors. In practice, the provision of pedagogical leadership is variable.
 - e. Change the operating model to consider economies of scale, security for smaller AE provision and leverage community resources to improve sustainability. Options to improve sustainability could include:
 - i. requiring a minimum number of places per contract
 - ii. providing a longer contract term to provide greater certainty.

Annexes

Annex 1: Performance measures in AE outcome agreements

- Percentage of Individual Learning Plans (ILP) developed within two weeks of enrolment in AE.
- Percentage of ILP that meet the minimum criteria described in the Detailed Service Description
- Percentage of students who have made good progress toward achieving their ILP goals when they complete AE.
- Percentage of students who have been enrolled for six weeks or more who have improved their attendance rate.
- Number and percentage of students who have demonstrated a lift in numeracy and literacy while in AE.
- Number and percentage of students who have successfully transitioned back to school, further education, training or employment.

Annex 2: Examples of good practice

- There are two trials underway in Wellington where AE providers have combined with local Activity Centres to maximise the strengths of both provisions. The Porirua Activity Centre and Praxis AE are using of the Activity Centre building and property as a base for teaching and learning. The Activity Centre employs two registered teachers who are responsible for teaching and learning. Youth workers employed by Praxis support ākonga social and emotional needs. The Hutt Valley Activity Centre and the Lyriks AE have a similar trial. They have also employed a position focused on transition support for ākonga and whānau.
- In Tai Tokerau, a Māori organisation has used the whānau engagement fund to engage whānau on the marae. This includes ākonga at risk of disengaging from education and who are not attending AE. It gives ākonga the opportunity to learn hands-on skills through construction and Te Reo me ona Tikanga on the marae. The hapū are reporting success for their rangatahi who would otherwise be disengaged from education.
- In West Auckland, Waitakere Managed Moves is a transition service that has ākonga and whānau at the centre of decision-making. The service supports the next best step whether it be to remain in the current school, change schools or attend AE. The principals of the contributing school agree that this model works for their schools where an AE coordinator is employed to support ākonga and whānau.
- Dunedin and Invercargill each have a cluster of schools where Principals all take responsibility for the ākonga in their community and support their next best step. A director supports transitions in, through and out of AE.