



## Education Report: School Property Announcements and Sector Engagement

<b>To:</b>	Hon Chris Hipkins, Minister of Education		
<b>Date:</b>	3 April 2020	<b>Priority:</b>	High
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1224962
<b>Drafter:</b>	Will Jensen	<b>DDI:</b>	s 9(2)(a)
<b>Key Contact:</b>	Sharyn Pilbrow	<b>DDI:</b>	
<b>Messaging seen by Communications team:</b>	No	<b>Round Robin:</b>	No

### Purpose of Report

This report seeks your approval to proceed with specific work items that are not directly COVID-19 focussed, where the Ministry believes that engagement with your office and/or the public over coming weeks would be beneficial.

### Recommended Actions

The Ministry of Education recommends that you:

- a. **note** that a number of school property-related work items are currently on-hold due to current COVID-19 restrictions
- b. **note** that there is benefit in progressing elements of this work over the COVID-19 lockdown period to ensure the Ministry, schools and industry are well-placed to move quickly when restrictions are lifted
- c. **agree** to the Ministry proceeding with project planning for the *Improving Classrooms in Small or Remote Schools* programme and advising affected schools that they will be a part of this programme

**Agree**  **Disagree**

- d. **agree** to issuing a press release announcing the *Improving Classrooms in Small or Remote Schools* programme now to be followed by a site visit at an appropriate time

I'm happy for this announcement to be made when we get to Level 3

**Agree**  **Disagree**

- e. **agree** to the Ministry advising 53 successful schools of the outcome of their applications to the *Sustainability Contestable Fund* totalling \$2.5M and you making a public announcement if you wish

I'm happy for this announcement to be made when we get to Level 3

**Agree**  **Disagree**

f. s 9(2)(f)(iv)

- g. **note** the Ministry's revised engagement plans for the School Transport Procurement
- h. **note** that cross-agency work is continuing on the development of a comprehensive school coal boiler replacement programme
- i. **agree** that that this Education Report is proactively released after the school property initiatives it discusses are made public.

Agree /  Disagree



Kim Shannon  
Head of Education Infrastructure Service

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Hon Chris Hipkins  
Minister of Education

20 /04/ 2020

## Background

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1. Given constraints on Cabinet and Ministers' availability due to COVID-19, agencies have been advised that over the immediate term, no new engagement or public consultation should be undertaken on business as usual activity.
2. The Ministry has considered a number of existing initiatives and believes that progressing 'behind-the-scenes' preparation work, including procurement, is likely to put schools, the Ministry and industry in a position to move quickly once COVID-19 restrictions are lifted. It is also an opportunity to demonstrate momentum, support stimulus efforts and provide certainty of future work for a range of suppliers who will be suffering during the lockdown period.
3. There is opportunity for the Ministry to proceed with preparations for significant investment in the economy and make effective use of the lock down period to carry out desktop-based project work. Specific initiatives are discussed below.

## Initiatives to be progressed

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### ***Improving Classrooms in Small or Remote Schools (formerly known as Improving Internal Environments)***

4. The *Improving Classrooms in Small or Remote Schools programme* (ICSRS) was scheduled for announcement by the Prime Minister and Minister of Education on 26 March 2020. Alongside the announcement, the Ministry was to begin the next phase of detailed planning which involves discussions with schools.
5. This programme represents an investment of \$160M and requires considerable delivery planning, including industry/sector engagement, before work can commence in schools. This cannot yet be initiated because the ICSRS programme has not been formally announced.
6. The Ministry is seeking your approval to proceed with preparations for this significant investment in the economy and to make effective use of the lock down period to carry out desktop-based project work. Proceeding now means that any negative impact from the COVID-19 pandemic on project timeframes can be minimised. We can build business confidence by ensuring a pipeline of work for suppliers and contractors. We have been proactively contacted by companies telling us that one way they can keep their people employed, and accelerate recovery, is to start planning for future projects now when they have significant capacity and resource available.
7. Proceeding with ICSRS now also avoids a scenario where, in attempting to stimulate the economy later, we find ourselves competing for a limited pool of construction firms and suppliers and unable to deliver work with the urgency required. Our suggested approach is one way we can help ensure a smoother return to pre-emergency construction levels.
8. Almost all of the work will be done by the Ministry, project managers, design specialists and suppliers. Any market engagement notices we would place on the Government Electronic Tender Service (GETS) will only notify relevant companies, and they are not required to talk to schools to inform their responses to the Ministry. Schools will remain free to focus on their core priorities in relation to the COVID-19 response.

### **Sustainability Contestable Fund**

9. Round one of the *Sustainability Contestable Fund* ended on 31 January 2020 with 365 school making applications for funding. 53 projects have now been approved, representing \$2.5M of the \$5M in capital available through the Fund. Schools are yet to be notified of the outcome of their applications.
10. The Ministry is seeking your approval to advise schools of the result of their application, to provide them with certainty and allow them to begin project planning. This could be supported by the issuing of a press release if this is considered to be appropriate. Communications material was provided to your office on 13 March 2020 to support the announcement of round one projects (METIS 1222096 refers). We would also use this announcement to formally open the second round of applications to the Fund.
11. As with the ICSRS programme, advising schools now would help ensure a pipeline of work for suppliers and contractors and accelerate recovery once COVID-19 restrictions are lifted.
12. In line with the advice we provided to you dated 13 March titled "Potential education infrastructure investment to support stimulating the economy" (METIS 1224239 refers) there is an opportunity to accelerate the roll out of the Fund by funding more projects up front to stimulate the economy.
13. Of the 365 applications received through round one, 242 were considered to be of a high quality, based on the weighting system developed by the Ministry. The 53 best applications can be funded using the \$2.5 million provided through Budget for this financial year.

s 9(2)(f)(iv)

14.

### **School Transport Procurement**

15. On 18 March 2020 we received approval from Ministers to proceed with the two tender procurement approach for school transport (METIS 1220698 refers). We were about to inform you of our next engagement steps – which was advising the market of the agreed two-tender process. Since then the lockdown and Alert Level 4 restrictions have been put in place. We have reviewed our planned engagement activities and adjusted it in light of the current restrictions. Yesterday we informed your Office and Minister Salesa's Office of our revised engagement plans.
16. We believe it is beneficial to advise the industry of the agreed two-tender approach to the school transport procurement, notwithstanding the current COVID-19 restrictions. This is primarily about sharing information with the industry and ensuring they understand the agreed procurement approach. We will not start any tender process requiring suppliers to complete Requests for Proposals or similar until the current Level 4 restrictions have been lifted.

17. s 9(2)(g)(i)

18. We will take a cautious, gradual and sensitive approach to engagement at this time. Our first step, scheduled for Tuesday April 7 is to engage with the transport market, to test their capacity and willingness to engage on the agreed procurement approach in the current COVID-19 environment. All meetings and engagement with industry will be via online channels while the current lockdown restrictions are in place.
19. The Ministry will ensure that your office is informed of and see the communications messaging that we will use before they are issued publicly. The Ministry will continue to discuss this work with Ministers through your regular agency meeting as required.

### ***Proposed School Decarbonisation (coal boiler replacement) Programme***

20. On 13 March 2020, we provided you with a Briefing Note on a proposed school decarbonisation programme (METIS 1220552 refers).
21. The Ministry is now supporting the Energy Efficiency and Conservation Authority (EECA) to prepare advice for the Ministers of Finance and Climate Change, seeking agreement in-principle to a \$50M school coal boiler replacement programme. We expect that EECA's advice will be provided to Ministers in early-April 2020.
22. We will ensure that any feedback from your office on the proposed decarbonisation programme is reflected in EECA's advice to Ministers.

### **Communications**

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23. Communications material, including draft press releases, has been provided to your office for the *Sustainability Contestable Fund* and the *Improving Classrooms in Small or Remote Schools* programme.
24. We remain prepared to support you with announcements as soon as this is deemed appropriate, acknowledging your more significant priorities at this time. The Ministry will work with your office to establish your preferred communications approach to the work items in this report.

### **Next Steps**

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25. Depending on your preferences, the Ministry will proceed with the work outlined in this report. The Ministry will update you on progress of these work items through the Education Weekly Update and your regular weekly agency meeting as appropriate.

### **Proactive Release**

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26. The Ministry of Education recommends that this Education Report is proactively released after the school property initiatives it discusses are made public. Any information which may need to be withheld will be done so in line with the provisions of the Official Information Act 1982.