

Briefing Note: Marlborough Schools Co-location Project

To:	Hon Erica Stanford, Minister of Education		
Date:	5 December 2023	Priority:	High
Security Level:	Budget Sensitive	METIS No:	1319807
Drafter:	Hilary Capon, Manager – Investment	DDI:	+64 4 463 8630
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Purpose of Briefing

This briefing note provides a brief summary of the Marlborough Schools Co-location project, responds to several key questions you have raised about the project:

- a. When did the Ministry first know the project would exceed the approved budget?
- b. When was the previous Minister of Education informed that the project would exceed the approved budget, and what further engagement occurred since then?
- c. What is the roll projection for the three schools in the project?
- d. What are the alternative options for the project?
- e. What engagement with the community has occurred to date?
- f. How could these be communicated with the community?

Summary

1. The Ministry of Education has a multi-year project to rebuild and co-locate Marlborough Boys' College and Marlborough Girls' Colleges and rebuild and relocate Bohally Intermediate. The project was first approved in 2015 following community consultation, and in 2018 Cabinet approved the co-location pathway which determined the current scope of the project [GOV-18-MIN-0061].
2. The 2018 Cabinet paper approved the Ministry to proceed with co-location of the Marlborough Colleges on the current site of Marlborough Girls' College and Bohally Intermediate if a suitable greenfield site could not be identified [GOV-18-MIN-0061].
3. The scope approved by Cabinet in 2018 carried an indicative cost estimate of \$170 million, to be funded from Ministry baselines. At this time, Cabinet delegated final approval within this envelope to Joint Ministers of Finance and Education for approval.
4. In 2020, an independent business case updated the estimated cost to \$250 million. The increased costs were driven by more accurate project costing, the need to co-locate on a brownfield site, and to account for uncertainties around staging and decanting. It became clear that the project could not be funded from Ministry baseline

funding, and therefore we sought capital injection for the project for the first time in Budget 21.

Cost increases

5. Since 2020, the cost escalation has exceeded the 2% allowance in the 2020 independent business case. Between 2020 and 2022 the project forecast considered significant cost increases, including:
 - a. Unprecedented Construction cost uplift, driven by COVID-19 (costs doubled between 2020 and 2022)
 - b. A subsequent increase in design fees
 - c. The inclusion of a more realistic future escalation and contingency uplift (adding \$80 million to the project, based on the high level of inflation that had been experienced to date)
6. In total, this took the project forecast budget from \$250 million to \$405 million.
7. In November 2022, the Ministry provided advice to the former Minister of Education and met with him to discuss the pathway forward at Agency [METIS 1300298 refers]. The Minister directed us to continue and as part of those next steps, Ministry officials identified the ability to reduce scope and the build roll, which reduced the forecast cost to \$380 million.
8. The Ministry had already received funding through Budget 21 and confirmed that this project was not affordable from baseline and therefore project funding would be sought year-on-year through the annual Budget process. This provided the Treasury and Cabinet with the opportunity to monitor and assess whether the project should continue as it moved through each stage of delivery.

Answering your key questions

When did the Ministry first know the project would exceed the approved budget?

9. As per the 2018 Cabinet decision, the Ministry explored greenfield site options in Blenheim, and when no suitable site could be identified, the Ministry began planning for a co-location on the combined Marlborough Girls' and Bohally site, with Bohally to be relocated to the Marlborough Boys' site.
10. In 2020, the Ministry commissioned an independent review of the project by Deloitte, which produced the 'Refreshed Business Case'.

When was the previous Minister of Education informed that the project would exceed the approved budget, and what further engagement occurred since then?

11. In Budget 21 \$6.3 million was allocated to the Marlborough Co-location project, to fund one year's design activities. Both Cabinet and The Treasury had engagement and oversight as part of the budget cycle.
12. In November 2022, the Ministry submitted a Briefing Note to the then Minister of Education updating him on the Marlborough Co-location project, which advised that the project costs would breach \$170 million [METIS 1300298 refers].
13. The paper was discussed the following week at the Agency meeting. The Ministry was directed to continue to deliver on its commitments.

14. In Budget 23, a further \$36.62 million was allocated to the project to progress initial design, planning and enabling works activities.

What is the roll projection for the three schools in the project?

15. The build roll for the project was first set in 2020 and was reviewed at the end of 2022 as part of the Ministry's scope reduction. Based on the updated roll projection Marlborough Boys' College could peak at just under 1,100 students in 2025 and Marlborough Girls' College could similarly peak at 1,050 in 2025.

School	2020 Build Roll	2022 Revised Build Roll
Marlborough Boys' College	1250	1050
Marlborough Girls' College	1250	1050
Bohally Intermediate	575-600	575-600

What are the alternative options for the project?

9(2)(f)(iv)

17. Physical works that were due to commence in February would have effectively committed the Crown to the full scope of the project. The Ministry has made internal arrangements to defer the commencement of physical works, which provides you with time to consider the options and provide an alternative direction.

What engagement with the community has occurred to date?

18. In addition to the schools, the Marlborough community has been widely consulted since 2015 when the original consultation produced the co-location objective.
19. Four iwi are working closely together as Crown partners in this project. School Board of Trustee members of the Project Governance Board are elected community representatives.
20. Further opportunities for community engagement have occurred throughout planning and design via a range of channels, including face-to-face contact, drop-in sessions, a website, phone and email responses, media releases and letterbox mailers.

How could these be communicated with the community?

21. When the Ministry reduced scope at the end of 2022, we communicated directly with the schools.
22. Prior to providing advice and options to the Minister [METIS 1300298 refers] we shared the options with the schools to test their appetite for a change in approach. Both schools opposed any co-location option that saw them accommodated in a combination of new and refurbished buildings. The option was perceived by the schools as inequitable, as it would result in one school receiving new facilities, while the other was in refurbished facilities on the same site. As these options were not supported by the Minister the schools were happy to proceed.
23. At the end of 2022, our Network team engaged with the schools to develop a refreshed Network forecast. The refreshed forecast supported the reduction in build roll (reducing 400 student places). Senior officials visited the schools to discuss the reduction. While the schools did not completely agree with the refreshed forecast, they accepted the revised build roll and worked with the Ministry's design team to make the required changes, which involved removing 20 teaching spaces from the design.
24. No direct engagement with the community occurred at this time, as the changes were managed directly with the schools.
25. We have built strong relationships with the three schools and iwi and will seek leverage these relationships to communicate any possible changes to the plan. However, there will be pushback depending on the level of scope change envisaged, as was evident when we last engaged with them on scope in November 2022.
26. In addition, the wider Blenheim community has had extensive involvement with the project. Depending on the level of scope change, we would also need to consider community-facing channels such as further face-to-face sessions and media releases.

What has been spent on the project to date?

27. To October 2023, over \$25 million has been invested in the project, \$22.6 million on planning, design and enabling works, with a further \$3 million spent preparing the schools to adapt to new teaching approaches. A breakdown of this spend is provided as Annex One.

Direction required

28. Physical works were scheduled to commence in February 2024, which would effectively commit the Crown to the full programme of works. The Ministry has decided to defer the start date.
29. By pausing now there is time to consider both the scope and the delivery approach.
30. Projects of this size generally lend themselves to funding arrangements that spread the cost over a number of years, rather than expecting the costs to be managed in a four-year Budget cycle. However, while major projects are potential candidates for delivery via a Public Private Partnership arrangement, the establishment process is time consuming and schools would be unsatisfied with the delivery timeframe
31. We now require your direction to inform how we proceed. We would like to meet with you to discuss the dimensions of change, which include:
- a. Should we proceed with the current scope, or should the Ministry pursue options to either reduce the scope or deliver the scope differently (for example, retaining and refurbishing existing facilities)?
 - b. Should we identify alternative funding approaches that spread the project costs over a longer timeframe (either through a 'go-slow' delivery approach or through alternative delivery mechanisms)?

Proactive Release

- a. **agree** that this paper is not published as it includes commercially sensitive information, Budget Secret information and free and frank advice.

Agree **Disagree**



Scott Evans
Hautū | Deputy Secretary
Te Pou Hanganga, Matihiko |
Infrastructure & Digital

7/12/2023



Hon Erica Stanford
Minister of Education

12/12/23

Risks and/or Benefits

32. Pausing the commencement of physical works has allowed time for a review of the current approach, with the ability for you to direct the Ministry as to how you would like us to proceed.
33. If the pause continues for an extended period, without a clear direction for next steps, there is a risk to project delivery timeframes and a significant stakeholder relationship risk. The schools and the wider community are heavily invested in the project and any delay is likely to cause concern.

Next Steps

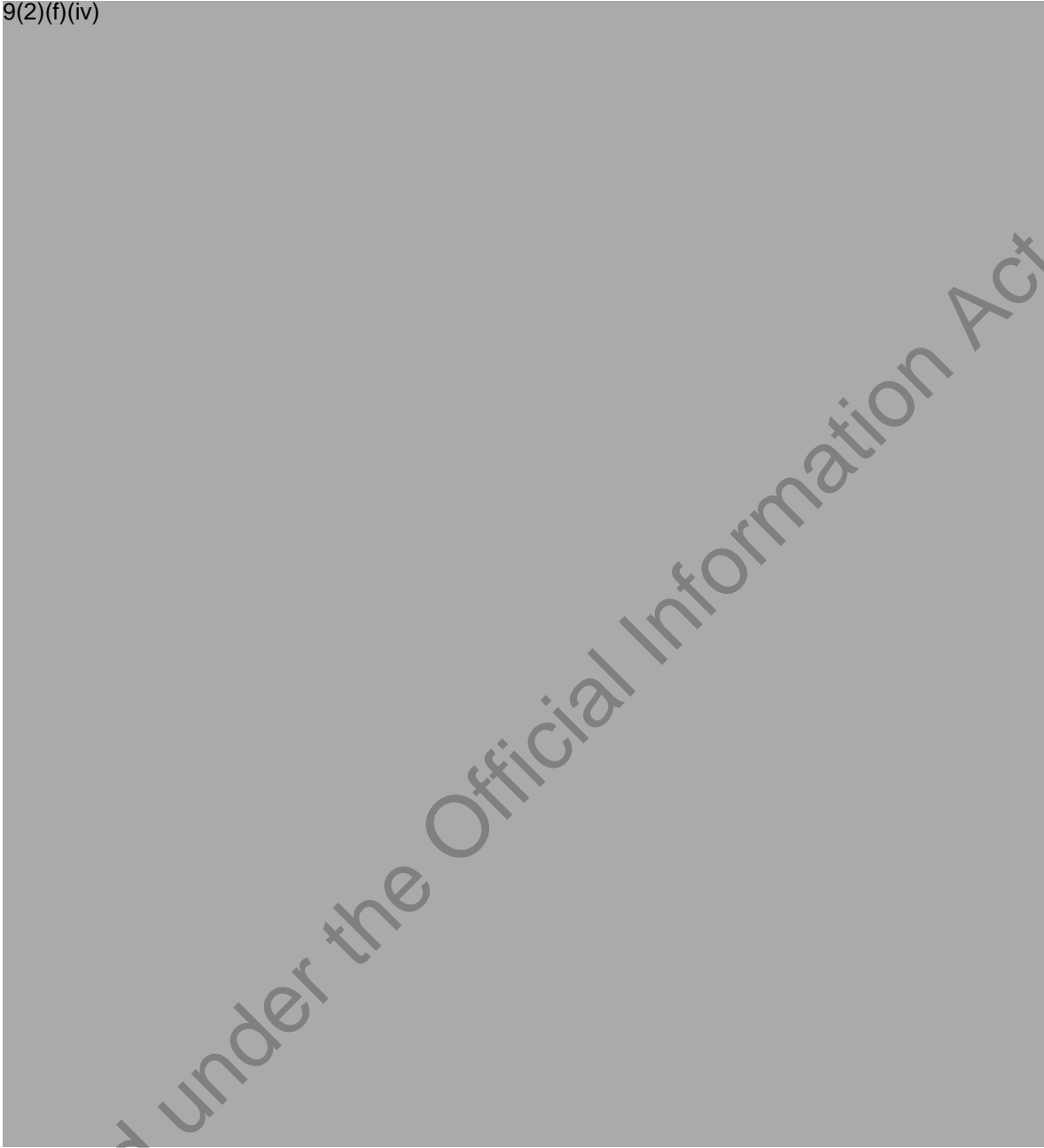
34. We have requested an in-person meeting with you to discuss the Marlborough co-location further, where we will seek further direction.
35. Following discussion with you and any further directions, we will develop a communications approach to engage with the schools, which we will share with your office.

Annexes

The following are annexed to this paper:

- Annex 1: Marlborough Co-location Spend Summary
Annex 2: Marlborough Co-location Project Summary

9(2)(f)(iv)



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Annex 2: Marlborough Co-location Project Summary

The Project

1. The Marlborough Schools Project will co-locate the Marlborough Girls' College and the Marlborough Boys' College on the existing Marlborough Girls' College site and rebuild and relocate Bohally Intermediate to make way for the development. The Project will result in all three schools having new facilities for 2,675 learners including 140 new teaching spaces, across 25,000m² of new school buildings.
2. Marlborough Girls' College and the Bohally Intermediate School are currently located on the same site, adjacent to one another. The co-location is planned to occur on this site, with the Bohally Intermediate School relocated to the current Boys' College site to make way for the development.

Background

3. Condition issues were identified in the Colleges between 2011 and 2013. Up to 60 percent of each of the Colleges' buildings were identified as requiring extensive investment.
4. Community consultation in 2013 identified different options for secondary education in the region, feedback showed a clear preference for co-location, 63.5% supporting this approach.
5. In 2015, the then Minister of Education, Hon Hekia Parata announced that the Colleges would be co-located and the impetus for the Project shifted away from a pure asset condition response, to also achieving the benefits and outcomes of co-location.
6. Co-location presents an opportunity to share facilities between the Colleges to improve collaboration, education delivery and increase curriculum offerings, while addressing existing condition issues. The current plan provides for more than half of the campus to be shared, e.g. Gymnasium, Hall, Library, Administration and specialist science and technology facilities.

Decisions over time

7. A 2015 business case, 2018 Cabinet paper, and 2020 refreshed case for investment all confirmed co-location was the preferred option (see **Figure 1** for the Project's timeline).
8. In 2015, the Ministry prepared a business case setting out multiple options ranging from remediation to rebuild and relocate. The business case process recommended an option to remediate with advanced Innovative Learning Environment update. However, co-location was the preferred option by the Colleges' Boards and community, as it was viewed as an opportunity to enhance collaboration and share resources.
9. In October 2015, Cabinet approved the Ministry spending \$63.5 million on co-locating Marlborough Boys' and Girls' Colleges to a single site near the local tertiary institution, to establish collaboration and extended educational opportunities that support improved learning outcomes. The Project was at the time subject to identifying and acquiring a suitable site on which the schools could be co-located. Discussions continued with the preferred site owner, who withdrew from the negotiations in January 2018.
10. In 2018, Cabinet approved the Ministry to proceed with co-location of the Marlborough Colleges on the current site of Marlborough Girls' College and Bohally Intermediate

School, and relocation of Bohally intermediate to the site of Marlborough Boys' College if suitable greenfield site(s) could not be identified. Cabinet approved a final budget delegation of \$170 million funded from Ministry's baselines for this scope. At this time, Cabinet delegated final approval within this envelope to Joint Ministers of Finance and Education for approval [GOV-18-MIN-0061 refers].

11. In 2020, an independent business case updated the estimated cost to \$250 million. The increased costs were driven by more accurate project costing, the need to co-locate on a brownfield site, and to account for uncertainties around staging and decanting.
12. In view of the increased cost estimates, the Project Governance Board sought a scope review in November 2022 and sought engagement with the Minister on the way forward. This engagement resulted in significant scope reductions; the removal of the Marlborough Technology Centre from the Project and a capacity reduction of 400 less students (20 less teaching spaces) across the Colleges. These changes were in line with updated Network projections for forecast peak school rolls. This resulted in estimated savings of approximately \$50 million. The most current cost estimate is now circa \$380 million.
13. The current cost estimates have been undertaken with greater design detail, and better understanding of material supply, labour requirements, engineering issues, groundwork, and decanting. The design has resulted in no temporary classrooms being required for the projects construction period.

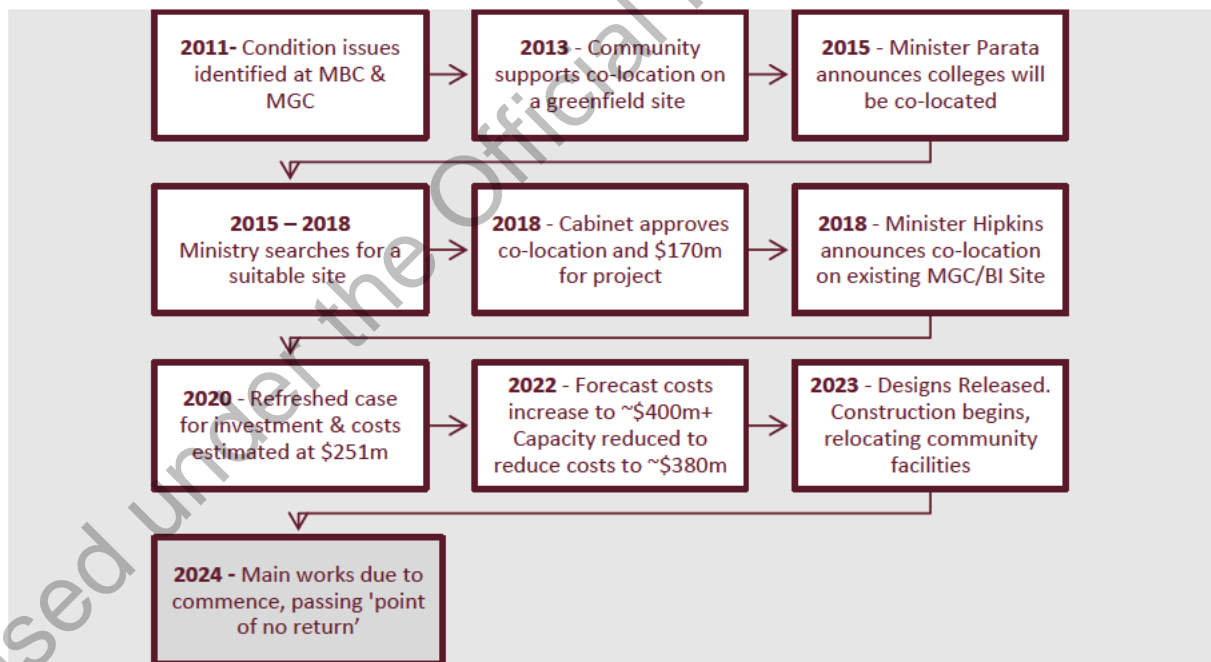


Figure 1 (above): The Marlborough Co-location Project's timeline

14. In February 2021, the Ministry appointed a design build contractor (Naylor Love) and commenced design.
15. In 2023, project delivery commenced. The Project Masterplan and the preliminary designs were released publicly. These were well received by the community. In June 2023, negotiations with the Marlborough District Council to relocate the region's Hockey Facility from the Marlborough Boys' College to the Marlborough Girls' College concluded and construction commenced.

16. In 2024, once construction of the Hockey Turf is complete in February, demolition of the old turf will be able to commence, and thereafter construction of the new Bohally Intermediate School. Later in the year, the first buildings on the colleges site are due to commence construction.

Current context - Project delivery has begun:

17. The Project is fast moving from the planning stages to delivery. A Design and Build Contractor has been appointed since February 2021. Design progress is now well advanced, with concept designs publicly released and detailed design to enable building consents ongoing. In early 2024, the project is ready to commence construction.
18. Significant investment (approx. \$22.6 million) on the project has occurred to date. In addition to this capital spend, approximately \$3 million of additional resourcing has been provided by the Ministry to the schools since 2016, to support the operational change required for this transformational project.
19. It is forecast that total expenditure on the current pathway will increase from \$22.7 million to \$32.8 million June 2024, for which capital funding is approved and available. \$2 million of this forecast expenditure is related to commencing construction works at the intermediate site (which will now be deferred).
20. 9(2)(f)(iv)

Community and Schools' Expectations are high:

21. Community expectations and awareness of the Project are high. Over the past 10 years, the Ministry has deferred all major works/upgrades of the Colleges' facilities in anticipation of the Project, while the Colleges and community are expecting and preparing for delivery of the Project.
22. There has been consistent media coverage on the project since 2015, and the project has a public website. Over the past 18 months, there has been coverage of the design progress, cultural narrative launch, site blessing ceremony, and construction progress onsite. This coverage and required community consultation have made the Project highly anticipated in the community.
23. Five residential properties have been acquired via the Public Works Act, a highly visible community project hub and site office has been constructed on the site and the first stage of construction on site, a new \$4.5 million Hockey facility, is near completion.
24. Both boards of trustees at the colleges are supportive of becoming a combined board to support a successful co-location and have initiated a public consultation process which will enable to combine the school boards (if approved by the Minister). The Colleges have completed an extensive HR staff consultation and organisational restructure to allow for a shared services delivery model and have started employing shared staff in anticipation/preparation for co-location.



Information Update

Key contact: Sam Fowler

Metis Number: 1319934

Date: 6 December 2023

Request

Update on Kaipara College innovation centre project and capital works.

Information

- Kaipara College is set to undertake a large-scale property project. The Ministry has been working with Kaipara College on this project since 2017. The scope of work includes an innovation centre offering 14 teaching spaces and a range of other property improvements. The project is consented and shovel ready, and the construction of the innovation block was due to start in December.
- The Ministry's Property team has been working through the tender for the construction contract, but this has raised two key challenges:
 - The case for investment in the innovation centre was based on projected roll growth prior to Covid-19. However, the school has instead seen a decline in new enrolments and student numbers in upper year levels, and expected roll growth has not materialised.
 - The cost of delivery per teaching space for the innovation centre is approximately 9(2)(j) [REDACTED] that we are targeting for new facilities.
- Due to these challenges and our broader work to ensure affordability across the portfolio in the current fiscal environment, we have advised the school that we have paused construction activities on the innovation centre. This will allow us to re-evaluate the pricing and design of the building in consideration of the presenting and forecast growth and with a view to achieving improved value for money.
- While construction on the innovation centre will not begin over the summer school holidays as planned, the following parts of the project will proceed:
 - The new staff carpark works will continue and are expected to be completed at the end of January.
 - The demolition of the caretaker's shed and replacement will be undertaken over the holidays.
 - The new whare ako and new faculty for special education builds will continue.
 - The existing whare ako will be demolished next week, and the new build will start in January.
 - Once the new whare ako is complete, construction will start on moving and converting the existing modular classrooms for the faculty for special education.

- Due to capacity constraints, the College has had to modify their curriculum delivery for Year 7 and 8 students at neighbouring contributing schools who attend the College for technology classes. The Ministry recognises that the College's current technology facilities are not fit for purpose, and we will work with the school to consider alternative options.
- The development of the innovation centre has been paused to enable consideration of the best value approach to deliver the required facilities. The Ministry will be actively working to progress the project and provide cost effective property improvements for technology facilities. This will consider the scale, scope, specification and timing of the new development. We will work closely with the school in the new year to progress and plan for the appropriate works.
- We are preparing a response to the College from the Secretary for Education.

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Information Update

Drafter: Hilary Capon, Manager – Investment
Metis Number: 1320375
Date: 14 December 2023

Request

Following our Infrastructure & Digital session with you on 12 December you have requested:

- A summary of the benefits of the Marlborough Co-location project
- Advice about the impact of the Greenstar certification process on project delivery and costs

Information

Marlborough Schools Co-location Benefits

1. The Marlborough Colleges Co-location is a significant infrastructure project in Blenheim, Marlborough, which will deliver two new secondary schools to the Blenheim community. In addition to the educational benefits of the new learning environments and facilities, the scale of the project represents a significant investment and economic stimulus for the local economy.
2. Most large infrastructure project deliver wider benefits to the community, and school projects are particularly beneficial for communities due to the type of assets they deliver. While the exact benefits realised will be subject to confirmation of project scope and budget, the Ministry has identified a range of potential benefits for the schools, the community and regional economy, based on the current approach, which are summarised in table one.

Table One: Marlborough Colleges Co-location Project Benefits

Stakeholders	Benefits
Schools	<ol style="list-style-type: none"> 1. Co-location and shared facilities will increase the curriculum options for students, as the Colleges can pool resources and staffing. 2. Modern specialist facilities, such as science and tech labs, will contribute to better educational outcomes for students. 3. Co-location means that shared facilities, such as the hall and gymnasium, are larger than if the schools had separate facilities, making them more flexible and multi-purpose.
Community	<ol style="list-style-type: none"> 4. The upgraded facilities are expected to improve the public perception of secondary education in Blenheim, leading to greater enrolment from both higher regional retention and increased immigration. 5. Improved secondary education opportunities in Marlborough incentivises families to relocate to the region or remain in the region throughout their child's schooling years. 6. Larger, new facilities including the school hall and gymnasium will also be community assets, available for community use outside of school operating hours.
Regional Economy	<ol style="list-style-type: none"> 7. A significant number of trades and subcontractors are required to deliver the project, which will result in an influx of skilled workers to the area. Increased skilled workers will contribute to population growth as they relocate to the area for the duration of the project. 8. The Marlborough region has a thriving national and international business sector with Aquaculture, Wine, Aviation, Defence and Forestry

	<p>contributing substantially to New Zealand's GDP. Resourcing these sectors to continue to grow requires skilled workers who choose to relocate and/or raise families in the region, a quality secondary education option is reported as a key driver for these decisions.</p> <p>a. For example, the aviation industry employs almost 1000 skilled staff in Blenheim. Airbus has a base in Blenheim employing 300 of those, and the company has indicated it wants to support a closer relationship with the schools and school leavers.</p> <p>9. The 6+ year programme will support sustainable local employment and will offer opportunities for local subcontractors and workers to benefit.</p> <p>10. 74 local companies have expressed interest in working on the project, representing over 650 local employees (12 of these are Māori owned organisations). Another 29 organisations (11 Māori owned) indicated they would look to move into the region and set-up for the project, representing around 270 more people.</p> <p>11. The labour demands of the project will also require out of region contractors at times who will travel to site. Market engagement shows 66 subcontracting firms from Christchurch, Wellington and further afield, have advised they could commit up to 432 people. Out of region labour will support local business such as hotels and restaurants.</p>
Iwi	<p>12. Eight local Iwi at the top of the South Island are actively seeking to keep their people in the region, and also encourage the relocation of displaced whanau back to the region. The co-location project contributes to this goal by:</p> <p>a. Providing a quality secondary schooling option for whanau, which can also enable the delivery of specialist subjects (such as Te Reo/Bilingual/Immersion education)</p> <p>b. Economic stimulus and job creation will create employment opportunities for local people and those looking to relocate to the area</p>

3. Through project planning and development, the Ministry has engaged extensively with the schools, students and their families, local Iwi and the wider community. Through this engagement the local community has expressed strong support for the project and the benefits that it will offer Blenheim and Marlborough.

Greenstar Certification

The previous Government required the Ministry to achieve Greenstar Certification in its capital works projects over \$9 million

4. In September 2021, as part of the Government of the day's emissions reduction strategy, Cabinet agreed that procurement mandated agencies must use an approved sustainable building rating system for new government-owned non-residential buildings [CBC-21-MIN-0030]. The requirement was phased in for buildings with an estimated capital value of \$25 million and over from 1 April 2022 and buildings with an estimated capital value of \$9 million and over from 1 April 2023.
5. The only approved system to date has been Green Star Designed and As Built (Green Star) with a minimum rating of 5 stars required, however we understand Defence, who have been working on their own rating system for the last 2 years, have successfully had their own system approved.
6. Building rating systems are designed to provide a prescriptive, consistent, and independently verifiable approach to demonstrate emissions reduction in construction. This type of independent audit is a requirement for green financing.

Green Star Designed and As Built (Green Star) 5 star rating is currently a requirement for Treasury Green Bonds.

7. Cabinet also mandated the achievement of specific points within Green Star focusing on a reduction in embodied emissions (materials used in construction), operational emissions (energy) and waste to encourage achievement pathways that aligned with their objective of reducing emissions and waste.

Greenstar certification has costs which the Ministry must fund

8. There are three main categories of costs as part of achieving Greenstar certification:
 - a. Certification costs: These are costs paid to New Zealand Green Building Council for independent audit and certification.
 - b. Consultant costs: These are costs associated with additional design work required and collating documentation for submission to New Zealand Green Building Council.
 - c. Construction costs: Upfront capital costs associated with building to the required 5 Star standard.

Under the current settings, only a small proportion of our projects are in scope

9. Over the next four years, we forecast that up to 80 Ministry capital works projects will include buildings that require a sustainable building rating (Greenstar) under the Cabinet requirement.
10. The Ministry reported on 450 completed construction projects for the 22/23 financial year in our emissions inventory. Therefore the number of buildings that require a Greenstar rating is a small percentage of the projects the Ministry undertakes annually.
11. This reduces the effectiveness of the rating system in reducing emissions, as it is only a small number of projects relative to the size of our education portfolio. In addition, school sites are made up of multiple buildings, and a single project may involve buildings of different capital values – this means that one or some buildings could be required to achieve a Greenstar 5 star rating, while others are exempt.

The cost of achieving a Greenstar 5 star rating is higher than Cabinet was originally advised

12. Early estimates place the cost uplift of achieving a Greenstar 5 star rating at >5% of overall project budget. Initial estimates, based on our delivery forecasts, suggest we could spend around \$120m on Greenstar certification over the next four years. This is much higher than the estimate of 0.6% uplift for education buildings provided in advice to Cabinet ahead of the implementation of the requirement in 2021.

Current settings drive a higher level of investment in a small number of projects

13. Due to the eligibility criteria we are unable to spread that investment in environmentally-appropriate solutions and design across the portfolio more strategically. A small number of schools are receiving the bulk of funding spent on environmental design, while the majority of schools miss out.

Greenstar design solutions are not aligned with education property needs

14. Achieving Green Star credits involves implementing solutions specified by the NZGBC that are not specifically designed for education property. Performance benchmarks are in some cases similar to those set by Ministry requirements, but measured through a different methodology, introducing additional certification costs for outcomes otherwise already pursued. These issues effectively mean to achieve 5-star Green Star ratings the Ministry must spend money on redundant certifications and make design choices that add little to no educational value to its property, and/or exceed the minimum government requirements for emissions reduction.

An alternative to Greenstar would offer greater benefits for the education portfolio

15. In line with the strategy pursued by Defence, we intend to develop our own building rating system. This work has begun, and we will work with the Ministry for Business, Innovation and Employment who will need to approve our building rating system.
16. We also intend to set up a broader emissions reduction strategy for construction that is fit for purpose for Education, aligns to our long-term asset management strategy with a focus on cost reduction and standardisation. We considered this approach fairer and more cost effective while still achieving sustainable outcomes that are appropriate for Education.
17. We welcome further discussion with you on our sustainability workstreams and will update you as this work progresses.

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Briefing Note: A summary of Marlborough Colleges Co-location Project advice and decisions

To:	Hon Erica Stanford, Minister of Education		
Date:	19 December 2023	Priority:	Medium
Security Level:	In-Confidence	METIS No:	1320514
Drafter:	Hilary Capon, Manager – Investment	DDI:	+64 4 463 8630
Key Contact:	Scott Evans, Hautū	DDI:	9(2)(a) [REDACTED]

Purpose of Briefing

On Tuesday 12 December 2023, you requested the following:

- Answers to specific questions about the Marlborough Schools Co-location project and the decision timeline (Annex One)
- Copies of previous Cabinet papers and advice relating to the Marlborough Schools co-location project (Annex Two and Three);
- You had also requested copies of the Treasury's advice on this project. Your office has requested this separately from the Treasury via the Minister of Finance's office.

At Agency on 18 December 2023, you requested:

- A timeline of engagement with Ministry Governance and wider stakeholders (schools and Iwi); and
- 9(2)(f)(iv) [REDACTED]

This briefing responds to your requests.

Summary

1. We met with you on Tuesday 12 December to discuss the Ministry's Infrastructure & Digital portfolios.
2. You have asked for more detail on the process for decision making in relation to the Marlborough Colleges co-location project in particular in relation to the significant increase in cost estimates. In this briefing we have, as requested, included copies of advice provided to both the previous Ministers of Education, Finance and Cabinet. The documents are attached in Annex Three.
3. Annex Four provides you with a timeline of governance decisions and communications with the schools. 9(2)(f)(iv) [REDACTED]

Next Steps

4. The Ministry will refresh the business case, providing more detail on the options. The refreshed business case will be used to develop an education report to you in January 2024 to update you on this work. The refreshed business case will also include a communications strategy for the schools.
5. As part of that communications strategy, in February 2024 senior Ministry Officials (including the Secretary of Education and Scott Evans) will meet with the School Boards and Principals. Officials will advise the schools that the current option is not affordable, and that the Ministry is developing alternative options that will reduce the forecast cost of the project. We would then work with the schools to communicate this information to their communities.
6. During the first quarter of 2024, we will begin to prepare a draft Cabinet paper for you to consider and lodge with Cabinet to refresh the preferred option, scope and budget, and how the preferred option should be funded.

Proactive Release

- a. **agree** that this paper is not published as it includes commercially sensitive information that may prejudice the Ministry's commercial agreements and future negotiations.

Agree / Disagree



Scott Evans
Hautū | Deputy Secretary
Te Pou Hanganga, Matihiko |
Infrastructure & Digital

19/12/2023

Hon Erica Stanford
Minister of Education

__/__/__

Annexes

The following are annexed to this paper:

- Annex 1:** Marlborough Co-location Project Questions & Answers
- Annex 2:** Marlborough Co-location Project 2015 – 2023 Combined Documents Overview
- Annex 3:** Marlborough Co-location Project 2015 – 2023 Combined Documents
- Annex 4:** Marlborough Co-location Project Timeline of Engagement with Ministry Governance and Wider School Stakeholder Control Groups
- Annex 5:** Marlborough Co-location Project Potential Options

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Annex 1: Marlborough Co-location Project Questions & Answers

Table One: Marlborough Schools Co-location Questions & Answers

Questions	Response
1. In 2018 Cabinet approved the current site cost of \$170M agreed to be covered from baseline spending Yes/No	Yes.
2. When the figure rose, should this have been taken back to cabinet for approval? Yes/No	Cabinet approval is required before the Ministry can enter into a contractual agreement that commits the Crown to spending the funding. As that had not occurred, an updated Cabinet approval was not technically required.
3. Final approval was given to the Minister of Finance and the Minister of Education a. What does this mean? b. Was this approval being sought because the project was over budget? c. Was this final approval given? If so, when?	Cabinet delegated approval to the Minister of Finance and Minister of Education ('Joint Ministers') to approve the project within the envelope that Cabinet had agreed to (\$170m). This is common practice for major investments, as it allows Cabinet to agree the high-level parameters of the policy or investment decision, with the final detail of a project reviewed in more depth by Joint Ministers before funding is either drawn down or spent. It also helps to reduce the volume of papers and decisions going to Cabinet. Joint Minister approval was never sought nor given for this project, and from 2021 the project funding approach changed to capital injection and Budget Cabinet decisions superseded the need for any Joint Minister approval.
4. In 2020 the cost blowout up to \$250M was not able to be met by baseline spending Yes/No	In 2020, the Ministry started to review the project and the original directions, given the increased costs. At the same time, COVID-19 price escalation was increasingly severe across all Ministry projects. Following a broader affordability review of the Ministry's pipeline in 2020, the Ministry identified that the project could not be afforded from baseline funding and therefore required capital injection. A bid was submitted at the end of 2020, which was funded through Budget 21.
5. In 2021 Budget a capital injection of \$6.3M was made for design costs Yes/No	Yes.
6. Were Cabinet made aware then (in 2021 at the time of the capital injection) that the total cost was now \$250M not the original \$170M?	As part of agreeing to seek new capital through a Budget bid, the Minister was aware, through discussions with the Ministry, that the project could not be afforded through baseline, because of cost escalations. Cabinet was not made officially aware through advice, however the Ministry did provide an A3 to support a Bilateral with the Minister of Finance, which disclosed the \$250 million cost (see question 7).
7. Was the then Minister of Education briefed on the breach of the \$170M projected costs? If so, when?	In December 2020, as part of Budget 21, the Ministry briefed the Minister of Education ahead of a bilateral with the Minister of Finance. Officials advised the Minister of Education that the cost of the Marlborough Colleges co-location project was now \$250 million and recommended seeking \$18.90 million through Budget 21 for one year of funding for the project. Note - the bid was later scaled, and the Ministry was allocated \$6.3 million through Budget 21.

8. Was the then Minister of Education briefed on the increased costs to \$250M in 2020?	At the end of 2020, the Minister of Education was made aware of the updated Marlborough Project costs as part of Budget 21 preparations.
9. What Cabinet decisions were taken in 2021 with regard to Marlborough?	In 2021, Cabinet approved \$6.3 million for the Marlborough Colleges Co-location project via Budget 21.
10. Were the funds allocated in 2021 appropriated? Or put into baseline? Where did the funds go that Cabinet agreed to spend?	The \$6.3 million for the project in Budget 21 was appropriated and spent on Masterplanning.
11. Did the Ministry receive approval in 2021 to spend \$250M on the co-location project for Marlborough and where did this money come from? If so, was this amount appropriated?	No.
12. When did the Ministry first know that the total cost was \$405M?	The Ministry's appointed Quantity Surveyor provided draft advice to officials dated 30 August 2022 that estimated costs were approximately \$405M, this was then reported in a paper dated 23 September 2022 to the Ministry's Project Governance Board, who met on 3 October to consider and discuss.
13. When was the then Minister of Education briefed on the increased costs of \$405M?	21 November 2022.
14. Was Cabinet advised that the total cost was now \$405M? If so, when. If not, why not?	No. The Minister directed the Ministry to proceed with the project under the current investment approach, which was to receive Cabinet approval year-on-year through the annual Budget process.
15. In November 2022 a possible rescope took place that brought the projected cost down \$380M	Yes. At the end of 2022 the Ministry reviewed the project and reduced the scope, reducing the forecast cost by ~\$25 million. The reduction was achieved by reducing the build roll across the two colleges by 400 student places and deleting a planned technology hub.
16. Who instructed this rescoping to take place? What was the cost to execute the new plans and rescope?	The Ministry initiated the rescoping internally. The cost of rescoping the options spent through the design & build consortium was \$126,549. Internal costs were also incurred during this period.
17. Following the rescope did the then Minister of Education go to Cabinet to seek approval of the \$380M in spend in 2022? If not, why not, and what discussions took place about the rescope, with who?	No. The Minister directed the Ministry to proceed with seeking funding through the annual Budget process, as had been the practice in Budget 21 and Budget 22. Rescoping the projects was an internally-led process, but the schools were apprised of the processes and decisions.
18. Should a cabinet paper have been taken in November 2022 seeking approval for the \$380M spend?	Cabinet approval is required before the Ministry can enter into a contractual agreement that commits the Crown to spending the funding. As that had not occurred, an updated Cabinet approval was not technically required. The decision to submit a Cabinet paper was within the Minister's discretion.
19. In budget 2023 there was \$36.6 for initial design and planning works. Yes/No	Yes.

<p>20. Why did initial design and planning works take place if the final cost to deliver had not been signed off/appropriated/secured?</p>	<p>Since 2020 the Ministry shifted to a two-stage project approval methodology. Across all major projects, it was clear that setting and approving project budgets prior to planning and design was contributing to poor project outcomes, as:</p> <ul style="list-style-type: none"> - The scope was unclear and significant scope-creep occurred over time - Budgets were set too soon, and were unrealistic to deliver the necessary works - School expectations were set prematurely, and anticipated delivery timeframes were perceived as 'too slow' as initial planning work had not taken place <p>Now, across all our major projects, we 'seed fund' projects to undertake planning and design. Final approval of project budgets and scope occurs separately, which allows more rigorous quality assurance and more accurate project costing.</p>
<p>21. At the point the initial planning works were undertaken, who knew that the project was not fully funded to an agreed scope?</p>	<p>Since the Budget 21 cycle the Ministry has advised the Minister that the project required capital injection funding, which has since been funded year-on-year. Therefore, the Minister was aware that the project was not fully funded.</p>
<p>22. Please provide a clear summary of what information was communicated to the schools and community at each of the key milestones.</p>	<p>See Annex Four</p>
<p>23. Please provide a clear summary of the most recent information communicated to the school and community about progress with the co-location.</p>	<p>On Friday 15 December, representatives of the school boards and two of the school principals were advised:</p> <ul style="list-style-type: none"> • Progressing with demolition and physical works at College park scheduled for February 2024 commits the Ministry to a project that is beyond a formal \$170M agreed by Cabinet (as has been previously communicated to the schools). • The Ministry has therefore decided that this work will not commence in February • The Ministry has advised the Minister of this intention. The Minister has also been briefed on the project, the cost estimate, and is aware that an updated cabinet approval and successful budget bids are required to support the project. • The Ministry will be preparing advice for the Minister • Design work will continue on the current concept design to 'value engineer' and reduce project costs. <p>The third School Principal was updated similarly on Monday 18 December (as they were unavailable on the previous Friday).</p>

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Annex Two - Marlborough Co-location Project 2015 – 2023 Combined Documents Overview

The table below provides an index of the documents collated in Annex Three. Annex three has been provided as a series of PDFs, each file provides you with the documents produced in that year. The documents in Annex Three have been numbered for easy reference, which you can find at the top right of each page in red text.

Document Numbers:	Year:	Document Type:	Document Name:	Notes:
Document 1-	September 2015	Business Case	Aurecon Marlborough Boys and Girls Colleges, Blenheim	<p><u>Approved by-</u> 9(2)(a) (Aurecon)</p> <ul style="list-style-type: none"> Business Case <p><u>Summary-</u> In the period from 2011 to 2013 the Ministry of Education undertook investigations into the current state of Marlborough Boys' College and Marlborough Girls' College building stock, resulting in a high number of building code and other deficiencies identified, including deterioration, weather-tightness issues and substandard earthquake resilience.</p>
Document 2-	October 2015	Cabinet Paper	Education infrastructure investments - school property major redevelopments	<p><u>Contacts-</u> 9(2)(a) (Head of Education Infrastructure Service) and 9(2)(a)</p> <p>Comments wanted from Minister of Education and Finance and Treasury</p> <p><u>Summary-</u> The Minister of Finance also signalled opposition to the recommended option for Marlborough Boys' and Girls' Colleges and Treasury provided a split recommendation (rec 11) which proposes Cabinet: either [supported by the Ministry of Education]</p> <ul style="list-style-type: none"> approve a \$63.2 million major redevelopment of Marlborough Boys' and Girls' Colleges that will co-locate the two Colleges on a single site near the local tertiary institution, address infrastructure issues, create shared facilities and closer secondary-tertiary connections, and establish collaboration and extended educational opportunities that support improved learning outcomes <p>OR [supported by the Treasury] agree to defer the decision on the major redevelopment of Marlborough Boys and Girls Colleges until further options analysis is undertaken and reflected in the supporting business case.</p>
Document 3-	December 2015	Briefing Note	Marlborough Boys and Girls Colleges Redevelopment	<p><u>Contacts-</u> 9(2)(a) (Head of Education Infrastructure Service)</p> <p><u>Summary-</u> This aide memoire is to inform the Minister of the high-level projected timeline for the delivery of the Marlborough Boys and Girls Colleges redevelopment. Multiple options presented, however indicated that Option #4 is chosen- rebuild and co-locate - \$63.16 million will provide new facilities for both schools, including some shared facilities, and provide opportunity to be better connected to each other and the local tertiary provider.</p> <p><u>Important pages-</u></p>

				<ul style="list-style-type: none"> • Appendix #7 • Master Plan Map- Marlborough Girls College • Single Stage Business Case <p>Marlborough Colleges to co-locate- Beehive website</p>
Document 4-	2015	Minute of Decision (Cabinet)	Education Infrastructure Investments: School Property Major Redevelopments	<p><u>Important pages-</u> Page 83- Point 11- Cabinet made aware of approved a \$63.2 million major redevelopment of Marlborough Boys' and Girls' Colleges that will co-locate the two Colleges on a single site near the local tertiary institution, address infrastructure issues, create shared facilities and closer secondary-tertiary connections, and establish collaboration and extended educational opportunities that support improved learning outcomes;</p>
Document 5-	May 2016	Newsletter	Marlborough Boys' and Girls' Colleges Newsletter	<p><u>Summary-</u> New development project discussed in the newsletter, stating "Cabinet approved a \$63 million budget for this building project, with construction planned to start in 2019"</p>
Document 6-	January 2018	Aide Memoire	Update on plans for Marlborough Schools Co-location	<p><u>Contacts-</u> 9(2)(a) [redacted]</p> <ul style="list-style-type: none"> • Questions and responses to media requests <p>Time line of project so far</p>
Document 7-	February 2018	Education Report	Co-location of Marlborough Boys and Girls College	<p><u>Contacts-</u> 9(2)(a) [redacted] (Group Manager- Strategy and Policy) and 9(2)(a) [redacted] (National Director- Education Access)</p> <p><u>Summary-</u> Seeking direction regarding the co-location of Marlborough Boys' College and Marlborough Girls College, presenting options. Community consultation was taken.</p>
Document 8-	May 2018	Briefing Note	Update on the Marlborough Colleges Options Below	<p><u>Contacts-</u> Sam Fowler, 9(2)(a) [redacted] and 9(2)(a) [redacted]</p> <p><u>Summary-</u> Reconsidering new options (x3 high level options will now be considered)</p>
Document 9-	August 2018	Education Report	Marlborough Colleges Co-location Review- Proposed way forward and draft Cabinet paper	<p><u>Contacts-</u> Andrew Stitt, Simon Dunkerley, 9(2)(a) [redacted] and 9(2)(a) [redacted]</p> <p><u>Summary-</u> Update on the options presented for the co-location. Ministers comment- "I'm not willing to wait another year for a resolution on this. These schools have waited long enough. If a greenfield site cannot be secured within 3 months option 2A should be adopted"</p>
Document 10	August 2018	Briefing Note	Speaking notes for Cabinet Paper: Marlborough Boys' and Girls' Colleges Co-location- Outcome of options review	<p><u>Contacts-</u> Simon Dunkerley and 9(2)(a) [redacted]</p> <p><u>Summary-</u> Key speaking points for the Cabinet Government Administration and Expenditure Review Committee</p>
Document 11	September 2018	Minute of Decision (Cabinet)	Marlborough Boys' and Girls' Colleges Co-location: Outcome of Options Review	<p><u>Summary-</u> New options proposed, the Marlborough Schools preferring the option to co-location to a greenfield site. Cabinet agreed to proceed with Co-location, with a redevelopment on the current Bohally/Marlborough Girls site as a back up option if a greenfield site could not be secured.</p>

Document 12	November 2018	Briefing Note	Marlborough Colleges progress update	<u>Contacts-</u> 9(2)(a) <u>Summary-</u> Difficulties securing a site and significant cost escalation since the project was approved in 2015
Document 13	December 2020	Briefing Note	School Infrastructure Budget 21 - additional information to support your meeting with the Minister of Finance 17 December 2020	<u>Contacts-</u> Andrew Stitt and 9(2)(a) , signed by 9(2)(a) <u>Summary-</u> This report provides you with Additional information about school property infrastructure investment opportunities, to supplement Budget 21 advice you have already received from the Ministry. An A3 is attached that breaks down the critical cost pressures for condition and growth and provides more detail on the shovel ready projects. <ul style="list-style-type: none"> made a budget bid to address critical condition cost pressures around \$18.9 million of colocation of the Marlborough Colleges needed for the first drawdown
Document 14	December 2020	Budget	Education Infrastructure Service Budget 21 (Budget Secret)	Budget 21 breakdown States that \$250 million is required for the project
Document 15	2021	Budget 2021	Supporting the Co-location of Marlborough Boys and Girls Colleges and Relocation of Bohally Intermediate	<u>Summary-</u> This initiative provides one year of design funding for the co-location of Marlborough Girls' and Boys' Colleges and rebuild and relocation of Bohally Intermediate School, based on consultation with the community.
Document 16	2022	Budget 2023	Critical Cost Pressure Expression of Interest	<u>Contacts-</u> Jasper Murphy and Andrew Stitt <u>Summary-</u> This initiative provides the design and construction funding for the co-location of Marlborough Girls' and Boys' Colleges and rebuild and relocation of Bohally Intermediate School, based on consultation with the community.
Document 17	2022	Briefing Note	An update on the Marlborough Colleges Co-location Project	<u>Contacts-</u> Hilary Capon and Sam Fowler <u>Summary-</u> This paper provides you with an update on the Marlborough Colleges co-location project (Te Tātoru o Wairau) ahead of discussions at Agency on Monday 21 November, where we will seek your direction on potential pathways forward. Mentions the increased budgets- two increases
Document 18	2022	Budget 2023	Submission for Invited New Spending Priorities and CERF Initiatives	<u>Contacts-</u> Jasper Murphy <u>Summary-</u> Initiative providing funding to progress the design of the co-location and rebuild and relocation of Bohally Intermediate School
Document 19	2022	Budget 2023	Critical Cost Pressure Information Gathering	<u>Contacts-</u> Jasper Murphy, Andrew Stitt and Callum Armstrong <u>Summary-</u> Budget 2023 Cost Pressure Information Gathering signed by Finance Manager- Rion Crozier

Annex Four - Marlborough Co-location Project Timeline of Engagement with Ministry Governance and Wider School Stakeholder Control Groups

The table below summarises key timelines for engagement for the project. Shaded rows highlight engagement with the schools.

The key forums are:

- Ministry Project Control Group – includes School Board Representatives
- Ministry Project Governance Board – includes internal staff

Date	Forum	Format/delivery	Purpose/Information shared
December 17 2020	Ministry Project Governance Board	Report Followed by Meeting	<ul style="list-style-type: none"> • The cost of the Project is currently \$250m, with only \$170m approved by Cabinet. An updated case for investment has been prepared to support a Budget bid for an injection of \$46m. • An indication of whether the Budget bid will be successful should be known in December 2020; however, the funding outcome will not be confirmed until May 2021
October & June 2021	Ministry Project Governance Board	Report and meeting papers Followed by Meeting Face to face/ VC	<ul style="list-style-type: none"> • Reports to Governance Board on Financial strategy that \$170m budget is insufficient, as forecast cost is ~\$250m, and that an updated delegation will be required.
April 27 2022	Ministry Project Governance Board	Report and meeting papers Followed by Meeting Face to face/ VC	<ul style="list-style-type: none"> • Officials note a need for independent reviews of programme and costs is required before significant decisions are made. • Minutes reference the ballpark estimate is as previously advised by Deloitte - \$250m
August 30 2022	Ministry Officials & Consultants	Report	<ul style="list-style-type: none"> • The Ministry's appointed Quantity Surveyor provided draft advice to officials that estimated costs were approximately \$405m
September 15 2022	Meeting: Project Control Group (includes School Board Representatives)	Report and meeting papers Followed by Meeting Face to face/ VC	<ul style="list-style-type: none"> • Discussion at Project Control Group minuted, that there are issues with cost escalation in relation to project estimates
September 29 2022	Ministry Project Governance Board	Memo	<ul style="list-style-type: none"> • Cost Uplift Memo detailing forecast of \$405m distributed to Project Governance Board

Continued on next page

October 3 2022	Meeting: Project Governance Board	Report and meeting papers, followed by Meeting Face to face/ VC	<ul style="list-style-type: none"> Project Governance Board Meeting. Board advised to proceed and look at options to reduce cost to \$250m.
October 3 2022	Verbal update to School Boards & Principals	Face to face	<ul style="list-style-type: none"> Project Governance Board chair briefs school principals and board representatives of cost forecast issue, and the board decision to pause and assess the masterplan options
October 27 2022	Verbal update to School Boards & Principals	Face to face	<ul style="list-style-type: none"> Updated/presented to the Colleges on initial revised layout options that investigated options to retain and reuse Girls college buildings in situ as part of co-location
November 4 2022	Verbal update to School Boards & Principals	Face to face	<ul style="list-style-type: none"> Verbally updated the stakeholders on intent to seek direction from Minister and present options. Verbally shared the cost forecasts and masterplan pricing that has created the pause.
November 21 2022	Agency meeting with Minister of Education	Microsoft Teams VC	<ul style="list-style-type: none"> The Minister confirmed the commitment to the project and provided positive endorsement to maintain the announced scope while finding efficiencies and reducing costs where possible. Based on this direction, and Project Governance Board prior approvals, we will continue to proceed with expenditure on enabling works and design for Bohally, and now proceed to complete masterplanning for the Colleges based on the 'Option 2 – Reduced roll'
December 1 2022	Meeting of the Educational Partnership Group (including School Principals & Iwi Representatives)	Report and meeting papers Followed by Meeting Face to face/ VC with minutes	<ul style="list-style-type: none"> Report shared the options/advice presented to the Minister at the November Agency meeting and advised the outcome of the agency meeting and direction to proceed based on Option 2 (reduced roll \$350m+). Discussion at meeting minuted that senior Ministry staff will address the school Principals, Board representatives & Iwi Representatives on 7 December to provide overall update /direction on the project. Confirmed the clear direction received is to continue with project adopting all available efficiencies.
December 7 2022	Verbal Update with School Boards & Principals	Report and meeting papers Followed by Meeting Face to face/ VC	<ul style="list-style-type: none"> Discussed the options/advice presented to the Minister at the November Agency meeting and the outcome and direction to proceed based on Option 2 (reduced roll).
December 15 2022	Ministry Project Governance Board	Report and meeting papers Followed by Meeting Face to face/ VC	<ul style="list-style-type: none"> Report shared the options/advice presented to the Minister at the November Agency meeting and advised the outcome of the agency meeting and direction to proceed based on Option 2 (reduced roll \$350m+).

February 22 2023	Meeting: Project Control Group (includes School Board Representatives)	Report and meeting papers Followed by Meeting Face to face/VC	<ul style="list-style-type: none"> Minutes & Report advised the previously reported forecast cost of \$405m has reduced by approximately \$40m to \$365m due to scope reduction. There are further value engineering opportunities to reduce this further by up to \$40m. Minutes record: Officials acknowledged pressure on expenditure at present. As a result of high inflation/escalation and now the required response to cyclone Gabrielle. The government/ministry is required to ensure robust prioritisation of investments is in place. Report notes there remains a significant deficit on the approved \$170m funding delegation in comparison to the most recent project cost estimates.
May 18 2023	Meeting: Project Control Group (includes School Board Representatives)	Report and meeting papers Followed by Meeting Face to face/ VC	<ul style="list-style-type: none"> Advised the latest estimates support a project forecast budget of \$365m. There are potential opportunities to reduce this further by up to \$40m
May 24 2023	Ministry Project Governance Board	Report and meeting papers Followed by Meeting Face to face/ VC	<ul style="list-style-type: none"> Significant deficit on the approved funding delegation in comparison to the most recent project cost estimates(\$365m) 9(2)(f)(iv)
August 22 2023	Project Governance Board – informal lunch with all stakeholders (including School Boards & Principals, Iwi)	Face to face	<ul style="list-style-type: none"> Informal lunch and discussions with all stakeholders on project progress and timeline
November 2 2023	Meeting: Project Control Group (includes School Board Representatives)	Project Control Group Minutes	<ul style="list-style-type: none"> Discussions at PCG minuted officials stating the project is moving into a fiscally challenging time. Risk is evident, and talks will be required with the incoming Ministers of Education and Finance. Current position is to continue with design work and planning in the interim.

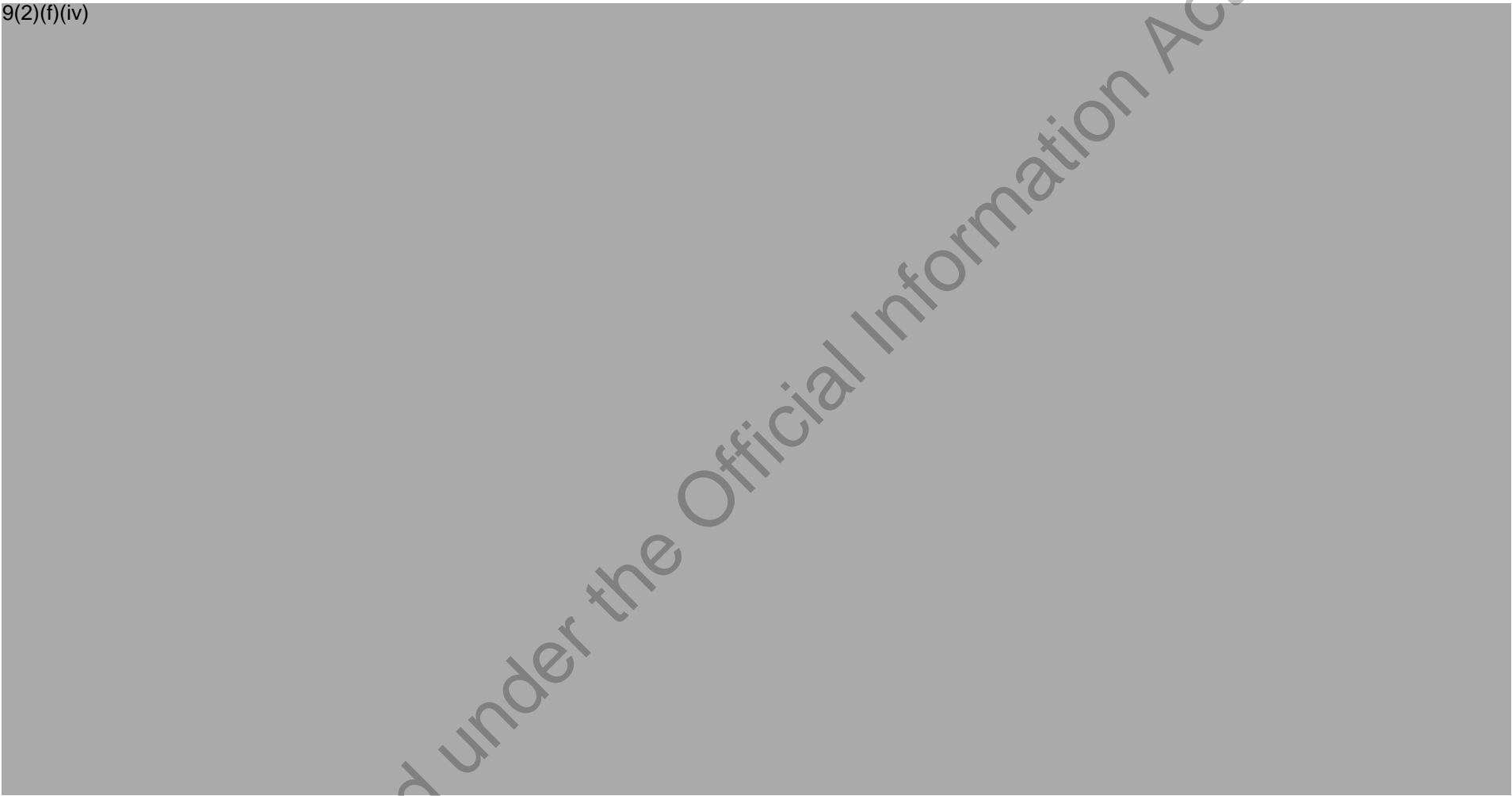
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December 15 2023	<p>Meeting: Project Control Group (includes School Board Representatives)</p> <p><i>Later that day Project Director met face-to-face with School Principals</i></p>	Online/Teams	<ul style="list-style-type: none"> • Progressing with demolition and physical works at College park scheduled for February 2024 commits the Ministry to a project that is beyond a formal \$170M agreed by Cabinet (as has been previously communicated to the schools). • The Ministry has therefore decided that this work will not commence in February • The Ministry has advised the Minister of this intention. The Minister has also been briefed on the project, the cost estimate, and is aware that an updated cabinet approval and successful budget bids are required to support the project. • The Ministry will be preparing advice for the Minister • Design work will continue on the current concept design to 'value engineer' and reduce project costs. • Note: the third School Principal was updated similarly on Monday 18 December (as they were unavailable on the previous Friday).
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Annex Five - Marlborough Co-location Project Potential Options

9(2)(f)(iv)



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Information Update

Drafter: Hilary Capon
Hautū | Deputy Secretary: Scott Evans
Metis Number: 1320562
Date: 19 December 2023

Request

You have requested:

- A communications plan for engaging with schools on their school property project
- A summary of which schools have been communicated with

Alignment with Government priorities

This information has been requested by your office.

Information

1. We have previously shared the @RISK register, which lists schools that we have identified as potentially escalating concerns in relation to their school property.
2. You have asked us for a communications plan, and a summary of which schools on the @RISK register have been communicated with.
3. In the new year, ahead of any further engagement with schools about their projects, we will be developing a communications strategy that outlines key messaging that can be shared with schools in relation to their project. This will ensure that messaging with schools are consistent across the country, and is targeted to the area of concern (as identified by theme in the @RISK register):
 - a. Funding and Programme Settings
 - b. Changes to Roll Growth Demand
 - c. Delivery
 - d. School Specific Concerns
4. We will also update the @RISK register to track which schools have been communicated with and will share this with you in the new year.

Planned engagement with education sector on value for money

5. The table below summarises the engagement timeline that the Ministry has identified for the new year.

Timeframe	Engagement Planned
From mid-January	<ul style="list-style-type: none">• Email from Head of Property to national sector associations providing summary of our new targets to deliver Ministry led property solutions that demonstrate value for money.• Email will request opportunity to meet with them for a more detailed discussion at their earliest convenience.

End-January	<ul style="list-style-type: none"> Email from Regional Infrastructure Managers (looping in Education Directors) to regional association contacts requesting opportunity to meet to discuss our new targets.
Early February	<ul style="list-style-type: none"> Meet with national and regional association heads, seek support / guidance on how best to update members, and to use their channels to encourage attendance at our quarterly Infrastructure Sector Forum. National discussions will be led by either Scotty or Sam, depending on who has the relationship (or with both in attendance) supported by a presentation. To include case study examples where projects have been delivered successfully meeting the new targets. Regional discussions will be led by the Regional Infrastructure Manager, with offer to Education Director/s to attend.
February 27	<ul style="list-style-type: none"> Infrastructure Sector Forum with dedicated focus on value for money
From February	<ul style="list-style-type: none"> Social media and marketing strategy showcasing examples of standardised, repeatable designs and use of offsite manufactured buildings.

6. The Ministry has prepared high-level summary of the approach that will be used to engage with the sector and individual schools. The approach will be developed further as part of the communications strategy that we will share with you in the new year:

Audience	Approach
Education Sector	<p><i>Key messages:</i></p> <ul style="list-style-type: none"> - We have a responsibility to invest in property solutions that demonstrate value for money while still delivering the right outcome for our schools and kura. - Over the past few years, the average cost to build a teaching space has increased rapidly. More than ever, we need to be prudent with our spending. - We are working with our suppliers to provide more cost-effective, simple, durable solutions that enable us to deliver an affordable work programme. - In some instances, this will involve reviewing and replanning high-cost projects in design, and/or deferring projects about to enter construction until funding is secured. - We're aware this may delay delivery of some of our higher-cost infrastructure projects and regret the impact this may have on these schools or kura. - We'll also be looking more closely at infrastructure improvements that can be completed on an existing space without doing a full refurbishment, rather than replacing and building new. - Demand for new school property across the country is high, and the only way we can meet these needs is to do so more efficiently at a lower cost per teaching space.

<p>Individual Schools</p>	<p><i>High-level process:</i></p> <ul style="list-style-type: none"> - The Ministry has regional engagement advisors who work closely with regional property delivery teams, Network, and Te Mahau to support communications and engagement with schools on Ministry-led infrastructure projects. - The regional advisors also support schools to update their communities if requested by the school. - As the impact of affordability and fiscal constraints on individual projects is understood, tailored communications to schools will be managed through face-to-face conversations led by the Ministry's regional team using agreed messages. - A formal communication from the Ministry's Head of Property will also be provided to help give context for these project reviews. Use of the formal communication will be at the discretion of the regional managers. In most instances, schools prefer to receive updates from the Ministry's regional team with whom they have a direct relationship. - Using the @RISK control sheet, we will update communication activities within the 'Next Action' column monthly. - Further information, such as roll growth numbers, is needed before communicating with schools early in term one.
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Rapid Response

Drafter: Sam Fowler, Head of Property
Hautū | Deputy Secretary: Scott Evans
Metis Number: 1320917
Date: 9 January 2024

Request

Advice as to status and progress of Whakatane High School Art Block remediation

Ministry Response

Background

Specialist art and computer aided design spaces were damaged by a fire at Whakatane High School in August 2023. The fire was caused by a contractor undertaking works on behalf of the school.

After immediate make safe activities remediation of these teaching spaces has not yet been undertaken.

The works were planned to be undertaken in two phases with the first phase returning one classroom to use some weeks after the start of Term 1 and two further spaces (with a greater level of design and consent required) being available later in the year. This programme does not align with the school's expectation.

Scott Evans requested that the Head of Property review the project and timelines on his return to the office on 8 January. Discussions with the local team had commenced in regard to the programme and timelines.

On 9 January Martyn Knapton, Principal of Whakatane High School, wrote to the Ministry of Education raising concerns in regard progress and timelines for the remediation of the three damaged spaces.

Planned action

Although some of the remediation is complex with structural and design considerations other elements are simple and overall the remediation has not progressed with sufficient urgency. The Head of Property spoke with the Principal on 9 January to acknowledge that and to further understand the priorities and challenges for the school.

The local team have been directed to work with a local supplier to direct source the first stage of the works to accelerate the availability of this classroom and to explore opportunities to accelerate the other works.

The Head of Property advised the Principal that he would follow up with him and the local team before the end of this week to discuss and agree a revised approach and timelines. The local team are working with the supplier to bring forward works and on site meetings to prepare for works are planned for this week.

Specific queries

1. *Why was the floor not remediated immediately through public liability insurance following the fire?*

The costs of remediation of the damage caused by the fire are expected to be covered by the contractor's insurance. This is supported by the loss adjuster's report which was received in November 2023. The Ministry will be seeking this recovery and will be funding works in the meantime through its own property baseline funding. Some of the remediation elements could have been progressed more directly and immediately following the fire.

2. *Why was the school required to use 5YA funding for architects?*

The school were concerned that our record of Teaching Space numbers was inaccurate. This activity to clarify and reconcile Teaching Space numbers was incorporated into a 5YA project and undertaken by the school's project manager who is also an architect. This confirmed that the Teaching Space count was correct.

3. *Why the contractors' public liability insurance has not been able to fully remediate the problem?*

The Ministry will be seeking full recovery and will be funding in the meantime through its own property baseline funding.

4. *Why was the priority not to ensure safe, quality learning spaces were in place for the start of 2024?*

Safety has been the priority and the building was initially made safe. As the fire was in the ceiling space with some potential structural integrity elements it has taken some time to receive necessary structural assessments to enable development of a scope of works. Some works to make some spaces available for teaching and learning should have been undertaken sooner.

5. *What is the timeline for resolution now, and what expectations are there on the school?*

We are working with a local supplier to seek works to be undertaken urgently with a view to bring one teaching space back into use for Term 1 (or as close as possible to the start of term).

The balance of the works will require additional design and consent activities and we'll be reviewing our approach to the remediation of those spaces to deliver as quickly as possible.

We will also work with the school to identify approaches to best support them while these spaces are unavailable which could include temporary accommodation.

The Ministry will be meeting with the Principal this week to work through revised timeframes and implications.

6. *Has the school been told to hire a building or learning space to replace the ones that were lost in the fire.*

The school was not told to hire learning spaces. The school was advised that the Ministry are looking into the possibility of temporary buildings and have identified some buildings locally that could support this. This would be Ministry funded and is unlikely to be recoverable based on the advice of the loss adjuster.

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Document 8



Rapid Response

Drafter: Sam Fowler

Hautū | Deputy Secretary: Scotty Evans

Metis Number: 1322810

Date: 15 January 2024

Request

Your office has requested:

- information on number of school property projects that have realised savings through repeatable designs and offsite-manufactured buildings (OMBs), including some examples of successful use of repeatable designs and OMBs
- examples of bespoke designs delivered through Ministry-led projects.

Ministry Response

Key points

- Since 2016, the Offsite Manufactured Building (OMB) programme has delivered close to 1,000 new teaching spaces to schools across New Zealand. For example, in 2023, there were 62 completed projects in the programme, delivering 191 new teaching spaces in total.
- Over 40 schools are in design or have been delivered since 2021 using reference design exemplars, which will deliver more than 500 new teaching spaces.
- Although the OMB programme has grown significantly and the use of repeatable solutions in other parts of our programme is increasing, the majority of our investments are not yet delivered through this programme or through the use of a standardised or repeatable solution. For example, approximately 10 percent of the school property projects identified for value for money reviews include an OMB component and, for many of these, modular buildings represent only a small part of the project.

- Another example of approaches to drive efficiencies through standardisation and repeatability is our [Nga Iti Kahurangi programme](#), which is improving learning environments in up to 760 small or remote state schools. Ngā Iti Kahurangi improves lighting, noise levels, temperature, energy efficiency and comfort. Improvements include LEDs, acoustic panels in teaching spaces, thermal insulation in ceilings, residual current devices (RCDs) and carpet tiles in primary school teaching spaces.
- Using a programme management approach, and consistent products through direct supplier arrangements to achieve economies of scale, allows us to drive value and improve existing infrastructure. There are opportunities to scale up these approaches to deliver more efficiently across the property portfolio.
- As costs per teaching space continue to increase, we will need to deliver projects differently (especially high-value projects). There are significant opportunities to scale up the use of offsite manufactured, standard and repeatable solutions to reduce both time and cost across our programme (see examples of specific projects and cost savings below).

Key benefits and examples of repeatable designs and OMBs

Repeated Use of Building Designs

Key benefits:

- Reduced fees on same designs/designers

Examples:

Isleworth School & Harewood School (Canterbury)

- Standalone primary school hall, ~300m²
- Reduced fees by ~35%

Te Rohutu Whio School & Lemonwood Grove School (Canterbury)

- 2-storey 12 teaching space block (originally designed for Hanley's Farm School in Queenstown)
- Saved 33% on fees

Offsite Manufactured Buildings

Key benefits:

- Controlled supply chain with standard designs
- At least 10% cheaper

Example:

Hamilton East School

- Demolition and delivery of 4 teaching spaces
- 9(2)(j) (including all construction and fees)
- Delivered within 7 months
- 9(2)(j)



Rapid Response

Drafter: Hilary Capon, Manager – Investment
Hautū | Deputy Secretary: Scott Evans
Metis Number: 1320919
Date: 16 January 2024

Request

Further questions on Marlborough following the Summer Reading pack submitted in December 2023.

Ministry Response

1. *Why was the budget bid in 2021 scaled back from the \$18.9M recommended by the Ministry to \$6.3M in Budget-21?*

Scaling bids is a common practice for most bids going through the Budget process, as the Minister balances competing priorities and pressures within a constrained envelope.

The \$18.9M bid was scaled to \$6.3M as:

- It represented the minimum viable funding amount required for the project to progress for one Financial Year
- It was not guaranteed that the full \$18.9M could be spent in the financial year (in particular, noting the skill and supply shortages arising from COVID, and the uncertainty around potential lockdowns and the impact on delivery)
- It minimised pressure on the budget envelope and allowed for funding to be allocated to other initiatives

2. *In 2018 the Ministry identified that not all costs were included in the \$170M figure approved by cabinet. What is the value of the costs excluded at this point? What were those costs related to?*

The 2018 Cabinet approval excluded the cost of land associated with purchasing new greenfield sites for the schools. Ultimately, greenfield site options were not able to be achieved, and the remaining option was to proceed with the project on the existing sites – which meant significant land purchases were not required.

It is standard practice for the Ministry to purchase land separately from the construction budget. Historically land has been purchased using a 'reimbursement' model – where the Ministry funds the purchase from its depreciation upfront, and the new capital is reimbursed in a future Budget (as under the Public Finance Act the Ministry cannot use depreciation funding to purchase land – this practice is changing in response to revised Cabinet guidance on Investment Management and Asset Performance issued in September 2023 through Cabinet Office Circular CO 23 (9)).

At the time, the \$170M was a delegated financial authority for the Ministry to spend depreciation funding (“baseline”) on the project – separate from the land, which would have been reimbursed through Budget and therefore a separate Cabinet decision.

In 2018 the estimated cost of a greenfield site for the Colleges (which had been excluded from the \$170M) was \$6-7M for the Colleges and \$2-3M for a greenfield site for the Intermediate. *Reference Paragraph 13, Education report August 13 2018/METIS 1144158.* No greenfield site could be identified, and therefore no new site was purchased for the schools.

As planning progressed, the need to acquire five (brownfield) residential properties adjoining the school sites was identified in 2022, these acquisitions were completed at a cost of just under \$4M.

3. *In Budget book 2021 the one-year capital injection approach is taken to allow time for the development of more sustainable funding mechanisms to be developed in anticipation of Budget 2022. What work was done and what decisions were made as a result of this work programme? What is the current progress/results associated with those decisions?*

As the fiscal environment changed rapidly though this period, resulting from COVID-19’s impact on the economy, Crown spending and construction market, viable options for alternative funding mechanisms were not able to be found.

4. *In Budget Book 2021 the Treasury noted the following: NEXT STEP: (p.12) (point 54) “You may also wish to indicate an overall total level of capital investment in the school property portfolio that you consider a reasonable level of deliver for the Ministry. This approach may draw our greater prioritisation between the growth and redevelopment programmes. Alternatively, if you are not comfortable with the risks that were raised for school property by the ministry, you could agree to a top up of the NEGP contingency (which would impact on allowances). The Ministry has scaling options available.” What decisions were taken as a result of that advice?*

This advice was provided by the Treasury to the Minister of Finance, and we do not have a record of any consequent decisions being made by that, Minister nor any related commissioning from the previous Minister of Education.

5. *Is it best practice and/or acceptable that at the point \$6.3M was allocated in Budget 2021 for the co-location project, that Cabinet was not informed of the cost escalation from \$170 to \$250M? Is this normal practice, if so, why? If not, what should have happened?*

Following the 2020 independent business case, it became clear that the project could not be funded from Ministry baseline (depreciation) funding. Therefore we sought capital injection for the project through Budget 21. The funding was within the existing delegation (\$170M) and did not commit the government beyond that delegation (as no contract was signed in excess of \$170M).

Since 2020, the Ministry has used a two-stage project approval methodology. Planning and design is undertaken prior to setting, and approving the ‘complete’ budget to deliver. This is because across major projects it was clear that setting and approving project budgets prior to planning and design was contributing to poor project outcomes and inaccurate budgets.

Completing design works prior to confirming the overall project budget was consistent with that two-stage methodology.

6. *Why were masterplans presented in April 2022 (with known costs at \$250M) and four months later a QS costed the project at \$450M. Why was the decision made to present the masterplans if the cost to deliver was either so unknown or so beyond the approved scope?*

Masterplans were not released publicly in April 2022, and a project estimate of \$450M has never been received.

In August 2022 the project QS provided draft advice to officials that estimated costs were approximately \$405M which resulted in a project pause to seek Minister direction on how to proceed with project (Agency meeting November 2022).

Masterplans were released publicly 3 April 2023, at this point the estimated project cost was approximately \$380M, with the project QS advising the cost could be as low as \$366M at this time. These estimates are consistent with the \$350M+ advice supplied at the November agency meeting.

The Masterplans released in April 2023 are consistent with the approved scope, and direction officials received to maintain scope commitments at the agency meeting, Nov 2022.

7. *Who made the decision to reject the advice of the Project Governance Board to rescope to project to \$250M in October/November 2022?*

In September 2022 the Governance Board received QS costings of \$405M and directed the project to look at options to reduce the project cost to the 2020 estimate of \$250M.

Options were developed and communicated with Stakeholders in October prior to Agency Meeting in November.

The then Minister was presented four high level options (METIS 1300298). Following discussions, the Minister verbally directed the Ministry to 'deliver on existing commitments', meaning existing 'scope', the scope having been agreed by Cabinet.

Following this conversation, on December 15, 2022, the Project Governance board confirmed direction to identify any scope considered 'surplus' to the original commitments, and to proceed with that reduced scope option with projected cost at circa \$350M+. This was a Ministry decision seeking to minimise unnecessary costs associated with the project.

This direction resulted in capacity reduction and retaining the Marlborough Technology Centre in-situ to reduce costs.

8. *Why did the Ministry not prepare an EdReport following the briefing on 16/11/22 in which Minister Hipkins indicated his preference for option 2A?*

The Ministry intended draft an Education Report following discussions with the then Minister at the Agency meeting, seeking direction which would inform the Report. The Minister instructed the Ministry to proceed without preparing a further Education Report.

9. *Is it normal practice for a Minister to verbally instruct a Ministry to proceed with a project where the costs are more than \$200M above the approved funding and the Ministry proceed?*

The Minister at the time did not direct the Ministry specifically to proceed with an option of any specific value, but verbally directed the Ministry to 'deliver on existing commitments', meaning 'scope', the scope having been agreed by Cabinet.

10. *In December 2022 when the scope of \$380M was confirmed with stakeholders, what was the fiscal plan to ensure project delivery was viable based on only \$170M of funding being available?*

In December 2022 a reduced scope, with reduced student capacities, and retention of the existing technology centre was adopted. At this time (part way through Masterplanning), the estimated cost of this revised scope was \$350M+, which was shared with stakeholders.

Once Masterplanning was completed, more accurate costings were possible, and the estimated cost to deliver this scope is now approximately \$380M.

The funding approach for the project was to pursue annual Budget bids to secure the required funding year on year and gain an updated Cabinet approval when the contract commitments exceeded the \$170M delegation. This approach was identified as a response that allowed the management of increasing costs of the project while minimising the impact of the project on wider Education property priorities and initiatives.

11. *What did the Ministry intend to deliver with the operational and capital funding referenced in the 5 December 2022 Expression of Interest for a critical cost pressure. What was actually achieved with this investment?*

The intention expressed in the document was to "*complete design and begin construction*". The Document relates to the bid which sought \$36.62M CapEx from B23 to fund activities in 23/24.

This funding has meant that over these periods, design has been significantly progressed, and construction activities on enabling works have commenced. Further construction activities planned to commence in early 2024 (FY23/24) have since been paused to allow for the project to be revisited (METIS 1319807).

Progress achieved:

- Design:
 - Master planning for Colleges & Intermediate Completed
 - Concept, Preliminary and Developed Design Completed for the Intermediate
 - Concept design completed for the Colleges
- Enabling works:
 - Five residential properties purchased to extend existing sites – scheduled for Demolition in Feb 2024 (now paused).

- Negotiated the surrender of the Marlborough District Council Lease over College Park (Intermediate site) – and establishment of new lease for relocated facility on Marlborough Girls College.
- Construction of relocated Hockey Turf at Marlborough Girls college to enable demolition of existing at College Park (Demolition scheduled for March 2024, now paused).
- Finalised plans for the relocation of Skating rink completed.
- Planning & Procurement:
 - Notice of Requirement submitted with updated Education designation for College Park established under Resource Management Act.
 - Project Management & Engineer to contract appointed for full project term (6 years).

12. *How do the New Spending Initiative document (Dec 2022) and the Expression of Interest for a Critical Cost Pressure (December 2022). Are they different or the same? Why are the figures in these two documents different? Based on these inputs, what was the fiscal plan to deliver the project and in what timeframe?*

These two documents refer to the same Budget 23 initiative.

Through the Budget process, bids often go through multiple 'versions'. The Ministry identified the Marlborough project as a 'cost pressure', and completed an indicative **Cost Pressure Template** (Doc 16; METIS 1320514 Annex 3) in September.

When later invited to submit the bid by Government it was considered an invited **New Spending Priorities** (Doc 18; METIS 1320514 Annex 3), and so the New Spending template was complete.

The requests on B23 in these two documents is consistent with the project's funding strategy to pursue annual budget bids to secure the required funding year on year, and gain an updated Cabinet approval when the contract commitments exceeded the \$170M delegation.

13. *The figures presented in BUDGET23 for ongoing costs (c. \$50M p/y – where did these come from and what advice was taken about these projections?)*

These estimates are informed by the projects forecast cashflow requirements which is informed by QS advise and the proposed construction programme/sequence.

14. 9(2)(f)(iv)



15. *Please provide copies of all information, briefings, EdReports, rapids etc. to Minister Tinetti with regard to Marlborough for the duration of her tenure as Minister.*

During Hon Tinetti's tenure as Minister of Education, we did not provide her with substantive advice on the Marlborough projects. This is because at the time she became Minister the Budget 23 process was well advanced.

She did receive Budget papers which referenced the Marlborough bid as a line item in the annex. These lines are provided as excerpts (Annex One).

16. *Why were briefings and communications with Minister Tinetti not shared earlier in the process with the main bulk of information we requested?*

All papers providing substantive advice on the Marlborough Project were included in the December 2023 pack. Briefings to Minister Tinetti only reference Marlborough Colocation as a line in Budget 23, and have been provided in Annex One.

17. *Why did the Ministry support a laying of a Mauri stone in June 2023 when the projected costs of the project were more than three times greater than the funding secured initially.*

At the time of the Mauri stone laying, construction activity was due to commence (hockey turf), and mana whenua were clear that the project required a mauri stone prior to construction commencing. The ceremony was planned and run by the schools and iwi representatives.

Generally, the Ministry does not have policy on Mauri stone and other cultural ceremonies, in practice we follow school and mana whenua direction in this regard.

18. *What were the schools told at the informal lunch in October 2022, what were their expectations from this point?*

We do not have record of an informal lunch in October 2022.

There was an informal lunch held in August 2023. This was an opportunity for school stakeholders to engage with senior ministry officials prior to a scheduled Project Governance Board meeting. School stakeholder expectations following the lunch would have been largely unchanged, i.e., that project progress would continue, with construction of hockey turf ongoing, and construction due to commence at Bohally in the new year.

19. *What was different in December 2023 they made the Ministry decide to pause the project? What new information did they received to prompt this behaviour?*

No new information regarding the project informed the Ministry's decision to defer the construction start date. A proposal to pause the project was in discussion internally prior to December 2023.

Physical works were scheduled to commence in February 2024, which would effectively commit the Crown to the full programme of works. The Ministry decided to defer the start date to allow time to consider both the scope and the delivery approach with input from the new Government.

20. *What plan does the Ministry currently have in place to deliver this project, and at what cost?*

Presently, the Ministry has detailed plans, and has begun significant enabling work to deliver the full scope of the project, co-locating the colleges and relocating the intermediate.

As advised in December, the most feasible way to significantly reduce project costs is to change the project scope to the 'mega campus' option (Option 2 METIS 1320514), where the intermediate stays where it is, and the colleges are co-located on the same site. We believe that with this change in scope, and by adopting other efficiencies and savings, the forecast cost can be brought down to 9(2)(f)(iv)

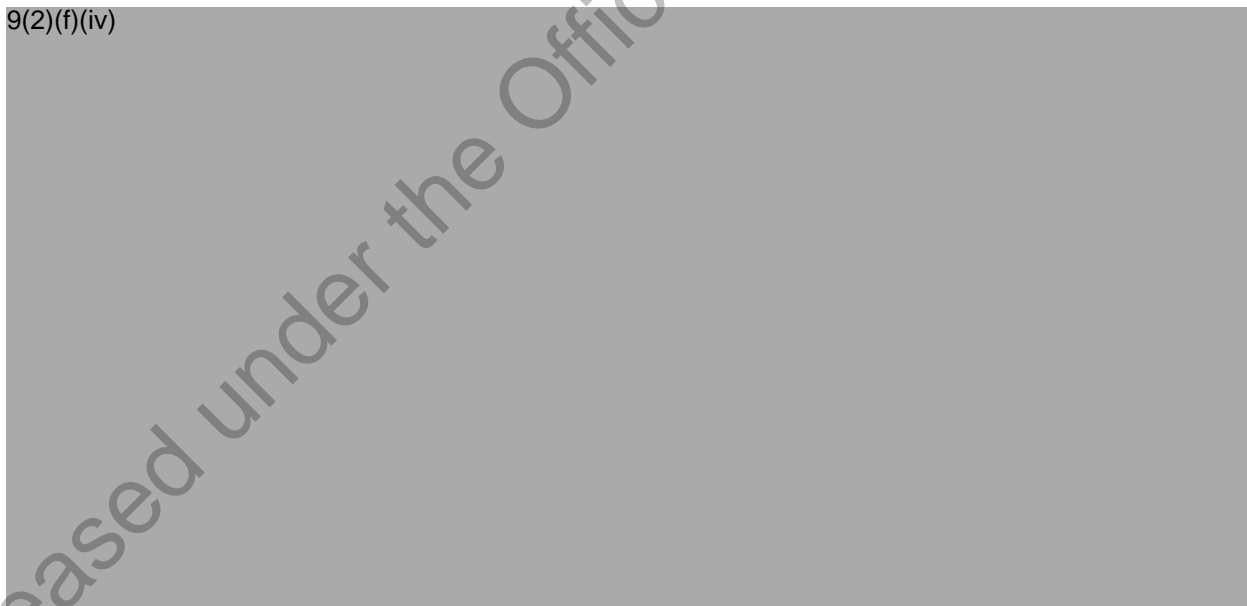
The mega campus option is also attractive as we can utilise existing design work and staging plans completed to date on the Colleges.

The Ministry will now refresh the project business case, providing more detail on the options outlined to the Minister in December 2023. The refreshed business case will be used to develop an education report to the Minister in January 2024 to update you on this work. The refreshed business case will also include a communications strategy for the schools.

Any option to continue with co-location will require capital injection funding from a successful budget bid.

21. *At the cost identified, what level of capital injection would be repaid each year, and for how long, to complete the build?*

9(2)(f)(iv)



Annex One – Supplementary information for Question 15

METIS 1304618 (Annex One), 16 February 2023

BUDGET AND INDUSTRIAL RELATIONS SENSITIVE

Annex 1 – Education Package - Overview of scaling opportunities and risks

Budget 2023 – Overview of Education Package					
Cluster	Scalable	Title	Funding	Saving Moving to MVO	Risks/Scaling comment
Need to Fund	Yes	Supporting the co-location of Marlborough Boys and Girls Colleges and the relocation of Bohally Intermediate	OPEX \$6.409m CAPEX \$36.62m	-	This initiative seeks funding for the Marlborough school network. Should this initiative be scaled back further, project delays would have a material impact on the Marlborough community, impairing the Marlborough school network and risking reputational damage for the Ministry.

METIS 1305097 (Annex Two), 23 February 2023

BUDGET-SENSITIVE

ID	Vote	Category	Title	Description	Budget Track	Funding sought by Departments			Funding recommended (Draft package)			Treasury Draft package Comments	Ministry Alternative Package		
						Total Operating (\$m)	Operating average per annum (\$m)	Total Capital (\$m)	Total Operation (\$m)	Operating average per annum (\$m)	Total Capital (\$m)		Total Operating (\$m)	Total Capital (\$m)	Ministry Comment
14776	Education	Property	Supporting the co-location of Marlborough Boys and Girls Colleges and the relocation of Bohally Intermediate	This initiative provides funding to progress the design of the co-location of Marlborough Girls' and Boys' Colleges and the rebuild and relocation of Bohally Intermediate School.	New Spending - Investment (including Investment Panel and Other capital)	6.409	1.60	36.62	-	-	-	Recommended to defer as the urgency of this initiative is unclear and there are construction sector constraints. The urgency of approving funding this Budget is unclear as these schools are still operating, and components could be scaled or deferred, but this would delay delivery and we note it has been challenging to secure appropriate land for this project. We also note the Government has publicly recommitted to these two transformative projects.	6.41	36.62	This needs to be funded if this is not funded through Budget 2023, the entire project will be delayed until funding is secured. This planned build is staged and the Ministry is now reaching the next stage, which there is no available funding to complete. The Ministry has a range of contractual obligations to continue the work as well as high expectations from the community and local iwi, who have been deeply involved in the work to date.

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Information Update

Hautū | Deputy Secretary: Scotty Evans

Metis Number: 1320859

Date: 17 January 2024

Request

Background to support the draft response to Nicola Grigg MP.

Alignment with Government priorities

Requested by the Office.

Information

Background, funding and project delays

- In March 2019, a \$30m investment in a major rebuild for the Ellesmere College was announced by then Prime Minister, Rt Hon Jacinda Ardern. The investment in Ellesmere College is part of the ten-year National Schools Redevelopment Programme (NSRP). This programme is funded through the Ministry's baseline capital funding.
- Since the initial announcement and allocation of funding to the project, the forecast cost to deliver the scope of works has more than doubled. This is due to an escalation in construction costs and project-specific land and infrastructure complexities, as well as reprioritisation across the NSRP. 9(2)(j)

Land and infrastructure complexities

- Ellesmere College has some land and infrastructure complexities that have contributed to project delays and increased costs, including a high water table at the site (requiring de-watering), a new stormwater line to allow for increased capacity at the redeveloped site, and additional requirements for raised buildings in line with Environment Canterbury's updated flood levels.

Ministry engagement with the school

- The Board has strongly advocated for the redevelopment project on behalf of the community. In early 2023, the college Board escalated concerns about delays to the redevelopment project to the regional Education Director and Regional Infrastructure Manager.
- The Head of Property and Deputy Secretary met with the Board and school leadership team on 11 May 2023. In July 2023, the Ministry agreed with the Board on a two-phase approach, with Stage 1 consisting of an Auditorium, four learning hubs, and associated landscaping. Stage 2 includes an Administration Block and the Gymnasium refurbishment.

Next steps and actions

- A building consent application for Stage 1 works is currently with Selwyn District Council. We are working with the Council to progress consents for the works.

Released under the Official Information Act 1982



Agenda

Deep Dive: Property Funding

Date: Thursday 25 January 2024

Time: 3.30pm-5pm

Venue: Executive Wing 5.3

MoE Attendees: Iona Holsted, Secretary for Education
Scott Evans, Deputy Secretary– Hanganga Matihiko | Digital & Infrastructure
Sam Fowler, Head of Property
Hilary Capon, Manager Investment
Maneesha Cumaranasinghe, Manager Capital Investment
Vince Fallon, National Director Network

Item	Topic	Paper(s)
1	Current state of School Property Investment	
1.1	Funding Model: Depreciation vs Capital Injection There are two types of funding that we receive for property investment: Depreciation and Capital Injection. There are different rules that govern how this funding can be spent. We will discuss the use and constraints of the different types of funding.	<ul style="list-style-type: none">Annex A: Understanding Property Investment (A3)
1.2	Current funding position: Commitments & funding gap We are delivering a significant infrastructure programme across New Zealand. To deliver on time to meet need and demand, we initiate some works earlier (which creates a non-contractual commitment) than when construction is initiated (creating a contractual commitment). This item will present the Ministry's current funding position, including the value of its current commitments (both contractual and non-contractual), and what funding will be required in future to bridge any gaps.	<ul style="list-style-type: none">Annex B: Property Capital Injection Funding View (A3)

1.3 **Budget 24**

Building on Annex A and B, we will discuss how the proposed Budget 24 Capital bids fit in with our current pipeline and financial position.

We will also discuss with you how we can support you in your engagement with the Minister of Finance and Cabinet as part of the Budget 24 process.

1.4 **Delivery of key programmes & reporting methodology**

To monitor our programmes and make sure that we are on track to meet our targets, the Ministry produces quarterly reporting on key programmes. We will share with you the current reporting in place for the Growth and Redevelopment programmes, and take any feedback or guidance from you about what sort of reporting will meet your needs.

- Annex C & D: NEGP & NSRP (Dashboards)

2 **Proposed options and pathways forward**

2.1 **Shifting our approach: Value for Money workstream**

In addition to demand, we are also facing pressure in the form of increasing cost to deliver. We have initiated a Value for Money review and work programme. We will discuss the Value for Money approach with you, and the key outcomes it seeks to achieve.

- Annex E: Value for Money Comms Strategy

2.2 **Achieving efficiency through standardisation**

Standardisation is one of the key shifts that will help us achieve our Value for Money objectives. We will discuss at a high-level what standardisation looks like when applied to school projects.

2.3 **School level impact of shift & planned engagement with affected schools.**

The shift in approach will have an impact on schools. We will discuss the Ministry's engagement strategy with the sector, key timeframes and how we will support your office through this period.

Agenda

Deep Dive: Property Funding
25 January 2023 3.30-5.00pm

temahau.govt.nz

TPHM Redevelopment Dashboard 30 September 2023

The Ministry identified the need to ensure all ākonga have access to quality learning environments, which the previous government committed to achieve by 2030.

To achieve this, the Ministry implemented the National School Redevelopment Programme (NSRP) which consists of projects at schools with the most complex condition issues.

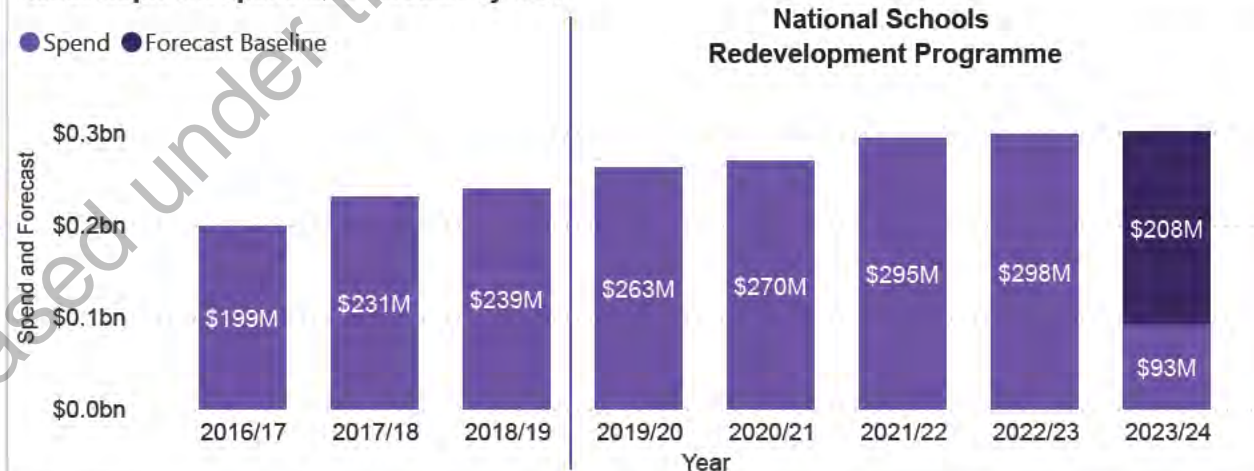
Since 1 July 2019, 97 projects have been delivered and another 63 projects have entered construction. There are another 97 projects in Planning and Design, and a pipeline of projects that will enter the programme once funding is available.

Programme Status : 1 July 2019 - 30 September 2023

41	69	63	97	\$2.01bn
Projects in the Pipeline	Projects in Planning and Design	Projects in Construction	Projects Delivered	In \$ billions Total Budget
		8 new projects entered construction in Q1	4 new projects were delivered in Q1	\$92.6M spent in Q1

Region	Planning and Design	Funding Allocated	Construction	Funding Allocated	Delivered	Funding Allocated
Tai Tokerau	9	\$3M	1	\$34M	7	\$66M
Auckland	13	\$129M	16	\$193M	40	\$290M
Waikato	2	\$4M	2	\$14M	2	\$15M
Bay of Plenty / Waiariki	9	\$83M	6	\$77M	7	\$38M
Hawke's Bay / Tairāwhiti	7	\$16M	5	\$39M	8	\$73M
Taranaki / Whanganui / Manawatu	3	\$18M	4	\$14M	5	\$19M
Wellington	13	\$74M	13	\$212M	12	\$177M
Nelson / Marlborough / West Coast	3	\$24M	4	\$58M	3	\$31M
Canterbury / Chatham Islands	4	\$38M	7	\$86M	7	\$33M
Otago / Southland	6	\$19M	5	\$68M	6	\$62M
Total	69	\$410M	63	\$795M	97	\$805M

Redevelopment Spend and Forecast by Year



National Schools Redevelopment Programme

New Completions Jul 23 - Sep 23



Current Quarter (July 2023- September 2023)

- 8** projects entered Construction
- 4** projects were Delivered
- \$93M** funding was Spent

Year to Date (July 2023 - September 2023)

- 8** projects entered Construction
- 4** projects were Delivered
- \$ 93M** funding was Spent

Programme Settings

- Legacy review of live projects
- NSRP 10-year plan
- Aligning depreciation funding to revaluations
- Check in with the new Government on priorities and the anticipated level of investment

School Name	Allocated Budget
Allenton School	9(2)(j)
Flaxmere College	
Northcote Intermediate	
Spotswood College	
Total	

Document 11D

TPHM Growth Fund Dashboard 30 September 2023

The Ministry identified the need to build new schools and classrooms for up to 100,000 children by 2030, which the previous government committed to in July 2019.

This dashboard tracks delivery of these new student places. Approximately 68,000 student places have been funded from Budget Bids.

This dashboard also counts student spaces in Planning and Design that will be subject to funding from future Budget bids.

The Programme is on track to deliver 100,000 student spaces by 2030 and has delivered 39% of the required student places to date.

This quarter we delivered 2,598 additional student places, the highlights being delivering 12 roll growth classrooms apiece to Oteha Valley School and Silverdale School in Auckland.

Current Quarter (July 2023 - September 2023)

- 2,156** student places entered **Construction**
- 2,598** student places were **Delivered**
- \$180M** growth funding was **Spent**

Year to Date (July 2023 - September 2023)

- 2,156** student places entered **Construction**
- 2,598** student places were **Delivered**
- \$180M** growth funding was **Spent**

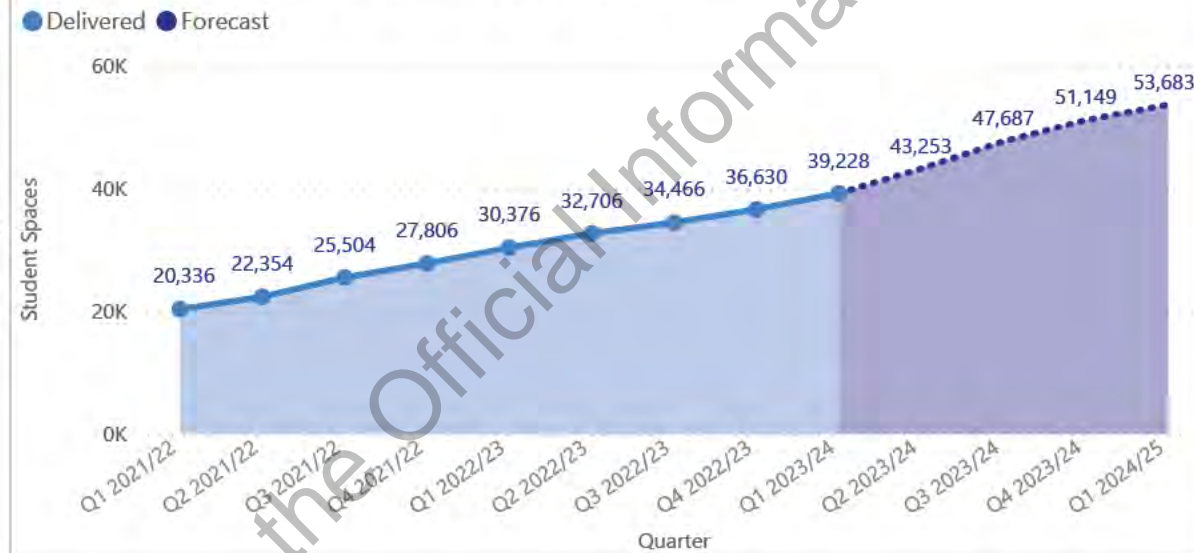
Growth Programme Settings

- NEGP 10-year plan (2019)
- Multi-year capital allocation (Budget 2019)
- Funding Planning and Design first (Budget 2021)
- Check in with the new Government on priorities and the anticipated level of investment

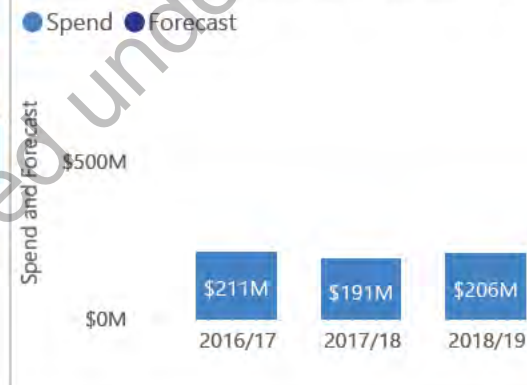
Programme Status : 1 July 2019 - 30 September 2023



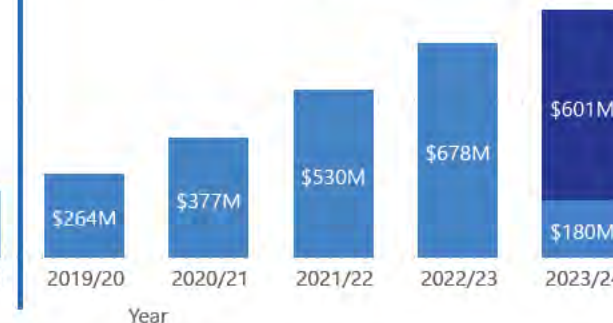
Student Places Delivered and Forecast Each Quarter



Growth Funding Spend and Forecast by Year



Multi-Year Capital Allocation NEGP



Delivered Student Places : Jul 23 - Sep 23



Education Region	Student Places
Auckland	1,232
Bay of Plenty / Wairiki	110
Canterbury / Chatham Islands	44
Hawke's Bay / Tairāwhiti	88
Otago / Southland	264
Tai Tokerau	264
Taranaki / Whanganui / Manawatu	44
Waikato	198
Wellington	354
Total Delivered	2,598

Property: Focus on a sustainable and affordable future

Purpose

- This document provides a national strategy overview for updating the education sector on how the Ministry planning to achieve better value for money with Ministry led infrastructure projects while still meeting the needs of schools, kura and their ākongā.
- It will be supported by regional strategies that take a tailored approach to updating individual schools and kura whose projects are being reviewed, depending on risk, prioritisation and communication preference.
- This document does not include reactive media / FAQs or supporting collateral. These are included in the full communication strategy document.
- All timeframes are subject to change depending on getting agreement to implement the strategy by the Secretary of Education and Deputy Secretary, Infrastructure and Digital.

Objectives

This national strategy overview supports three main objectives:

1. A consistent narrative in how we talk about our focus on a sustainable and affordable future
2. Timely communications – all schools and kura with projects subject to review are informed at the same time and kept updated on outcome
3. Managed delivery – a planned approach dependent on stakeholder and project risk

Narrative - external

Main key messages – Education sector

- We have a responsibility to invest in property solutions that demonstrate value for money while still delivering the right outcome for our schools, kura and their ākongā.
- Over the past few years, the average cost to build a teaching space has increased from \$700k in 2021 to \$1.1m in 2023 and looks set to continue to climb. This is no longer affordable or sustainable within our available budget.
- We need to review how we deliver projects so that our budget goes further, and we deliver more for less.
- All schools with Ministry led infrastructure projects at pre-construction will be affected by this review.
 - We are working with our suppliers to provide more cost-effective, simple, durable solutions that enable us to deliver an affordable work programme across the motu more quickly.
 - We have set a target of \$850,000 per teaching space across our programme.
 - We will be relying more on standardised solutions that rely on repeatable designs and use of offsite builds, rather than bespoke.
 - We'll be looking more closely at infrastructure improvements that can be completed on an existing space instead of building new. Construction is the Ministry's second highest carbon emitting activity, and we need to consider the impact on our environment when we replace and build.
- We are reviewing about 350 projects at pre-construction. Once they've gone through the review process, most projects are expected to proceed, but they may be staged, scaled and/or delayed. We will prioritise based on most urgent need.
- Indicative timeframe for when the reviews will be completed is between end March – end May.

- We're aware these reviews may delay delivery of many of our infrastructure projects and regret the impact this will have on these schools, kura and ākongā.
- We know this will be upsetting and we will continue to work closely with impacted schools and kura to ensure minimum disruption to teaching and learning.
- Demand for new school property across the country is high. The more value for money we can achieve on individual projects the more we can deliver across the motu to the benefit of all ākongā.

Communications approach

External

- Email from either Secretary of Education, Deputy Secretary, Infrastructure and Digital, or Head of Property (HoP) to national sector associations about our new targets to deliver an affordable and sustainable work programme. Email will extend option to meet for a more detailed discussion on how we expect to achieve this.
- Email from Regional Infrastructure Managers (looping in Education Directors) to regional association contacts with an official letter from the Ministry's Head of Property outlining our new direction and offer to meet.
- Communication to all schools and kura whose projects are being reviewed with an official letter from HoP providing context.
- National discussions will be led by either the Secretary of Education, Deputy Secretary, Infrastructure and Digital, or HoP, depending on who has the relationship (or with multiple in attendance).
- Regional discussions will be led by the Regional Infrastructure Manager and Capital Works Programme Manager with offer to Education Director/s to attend. Support from General Manager, Capital Works, or HoP may be needed.
- Quarterly Infrastructure Sector Forum with dedicated focus on our focus to achieve an affordable and sustainable work programme will be held on March 13 (tbc). The audience for this is all schools and kura.

Activities

Informing the education sector

Timeframe	Activity - external
<i>Week of Jan 29 - tbc</i>	<ul style="list-style-type: none"> • Email from HoP to national sector association presidents / chairs
<i>Week of Jan 29 - tbc</i>	<ul style="list-style-type: none"> • Email from RIMs to regional sector association presidents / chairs with attached letter from HoP
<i>End Jan / Early Feb</i>	<ul style="list-style-type: none"> • HoP meets with national sector association executives if requested • RIMs meet with regional sector executives if requested
<i>Feb 12</i>	<ul style="list-style-type: none"> • Email all schools / kura on review work programme with letter from HoP as projects are identified for review. High risk / complex projects will need to include offer to meet with school and its board chair to discuss.
<i>Feb 20</i>	<ul style="list-style-type: none"> • School Bulletin item about new direction and upcoming sector forum
<i>Mar 13</i>	<ul style="list-style-type: none"> • Quarterly Infrastructure Sector Forum.



Information Update

Drafter: Sam Fowler

Hautū | Deputy Secretary: Scotty Evans

Metis Number: 1322168

Date: 5 February 2024

Request

You have requested further information on the AUT Millennium Institute swimming facility and the Ministry's decision not to renew the lease, including:

- background on previous decisions made and rationale
- how many schools use the facility and any other schools that could use it
- how many times the lease has been renewed.
- what work has been undertaken on alternatives.

Alignment with Government priorities

Requested by the Office.

Information

Background and previous decisions

- In 2002, at the direction of the then-Minister of Education, the Ministry entered into a licence with the North Shore Bays Community Fitness Trust (now the AUT Millennium Institute of Sport and Health) to provide access for schools in the Rangitoto catchment to swimming pool facilities at discounted rates.
- The licence was structured to enable an injection of \$2m in capital funding for the development and construction of a new swimming pool facility immediately adjacent to Rangitoto College and TKKM Te Rakipaewhenua on Auckland's North Shore. This accounting treatment was intended to give the Ministry a proprietary interest in the facility so the contribution could be treated as a capital injection.
- The licence agreement provided priority access during set times of the school day and set limits on concession charges to be paid by schools listed in the agreement, up to a cap of 850 student visitors per day.

How many schools use the facility?

- The original agreement secured access for 42 schools, which were agreed with the Ministry and set out in the original licence. The original term of the licence was 20 years. 45 schools currently use the facility. A full list of schools that currently use the facility is provided as **Annex 1**.
- We do not hold detailed information on the number or frequency of school visits or uptake by local schools. Further engagement with the Millennium Institute and relevant schools will be required to understand the level of demand and determine the best value for money approach for ongoing use.

Previous renewals

- The original 20-year licence expired in 2022. The Millennium Institute approached the Ministry prior to the expiry of the licence to consider options for renewal.
- The Ministry decided to renew the licence for an additional two years to provide additional time to consider its long-term interest in the facility. The Ministry should have engaged with the Millennium Institute and schools sooner to resolve this issue well ahead of the expiry of the licence.

9(2)(j)



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Annex 1 – List of schools currently utilising AUT Millennium Institute facilities

1. AGE School
2. Albany Primary
3. Bayview Primary
4. Beach Haven School
5. Belmont Primary
6. Birkdale Primar
7. Birkenhead Primary
8. Browns Bay School
9. Campbells Bay School
10. Carmel College
11. Chelsea Primary School
12. City Impact School
13. Devonport Primary
14. Forrest Hill Schools
15. Glamorgan Primary
16. Greenhithe Primary
17. Home School (HASCA)
18. Kristin School
19. Long Bay College
20. Long Bay Primary
21. Mairangi Bay Primary
22. Milford School
23. Mount Albert Grammar
24. Murrays Bay Intermediate
25. Murrays Bay School
26. Northcross Intermediate
27. Onepoto School
28. Oteha Valley School
29. Pinehill Schools
30. Pinehurst School
31. Rangitoto College
32. Rosmini College
33. Sherwood Primary
34. St Johns School
35. St Josephs School
36. St Marys College
37. Stanley Bay School
38. Sunnynook School
39. Te Raki Paewhenua Kura
40. Upper Harbour Primary
41. Wairau Intermediate
42. Westlake Boys High School
43. Westlake Girls High School
44. Westminster School
45. Windy Ridge School

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Information Update

Drafter: Ngāwai Smith
Hautū | Deputy Secretary: Scott Evans
Metis Number: 1322389
Date: 7 February 2024

Request

Summary of the Ministry of Education's Cyclone Gabrielle Response in the Hawke's Bay-Te Tairāwhiti region.

Alignment with Government priorities

Minister Stanford is visiting schools in the Te Tairāwhiti region on the 7th of February 2024.

Information

On 14 February 2023 Cyclone Gabrielle impacted 114 of the 151 schools in the Hawke's Bay and Te Tairāwhiti network.

Funding was made available to schools immediately to support initial clean up and minor repairs and to enable, where possible, schools to reopen. Four school sites were initially closed in response to the weather event.

All Hawke's Bay schools had received a more detailed property condition assessment within three weeks of the Cyclone. Assessments for schools in Te Tairāwhiti took longer due to access issues from road closures, and were completed by mid-July 2023.

Identified remediation works included silt removal, roof repair, building repair, and remediating stormwater drainage and wastewater systems.

The initial assessments identified 200 remediation projects across 80 schools.

Post cyclone, further weather events throughout 2023 resulted in additional impacts to schools in the region. A further 34 schools joined the Cyclone Gabrielle Recovery Programme (CGRP), adding 47 projects to the remediation programme, resulting in 247 projects at 114 schools.


Of the four initial site closures, three school campuses have completed emergency remediation and have returned to site. Nūhaka School remains at their leased church site while the rebuild of their school is planned and delivered.

In May 2023, the then government identified \$116m of funding for the North Island Weather Event response. \$88m of that funding has been provisionally allocated to repair and remediate Hawkes Bay and Te Tairāwhiti schools.

134 of the 247¹ projects are complete at a cost of around \$9M. 75% of all remediation projects are forecasted for completion by June this year.

Three schools require a full school rebuild: Nūhaka School, Kotemāori and Omāhu School. TKKM o Tokomaru requires a school relocation.

9(2)(f)(iv)

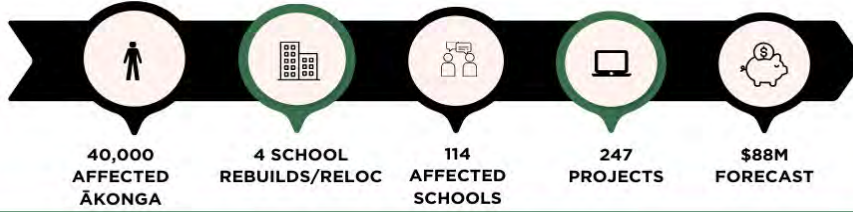


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¹ Some activities at some schools have been split into multiple projects including separate projects for design activities and works. A number of these projects are school-led and were completed in the early stages of the response.

CYCLONE GABRIELLE RECOVERY PROGRAMME

AT A GLANCE

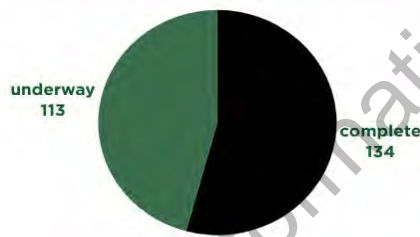


AFFECTED SCHOOLS



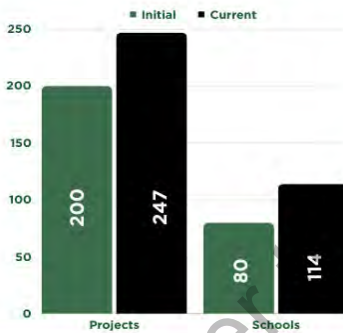
114 of the 151 schools and kura in the Hawke's Bay-Te Tairāwhiti network suffered property damage

247 PROJECTS



Roofing repairs, removal of silt, water infrastructure repairs, site cleanup and decontamination = over 90% of projects

GROWTH IN CGRP



SPEND

11 of the 247 projects are major and make up

\$52M
of the
\$88M
forecasted budget



INITIAL SCHOOL SITE CLOSURES



ESKDALE SCHOOL



OMĀHU SCHOOL



TKKM O TOKOMARU



NŪHAKA SCHOOL

Current:

Back on campus

Off site teaching

75%

of the remediation projects are forecasted for completion by

JUNE



CYCLONE GABRIELLE RECOVERY PROGRAMME

(CGRP)

PROGRESS ON MAJOR PROJECTS

OMĀHU SCHOOL



- Full school rebuild required.
- School reopens on Wednesday in refurbished library.
- Demolition of old school 90% complete.
- Replacement school buildings on track for re-opening in T1 2025

KOTEMĀORI



- Full school rebuild required.
- Emergency decant to neighbouring school in October.
- Demolition to commence mid-February 2024.
- Planning underway for rebuild with opening T3 2024

NŪHAKA SCHOOL



- Full school rebuild required.
- School remains delivering education from a local church.
- Church has been refitted internally.
- Upgrades to the site include an additional teaching space, a playground and road safety fencing.
- Demolition at school site to begin March 2024.
- Planning underway for rebuild with opening T1 2025

TKKM O TOKOMARU



- Full school relocation required due to river erosion.
- Remediation of damaged building nearing completion.
- Negotiations well advanced with owners of the adjacent property. Bulk and location will follow geotechnical investigations.
- Likely to retain existing buildings and relocate on extended site.
- Expected opening on extended site in 2026

The accelerated deterioration of infrastructure assets, accessibility and remoteness remain a challenge to the CGRP.

Despite this, the CGRP Team has secured resource and supply committed to deliver the CGRP of works.



Information Update

Drafter: Saskia van Ryn
Hautū | Deputy Secretary: Scotty Evans
Metis Number: 1322286
Date: 9 February 2024

Request

Background and status update on Papamoa College Ministry-led property project.

Information

The expansion project at Papamoa College was to provide additional capacity to the school through the construction of three teaching blocks, gymnasium and whare. In January 2024, the decision was made to pause the Gymnasium project until funding became available. The school has escalated its concerns about the decision.

Background

Papamoa college opened in 2011 and has since experienced significant growth.

An expansion project was initiated in 2017 and, in 2019, Cabinet approval was sought to increase the capacity from 1100 students to 2000 students (current roll is 1,700).

In May 2023 a project was approved for the staged delivery of:

- Two new teaching blocks – (Block 4 and 6). These blocks were completed and handed over to the school in November 2023.
- A new technology block – (Block 7). This is under construction and due to open June 2024.
- Extension of the Admin Block. This is under construction and due to open January 2025.
- Construction of new/second Gym – paused.
- Construction of Whare – paused.

Construction of the gym was due to start in January and the Whare in July.

The existing gym provides capacity for 1,300 students. The new gym would increase capacity for 2000 students and would include:

- Office Space
- Toilets and Changing Rooms
- Teaching Space
- Training room

Over the summer, three temporary teaching spaces on the site were removed to make room for the new Gym. Removal of these teaching spaces went ahead as planned so that, when funding becomes available, the site would be ready.

Communications

On 22 January 2024, the College was advised that the construction of the gym and Whare were paused while the relative priority of this investment was considered. Since the end of 2023, we have paused a number of projects while we determine their relative priority to other investments to make sure that we are responding to the highest and most immediate needs of our schools.

The Ministry's delivery team will continue to support the school while the other project stages are completed and ensure the site/project is shovel ready so that the new gymnasium can be prioritised once future budgets are set.

Pausing delivery of the gym and whare means other schools across the country with urgent property issues can be provided for.

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Information Update

Drafter: Alistair Murray
Hautū | Deputy Secretary: Scotty Evans
Metis Number: 1322411
Date: 12 February 2024

Request

An update on the construction of new schools in Ōmokoroa (Western Bay of Plenty) and expected completion dates/timeframes.

Alignment with Government priorities

Requested by the Office.

Information

- In March 2023, then-Minister of Education Hon Jan Tinetti announced that construction for a planned new primary school and a secondary school in Ōmokoroa will begin in 2024.
- Ōmokoroa forms part of the Ōtūmoetai National Education Growth Plan catchment, which is a fast-growing catchment in Tauranga, Bay of Plenty. Ōmokoroa is projected to have approximately 13,000 residents by 2050 and has seen significant greenfield development in recent years, which has put pressure on the current local primary network. A large number of secondary students currently travel a considerable distance to attend schools in Tauranga.
- Funding for planning and design of the co-located primary and secondary schools was secured through Budget 2022, 9(2)(f)(iv) [REDACTED]
- As currently planned, the project consists of three phases and will provide capacity for 350 students in the primary school (Years 1-6) and 800 students in the secondary school (Years 7-13). The first phase of the project will provide 200 primary student places and 540 secondary student places. The project includes several shared school facilities, including administration, library, hall, gymnasium spaces and a whare.
- The phasing and delivery of the project was reviewed through a portfolio-wide reprioritisation exercise in March 2023 based on updated roll growth demand projections, network pressures, and overall project affordability. During this review, the Ministry identified that short-term roll growth teaching spaces at local primary schools and roll growth projects at Tauranga secondary schools were sufficient to absorb roll growth demand pressures in the near term.
- The Ōmokoroa schools project therefore offers some additional flexibility in delivery timeframes relative to other projects and is not a priority for funding relative to other

new schools or new school expansions in high growth catchments. 9(2)(f)(iv)

- The project will also be considered as part of the Ministry's value for money review of approximately 350 Ministry-led construction projects.
- Planning, design and construction logistics are currently continuing. Houses that previously occupied the site have been demolished, and, subject to prioritisation of funding, enabling works could commence later in 2024.
- There is significant community interest in the project and timeframes, and any delay is likely to be met with opposition. The Ministry is preparing a response to an OIA request for decision-making on timeframes for the project, and a response is due with the requestor on 26 February 2024.

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Information Update

Drafter: Julia Henson and Simon Trotter
Hautū | Deputy Secretary: Scotty Evans
Metis Number: 1322740
Date: 14 February 2024

Request

This information update provides an agenda, run sheet, and communications plan for meeting at Marlborough Girls' College regarding the Marlborough Schools Project, 16 February 2024.

Note: this agenda is indicative and will not be shared with the attendees.

Alignment with Government priorities

Provides background and information to support planned visit by Minister Stanford to Marlborough Girls' College.

Information

Please find attached:

- **Annex 1** – Runsheet, meeting agenda, and attendees
- **Annex 2** – Options summary
- **Annex 3** – Communications plan (including background, draft press release, and talking points)
- **Annex 4** – School visit briefing and profiles

Annex 1: Runsheet and meeting agenda

Time	Activity	Details
9am – 9.45am	<p>Minister Stanford arrives in Blenheim and is greeted by officials:</p> <p>Officials attending:</p> <ul style="list-style-type: none"> • Iona Holsted (Secretary for Education) • Scott Evans (Deputy Secretary) • 9(2)(a) • Simon Trotter (Project Director) • 9(2)(a) <p>Drive from airport to school. 45 mins allows for flight delays.</p>	<p>Minister to be briefed by Iona and Scott Evans.</p> <p>Location: Enroute to meeting in car. Two Ministry vehicles available.</p>
10.00am	<p>Minister arrive to project hub building.</p> <p>Attendees:</p> <ul style="list-style-type: none"> • Mary-Jeanne (MJ) Lynch, (Principal, Marlborough Girls College) • Brian Roughan (chair, Marlborough Girls' College) • John Kendal • Tim Burfoot (chair, Marlborough Boys' College Board) • Nicky Cameron Dunn (Principal, Bohally Intermediate) • Susie Glover (Board rep, Bohally Intermediate) • Michelle Lavender (Ngāti Rāua) • Peter Meihana (Rangitāne o Wairau) 	<p>Location: Project Hub, Marlborough Girls' College 74 Nelson Street</p>
10.03am	Welcome – led by School Principals	No te reo will be required in response to the welcome.
10.05am	Karakia and introductions	Minister may be asked to participate in a group karakia to open the meeting. The karakia will be provided on-site by way of cue card.
Possible agenda:		
10.10am	National context	Minister Stanford / Iona Holsted / Scott Evans – see Annex 3

10.20am	Future direction of Marlborough Schools Project – options under consideration	Scott Evans/Simon Trotter – please see Annex 2
10.40am	Discussion	All – including feedback on options. FAQs included at Annex 3
11.05am	Next steps and timeline	Minister Stanford / Iona Holsted
11:25am	Closing karakia	Led by project group. The karakia will be provided on-site by way of a cue-card.
11:30	Minister is thanked by project team for her attendance	Simon Trotter
11:30 – onwards	Minister welcome to use meeting room at the project hub for the remainder of her time in the region	

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Document 16B

Annex 3: Marlborough Schools Project (Te Tatoru o Wairau) 2024 Project Review Communications Plan

Background

Over time, the cost to deliver the Marlborough Schools Project has increased beyond the original Cabinet decision and \$170M approval. The forecast cost to complete the project reached \$405M at the end of 2022. We (the Ministry) then identified some scope that could be removed from the project, reducing the forecast cost to deliver to around \$350M. We engaged with the then Minister of Education in November 2022 and received direction to proceed with the project, with a directive to find efficiencies and deliver value for money.

In December 2023, the forecast cost to deliver the project remained well above delegation, at around \$350M. Therefore, the Ministry made the decision to defer the early works at College Park to undertake a project review and seek a refreshed mandate for the overall cost to deliver the project from Cabinet. Demolishing the College Park facilities represents a 'point of no return' and would commit the Crown to the full scope and full implications of this scope.

Since December 2023, the Ministry has worked to review the project and develop options to reduce project cost and deliver greater value for money. With tweaks to the intended design, and retention of some facilities, efficiencies have been found that have reduced the forecast cost of the co-location project to between \$310 - \$340M.

9(2)(j)

National Context

The Ministry of Education has a responsibility to invest in property solutions that demonstrate value for money while still delivering adequate outcomes for our schools, kura and their ākongā. Over the past few years, the average cost to build a teaching space has increased from \$700k in 2021 to \$1.1M in 2023 and looks set to continue to climb. This does not represent value for money.

If the Ministry cannot be certain of future capital injection funding it is required to prioritise existing baseline funding to fund capital projects. For Marlborough, this challenge is acute. To fund The Marlborough Schools project from baseline will mean deferring many other high priority school projects around the country.

Options

During the project pause and review in November 2022 various options were presented to the Colleges to achieve co-location and reduce costs, including the reuse of buildings on the McLauchlan St site. These options were deemed not acceptable by the stakeholders due to the perceived inequity of reusing existing buildings for one school and not the other and that greenspace and its location on the campus (separate) was a priority for the Colleges. Therefore, the three options presented show the reuse of buildings only where equity can be maintained.

In addition to the efficiencies found in the existing scheme, we have looked at other alternative delivery options with significantly lower costs. These include an option to complete the co-location of the Colleges on McLauchlan Street while retaining Bohally Intermediate as is, and an option to abandon the co-location objective and revert to a redevelopment of priority condition issues of the schools in their current locations.

The options under consideration with costs and effects of funding from baseline on other projects are detailed below:

Recommendation

The Ministry is recommending the lowest cost option that minimally impacts other projects and meets the immediate property needs of the schools. Option three, to redevelop the existing campuses, aligns with these criteria.

Next Steps

This is likely to be presented to Cabinet in March 2024 with the endorsement of a decision from there. When a decision has been made/endorsed by Cabinet, this will be communicated to the schools with a timeline for construction activities to follow.

Marlborough Communications Update Timeline

<u>Date & Time</u>	<u>Forum</u>	<u>Key Message</u>
Friday 16 2024	<p>What: Minister Stanford to meet with Principals and Board representatives of Marlborough Girls', Marlborough Boys' and Bohally Intermediate.</p> <p>Time: 10.00am – 11.30am</p> <p>Location: Marlborough Girls' College 74 Nelson Street (Project Hub)</p> <p>Accompanied by Ministry Staff: Simon Trotter, Project Director Scott Evans, Deputy Secretary</p>	<p>National context and present options under consideration for the project and discuss process and timeframes from here:</p> <ul style="list-style-type: none"> • I know and appreciate that you and your communities have been engaged throughout this project. The cost of the project has escalated significantly since it was initiated. As you know, the delegation agreed by Cabinet in 2018 was for \$170M, and by late 2022 forecast costs were around \$350m. • Late last year, the Ministry advised me that it wanted to pause the project before it got past the point of “no return”, so that they could provide advice to me on a way forward that would provide better value for money. • I understand that this further uncertainty is frustrating for all schools involved and the members of the wider project team. • The Ministry has now provided me with advice and alternate delivery options, which I am considering, and their recommendation to me is for: <ul style="list-style-type: none"> ○ Redevelopment in situ: Addressing condition issues at each school and abandoning co-location.

		<p>Next Steps</p> <ul style="list-style-type: none"> • A decision has not yet been made on the way forward, and I intend to discuss this matter with my Cabinet colleagues. • Ahead of that, I wanted to meet with you in the interests of being as transparent as possible, as well as to hear from you directly about your experience and views about this project • When a decision has been reached, this will be communicated to you with a timeline for construction activities to follow. This will likely be in March. • Again, I acknowledge the ongoing frustration, and am committed to getting certainty for you and your communities as soon as possible.
Thursday 22 Feb 10am- 12pm	<p>What Scheduled Regular Project Control Group meeting (Iwi, Principals & Board Reps of each of the three schools are invited).</p> <p>Time 10.00am -12.00pm</p> <p>Location: Marlborough Girls College 74 Nelson Street (Project Hub)</p> <p>Ministry Staff: Simon Trotter, Project Director Sam Fowler, Head of Property</p>	<p>Sam Fowler (Head of Property) to attend in-person to deliver update following engagement with Minister on options.</p> <p>As you are aware, a paper has been presented to the Minister recommending that we halt the co-location objective and revert to a redevelopment of priority condition issues of the schools in their existing locations.</p> <p>When a decision has been reached, this will be communicated to you with a timeline for construction activities to follow. This will likely be in March.</p> <p>We understand that this is frustrating time for all schools involved and the members of the wider project team. We want to express our thanks and appreciation to the teams for their continued hard work and dedication to the project. We further commit to providing timely and transparent communications throughout the process.</p>
Future		<p>The Ministry will prepare communications collateral and plans following a decision on the way forward.</p> <p>The Ministry will provide face to face communications with each of the schools and relevant iwi as to the future direction of the project that has been endorsed. Following this, a PR will be released outlining the decision on how to progress the project and the reasons as to the decision as part of the national context.</p>

FAQS

What is happening with the project?

The construction phase of the Marlborough Schools project (Te Tātoru o Wairau) was paused in December 2023 while the Ministry considered a range of options to reduce the build cost for the new schools.

Why?

It became clear at the end of 2022 that the estimated cost of the build was going to exceed the existing budget of \$170 million that had been approved in 2018. The Ministry, schools and iwi worked with the construction consortium, Te Tumu, throughout 2023 to refine designs and identify efficiencies to reduce the cost.

During this time we progressed with master planning and design works to maintain momentum, however the construction works were paused at the end of 2023 to enable further options to be explored before the bulk of construction began.

If the Ministry knew at the end of 2022 that the build was going to be unaffordable, why did it continue with plans?

The Ministry worked with the schools, iwi and the construction consortium, Te Tumu, to refine designs and identify efficiencies to reduce costs. Changes were made to the design rolls and scope reduced. These savings were estimated at approximately \$40 million.

We engaged with the then Minister of Education in November 2022 and the direction received was to proceed with the project, with a directive to find efficiencies and deliver value for money.

We progressed with master planning and design works to maintain momentum, however the construction works were paused at the end of 2023 to enable alternate options to be explored before the bulk of construction began.

What are the options?

In addition to the cost efficiencies we have engineered into the existing project scope, we have included two alternate delivery options to present to the Minister and Cabinet. The further two options are to undertake the co-location of the Colleges on Mclauchlan Street while retaining Bohally Intermediate as is, and an option to halt the co-location objective and revert to a redevelopment of priority condition issues of the schools in their existing locations.

Is the project scrubbed?

The project was paused as at December 2023 to ensure that all delivery options were considered to meet cost efficiency objectives required across the motu.

What if you can't find enough cost savings?

Our priority at the moment is to identify how much can be saved and how whilst ensuring what is delivered aligns with what is required for ākonga to learn in warm, safe and dry learning environments.

How much is the current budget?

Forecast costs from \$170 million approved in 2018 to \$310-340 million.

How did the costs rise from \$170 million to \$310-340 million?

The increased costs from the 2018 estimates are due to multiple reasons. The most significant are construction cost escalation and inflation in the five years since the initial costings, increased design requirements, and greater understanding of the required scope (including geotechnical requirements).

How much has been spent on the project already?

Over \$25 million has been invested in the project on planning, design and enabling works, and supporting the schools to adapt to new teaching approaches. Some of this investment will still provide tangible benefits to the Marlborough Community, including the delivery of the new Hockey Turf on Marlborough Girls' College.

Local iwi have had a strong voice in the plans to date. How much has the Ministry spent on engagement with iwi?

Iwi are key partners within the project team as are the schools' Board of Trustee members. We continue to be committed to ensuring the schools deliver strong outcomes for Māori in the future. The Ministry is continuing to work and engage with iwi and the schools as we identify cost savings in the project.

Is co-location still on the cards?

We're looking at a range of delivery options that are cost effective and meet the Ministry's budget objectives. An option that abandons the co-location objective and addresses the priority condition issues at the schools is the most affordable option and most likely to receive the required new capital funding. By supporting this option, we can more quickly address the priority property issues in Marlborough and have minimal impact on other projects around the motu.

Is co-education a possibility?

An option that looks at a new co-ed College, instead of new co-located colleges ultimately requires a similar level of investment to deliver and so is not a viable alternative to consider at this time.

What will happen to College Park?

Marlborough District Council's lease on College Park will terminate following completion of the new artificial turf at Marlborough Girls' College. The artificial turf at College Park will remain in place, and available for use, while the Ministry reviews all options.

What will happen to houses the Ministry purchased for Te Tātoru o Wairau?

We are in the process of tenanting the houses to ensure they are not vacant. At this stage, the houses are still required for the project while we review all options.

Was the pause in construction related to a directive from the Minister?

The Ministry instigated the pause and briefed the Minister of its decision. The Minister remains fully briefed as the Ministry progresses with reviewing available options.

Why not revisit the race course?

Waterlea Park Charitable Trust previously stated it had no desire to sell Waterlea Park. Although we are aware that this status may have changed in recent times. A green-field site for construction of the campus would reduce costs compared to the current proposed site, but it would still require a significant investment that is comparable to the current forecast costs and so is not a viable alternative to consider at this time.

Is there a chance the schools might stay where they are currently?

An option that abandons the co-location objective and addresses the priority condition issues at the schools is the most affordable option. By supporting this option, we can more quickly address the priority property issues in Marlborough and have minimal impact on other projects around the motu.

What if Bohally stayed where it is?

We have considered an option to retain Bohally in situ, with the new co-located Colleges adjacent, all on McLauchlan street. This would reduce costs but results in a significant reduction in available greenspace and a large number of students concentrated in one area of Blenheim.

Don't the schools have significant deferred maintenance?

The Ministry continues to support the schools' maintenance programmes, and we're working fast to reach a decision on an option for the schools that minimises any delay in construction.

Why has the project taken so long to get to this stage?

This is bigger than a simple rebuild project, and is one of the largest and most complex capital works projects the Ministry of Education has undertaken.

The time invested by schools, iwi, construction consortium and the Ministry of Education has been invaluable to better define and enhance how the schools work together to improve teaching and learning for all students, and to ensure the design planning is relevant to the future needs of the schools and their community.



Annex 4 – School visit briefing and profiles

Marlborough Girls' College [289]

Contact Name: Mary-Jeanne Lynch
(At institution) 9(2)(a)

Address: 21 Mclauchlan Street,
Springlands
BLLENHEIM 7201

Principal: Mary-Jeanne Lynch
9(2)(a)

Profile Information

Authority	State
School Type	Secondary (Year 9-15)
School Gender	Single Sex (Girls School)
Education Medium	English
Equity Index Rating	452
Electorate	Kaikoura
Te Mahau Region	Nelson/Marlborough/West Coast

The July 2023 breakdown of roll information by ethnicity is shown below:

July 2023 Roll	Number	Percentage (%)
Māori	204	21.7%
Pacific	55	5.8%
Asian	53	5.6%
Other ethnicity	18	1.9%
European/Pākehā	605	64.3%
International	6	0.6%
Total	887	100%

Marlborough Girls' College Context

- 1 The school has developed a place-based integrated curriculum in Years 9-11 in place of NCEA level 1. This contextual curriculum combines subjects to build foundational learner capabilities and has seen an increase in NCEA level 2 results.
- 2 The school has built strong connections with mana whenua iwi, Ngāti Toa Rangatira, Ngāti Rārua, Rangitāne o Wairau through the Te Tātoru o Wairau project to develop culture and identity.
- 3 The school has an increasingly diverse student population with increasing numbers of Māori, Pasifika and Asian students.

- 4 Following a decline in NCEA achievement between 2020-2022, the school recorded improved pass rates in 2023. The disparity between Māori student achievement and their peers at MGC decreased between 2022 and 2023.

Education Review Office

The school was last visited by the Education Review Office (ERO) in December 2022 where ERO recommended that the school:

- take steps to progress evaluation activities such as data and evidence analysis and sense making.
- monitor progress of the junior curriculum evaluation and measuring the impact of any future action plans on learner outcomes to provide an overarching evidence-based model for future curriculum development across the whole school.
- develop processes that improve teaching and learning to better reflect the culture, identity, interests and needs of all students, especially those who are Māori and Pacific learners.

Kāhui Ako | Communities of Learning

- 5 The school belongs to Piritahi Kāhui Ako.

Learning Support

- 6 The school is not allocated Learning Support Coordinators (LSC).

Additional Support

School Donations Scheme

- 7 The school opts-in to the School Donations Scheme. The school received \$145,489 in lieu of donations in 2023, and \$148,504 in 2024 based on the July roll return.

Ka Ora, Ka Ako | Healthy School Lunch Programme

- 8 The school is ineligible for the programme.

School Attendance Information

- 9 The school had a regular attendance rate of 42.06 % for Term 3 2023. This compares to the Secondary School regional average of 42.15% and the national average of 45.9%
- 10 The school is receiving funding under the Regional Response Fund (RRF). The school received funding targeted to increase attendance and engagement for Māori students by establishing Kaiarahi | Mentor at MGC for rangatahi Māori with iwi partners.
- 11 Marlborough Girls' College also received Regional Response Fund as part of a larger initiative led by Piritahi Kāhui Ako. This funding is targeted at the employment of Youth workers to support disengaged students return to school. As the project is in early stages it has not been evaluated.

- 12 The school is a contracted Attendance Service provider for Marlborough. One Attendance Officer (part-time) and 3 Attendance Advisors are contracted to the school. Additional positions are currently advertised.

Other known risks or issues

- 13 Marlborough Girls' College has had high staff turnover, specifically in the leadership team over the past 3 years.

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Marlborough Boys' College [288]

Contact Name: John Kendall
(At institution) 9(2)(a)

Address: 5 Stephenson Street BLENHEIM

Principal John Kendall
9(2)(a)

Profile Information

Authority	State
School Type	Secondary (Year 9-15)
School Gender	Single Sex (Boys School)
Education Medium	English
Equity Index Rating	455
Electorate	Kaikoura
Te Mahau Region	Nelson/Marlborough/West Coast

The July 2023 breakdown of roll information by ethnicity is shown below:

July 2023 Roll	Number	Percentage (%)
Māori	204	21.5%
Pacific	73	7.7%
Asian	55	5.8%
Other ethnicity	16	1.7%
European/Pākehā	597	63%
International	2	0.2%
Total	965	100%

Marlborough Boys' College Context

- 1 Marlborough Boys College has a long and proud history of providing education for the young men of Blenheim, and the surrounding districts. It celebrates 125 years in 2024.
- 2 The school has built strong connections with with Mana Whenua. Ngāti Toa Rangatira, Ngāti Rārua, Rangitāne o Wairau through Te Tātoru o Wairau.
- 3 A noticeable focus of the school is to raise cultural capabilities to cater for the increasingly diverse population.
- 4 The school culture is positive with the school recently experiencing a stable staff with retention high.
- 5 The school has engaged with Ministry of Education around NCEA and is continuing to evaluate the progress of all Year 9 and 10 students, to improve student achievement. The school follows national trends with a slight dip in Level 2 NCEA. Level 3 student results have increased as the school continue to increase the number of subjects in the senior school that align with an educational approach to learning. Raising achievement remains an area of focus especially for Māori and Pacific students.

Education Review Office

The school was last visited by the Education Review Office (ERO) in April 2020 where ERO recommended that the school:

- continue to embed cohesive and transparent systems to monitor, report and evaluate the progress of all Year 9 and 10 students, to improve student achievement.
- continue to focus on improving the visibility of culturally responsive practices that consolidate authentic partnerships with whānau and iwi, build teachers' capability to improve Māori student achievement, and acknowledge the cultures, languages, and identities of all students.
- actively address the disparity for Māori students as compared to other students' achievement.
- strengthen evaluation processes and systems to know the effectiveness of programmes and initiatives, including health and safety practices, student wellbeing and how well the school is meeting school values and valued outcomes.

Kāhui Ako | Communities of Learning

6 The school belongs to Piritahi Kāhui Ako. The principal was co-lead of Piritahi in 2023.

Learning Support

7 The school is not allocated Learning Support Coordinators (LSC).

Additional Support

School Donations Scheme

8 The school opts-in to the School Donations Scheme. The school received \$151,346 in lieu of donations in 2023 based on the July roll return.

Ka Ora, Ka Ako | Healthy School Lunch Programme

9 The school is ineligible for the programme.

School Attendance Information

10 The school had a regular attendance rate of 40.75 % for Term 3 2024. This compares to the Secondary School regional average of 42.15% and the national average of 45.9%.

11 The school is receiving funding under the Regional Response Fund (RRF) in 2024 targeted to increase attendance and retention for Year 9 and 10 Māori and Pasifika students.

12 Marlborough Boys' College also received Regional Response Fund as part of a larger initiative led by Piritahi Kāhui Ako. This funding has been targeted at the employment of Youth workers to support disengaged students return to school. As the project is in early stages it has not been evaluated.

Bohally Intermediate School - 2812

Contact Name: Nicky Cameron-Dunn
(At institution) 9(2)(a)

Address: McLauchlan Street
BLLENHEIM

Principal Nicky Cameron-Dunn
9(2)(a)

Profile Information

Authority	State
School Type	Intermediate (Year 7 & 8)
School Gender	Co-Ed
Education Medium	English
Equity Index Rating	459
Electorate	Kaikoura
Te Mahau Region	Nelson/Marlborough/West Coast

The July 2023 breakdown of roll information by ethnicity is shown below:

July 2023 Roll	Number	Percentage (%)
Māori	122	23.2%
Pacific	34	6.5%
Asian	34	6.5%
Other ethnicity	15	2.9%
European/Pākehā	320	61%
International	0	0%
Total	525	100%

Bohally Intermediate School Context

1. Bohally is the sole intermediate school in Blenheim serving students from five contributing primary schools, focussing on meeting the needs of emerging adolescents.
2. The school has a stable roll after the implementation of an enrolment scheme in 2019 following a period of sustained growth from 2014. Bohally is a well-regarded school locally with significant numbers of out of zone requests annually.
3. Bohally has developed a bilingual unit into its third-year teaching at Level 2 Māori Immersion with a growing roll and waiting list.
4. The school is the host school for the Marlborough Technology Centre providing technology education for over 1000 year 7 and 8 students across Marlborough.

Education Review Office

5. The school was last visited by the Education Review Office (ERO) in September 2018 where ERO recommended that the school embed curriculum developments and extending internal evaluation practices.

Kāhui Ako | Communities of Learning

6. The school belongs to Piritahi Kāhui Ako.

Learning Support

7. The school is not allocated Learning Support Coordinators (LSC).

Additional Support

School Donations Scheme

8. The school opted-in to the School Donations Scheme for 2023 and has opted-in for 2024. The school received \$85,228 in lieu of donations in 2023, and \$83,743 in 2024 based on the July roll return.

Ka Ora, Ka Ako | Healthy School Lunch Programme

9. The school is ineligible for the programme.

School Attendance Information

10. The school had a regular attendance rate of 52.45 % for Term 3 2023. This compares to the regional average of 46.67% and the national average of 45.9%
11. The school is receiving funding under the Regional Response Fund (RRF). Bohally Intermediate is part of Piritahi Kāhui Ako which has received Regional Response Fund. This funding is targeted at the employment of Youth workers to support disengaged students return to school. As the project is in early stages it has not been evaluated.

Other known risks or issues

12. The school is managing ongoing employment disputes following COVID mandates.

Information Update

Drafter: Sam Fowler

Hautū | Deputy Secretary: Scotty Evans

Metis Number: 1322809

Date: 14 February 2024

Request

An update on messaging to schools relating to cost of delivery.

Alignment with Government priorities

Requested by the Office.

Information

- We have undertaken to provide you with a list of the ~350 schools that have been identified for the Ministry's Value for Money exercise. As discussed, this list will show where each of the schools is in terms of the planning process, planned engagement and the proposed action.
- That list will be provided to you this week following it will be used as the basis of regular updates to your Office on engagement with those schools.
- In the meantime, the Ministry continues to engage with individual schools where there is a need to review delivery proposals due to costs of delivery being high, expected roll growth not having occurred or forecast growth having changed or where there is a need to determine their relative priority to other investments.
- Ahead of providing you with the full list, we have identified the individual schools that have a meeting scheduled/have requested an update over the next week in the attached table (Annex 1) and where it is necessary to advise them of a need to review delivery proposals. Our key messages for these conversations are provided below.
- As well as the individual engagements, we also continue to respond to requests from media and other concerned schools, and the Secretary has been asked to provide an update about property matters to the schooling peak bodies group at their first fortnightly meeting of the year (15 February). The high level key messages we are using for these audiences are also provided below.
- We are also mindful that we will need to keep our messaging updated in light of anticipated Ministerial announcements regarding school property, to avoid any potential for confusion and keep messaging clear and consistent.

High level messages

- Construction costs are rising, and roll growth patterns change, so we need to make sure that we are making the right investment at the right school and at the right time to achieve value for money.
- Since September 2023, a number of projects have been paused by the Ministry while we explore more cost-effective options or because the expected roll growth has not occurred or forecast growth has changed. A small number have also been paused while we determine their relative priority to other investments to make sure that we are responding to the highest and most immediate needs of our schools.

- Where projects are paused, we are working with the schools involved to refine the planned investment, determine when any investment should now progress, and plan any works to respond to the immediate needs of the school.

Key messages for conversations with individual schools where it is necessary to advise them of a need to review delivery proposals.

- You may have heard that some projects have been paused while we review them.
- We have identified {this issue with your project}
- [Choose option most applicable]
 1. High cost of delivery
 2. Growth to date or forecast has changed
 3. We need to determine the relative priority of this project to other investments to make sure that we're responding to the highest and most immediate needs of our schools.
- If relevant [high cost]
 - Over the past few years, the average budget to build a teaching space has increased from \$700k in 2021 to \$1.1m in 2023 and looks set to continue to climb. This is not longer affordable.
- [Include timeframe for completing the review]
- [If relevant] We will need to pause your project while we work through these challenges.
- Once we have completed an initial review of your project/s, we will come and talk to you about next steps.
- As always, we will need to prioritise delivery based on most urgent need across the country.
- I know you will be frustrated to hear that we are reviewing your project.
- If you have further questions about this, you can contact [Regional Infrastructure Manager].

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Annex 1

Name of school	Reason for engagement (e.g. reactive following recent media; or planned hui e.g. regular project meeting)	Reason that project may be affected e.g: <ul style="list-style-type: none"> • High cost – project as planned is expensive • Demand – roll growth not eventuated, forecast changed or can be met through alternative approach • Prioritisation – other projects may be more urgent 	Stage of project	Region	Who is having the conversation and when
Lincoln High School	Reactive	High cost of delivering replacement TS's and admin rebuild – undertake value for money review to reduce costs	Construction of teaching block due to start in April Admin in detailed design	Te Tai Runga	Regional Infrastructure Manager and PM meeting with school on 14/02
Kuranui College	PCG	School knows that the construction of the new gym is paused because of cost and have indicated that they may arrange a community meeting. Meeting with Ministry arranged to talk about the different approaches to deliver the gym cost effectively.	Design completed	Te Tai Runga	Capital Works (lead) and Asset Management 15/02
Cashmere High School	Advice sought by school	High cost and priority – no available budget for replacement of 4 TS's but balance of RG going ahead	Design	Te Tai Runga	Regional Infrastructure Manager and PM on Thursday 15/02
James Hargest College	Advice sought by school	High cost – undertake value for money review to reduce costs	Design completed and consented	Te Tai Runga	Regional Infrastructure Manager phoning principal 16/02
Hillmorton High School	Proactive	High cost – undertake value for money review to reduce costs.	Preliminary Design	Te Tai Runga	Regional Infrastructure Manager and PM meeting with principal prior

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					16/02 (not booked)
Te Anau School	Reactive	High cost of delivering TS's – review of design and tender responses underway	Consented and shovel ready	Te Tai Runga	Regional Infrastructure Manager phoning school on 16/02
Twizel Area School	Reactive	High cost of delivering proposed design, needs to be redesigned. Review of delivery approach underway.	Design near completion (one large block) – now being redesigned into small blocks	Te Tai Runga	Regional Infrastructure Manager phoning school on 16/02
Kamo Intermediate	Proactive follow up meeting (had previous discussion re value for money)	High cost – Meeting to follow up on review initiated and advise school the outcome. Proposing to reduce scope to bring within budget	Shovel ready	Te Tai Raro	Regional Infrastructure Manager before 16/02
Tauraroa Area School	Proactive follow up meeting (had previous discussion re value for money)	High cost. Meeting to follow up on review initiated and advise school the outcome. Proposing to reduce scope to bring within budget	Shovel ready	Te Tai Raro	Regional Infrastructure Manager before 16/02
Mayfair School	Update requested by school	Learning support roll growth – requirement can be catered for in other areas within the school, so new build not required BC declined in Dec '23	Design	Te Tai Whenua	Infrastructure Manager. Meeting deferred to week of 19/02
Elsthorpe School	Update requested by school	Cost – expensive, message will be to bring back within cost parameters Network are reviewing and TS is not required, propose to only replace the admin building	Design	Te Tai Whenua	Infrastructure Manager and Manager Integrated Services. Meeting deferred until network report received.
Tawera Bilingual	Pre-planned hui	High cost - we propose to relocate an existing building on	Design	Te Tai Whenua	Infrastructure

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	about project.	site instead of a new build (which is their current expectation). Building to be relocated is of good quality.			Manager and Asset Manager – date TBC
Napier Boys High	Scheduled PCG	High cost – look for opportunities for savings for weathertightness project	Design	Te Tai Whenua	Infrastructure Manager – date TBC
Otamatea High School	Reactive due to news article	Meeting to explain that the Masterplanning process will continue and then to be prioritised alongside other schools. They will be kept updated throughout the process.	Masterplanning	Te Tai Raro	Regional Infrastructure Manager - date TBC

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Information Update

Drafter: Callum Armstrong – Director Data and Reporting
Hautū | Deputy Secretary: Scott Evans
Metis Number: 1322947
Date: 16/02/2024

Quarterly Dashboard for the Ministry's Ngā Iti Kahurangi Programme

Information

1. Each quarter the Ministry provides you with dashboards to update you on the progress of our key school property programmes. The Ministry has recently completed the update of dashboards using data to 30 December 2023 (end of Quarter 2, FY23/24).
2. Four dashboards were provided on the 2 February 2024 (Metis: 1322235). Attached to this information update is an additional dashboard for the Ngā Iti Kahurangi Programme.

Ngā Iti Kahurangi Programme

1. The **Ngā Iti Kahurangi Programme** upgrades small and remote schools who often struggle to access professional services and trades at a reasonable cost. The programme started in January 2022 and covers 763 schools delivering lighting, acoustic, insulation, carpet and electrical safety upgrades.
2. The centralised delivery model used by the programme can deliver upgrades for about **half the price of a school-by-school approach**. In two years the programme has upgraded 303 schools including installing 24,307 acoustic panels, 1,781 bails of insulation, 23,260 LED lights and 18,943 RCDs **saving the Ministry about \$87.1 million**.

Document 18A

Ngā iti Kahurangi Dashboard 31 December 2023

The Ministry committed to ensuring all students and learners have access to quality learning environments by 2030.

The Nga Iti Kahurangi programme was introduced to upgrade small and remote schools, who often struggle to access professional services and trades at a reasonable cost.

The programme started in January 2022, it covers 763 schools and delivers lighting, acoustic, insulation and electrical safety upgrades. The programme is about to be expanded to provide carpet to schools too.

The centralised delivery model used by the Nga Iti Kahurangi programme is **twice as efficient** as a school-by-school delivery approach (excluding asbestos related costs).

Current Quarter (October 2023 - December 2023)

-  **43** projects **Started**
-  **43** projects **Delivered**
-  **\$8.0M** funding was **Spent**

Year to Date (July 2023 - December 2023)

-  **76** projects **Started**
-  **74** projects **Delivered**
-  **14.3M** funding was **Spent**

Programme Settings

- Acoustic, Lighting, Insulation and RCD procurement complete
- Programme extended to include carpet
- Budget 23 Bid to expand Programme to another 175 schools

Programme Status: 31 December 2023



43 projects started in Q2 43 projects delivered in Q2 \$8.0M spent in Q2

Project Completions - Actual and Forecast



Benefits Delivered

Intervention Type	Number Installed	Schools Improved	Students Benefited
Acoustic Panels	24,307	190	15,968
Insulation	1,781	113	10,184
LED Lighting	23,260	232	17,943
RCDs	18,943	223	17,739

New Completions: October - December 23



Education Region	Projects
Tai Tokerau	3
Auckland	1
Waikato	4
Bay of Plenty / Wairariki	7
Hawke's Bay / Tairarwhiti	6
Taranaki / Whanganui / Manawatu	4
Wellington	3
Nelson / Marlborough / West Coast	1
Canterbury / Chatham Islands	7
Otago / Southland	7
Total	43



Information Update

Drafter: Saskia van Ryn
Hautū | Deputy Secretary: Scott Evans
Metis Number: 1322938
Date: 16 February 2024

Request

Supporting collateral for conversations with schools and the sector about affordability

Information

Attached is the following requested information:

1. A pdf of the presentation for a planned hui with national and regional sector associations
2. The communications approach and key messages for updating the sector and individual schools
3. A contact list of national and regional association chairs / presidents
4. A table of schools with Ministry led projects showing:
 - a. Name of school
 - b. Project
 - c. Project stage
 - d. Indicative budget (where known)
 - e. Schools already spoken to

Notes on table of schools:

5. The number of schools on the table with projects we're planning to review is 245. The number is lower than previously indicated because we've removed projects at the very early stages of initiation as there's no developed proposals to review.
6. We have excluded Te Tātoru o Wairau - Marlborough Colleges co-location from the list as separate and detailed information has already been provided on the delivery challenges for this project.
7. The phases of project delivery are in this order: Pipeline, initiation, master planning, preliminary design, developed design, detailed design, tender, construction.
8. For projects identified as in Construction there are subsequent stages still in planning or significant later project elements that may need to be reviewed.
9. We will keep you regularly updated on timeframes and progress of school engagement and project reviews.

Transforming School Building: A sustainable and affordable future

February 2024

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Agenda



Te Tāhuhu o
te Mātauranga
Ministry of Education



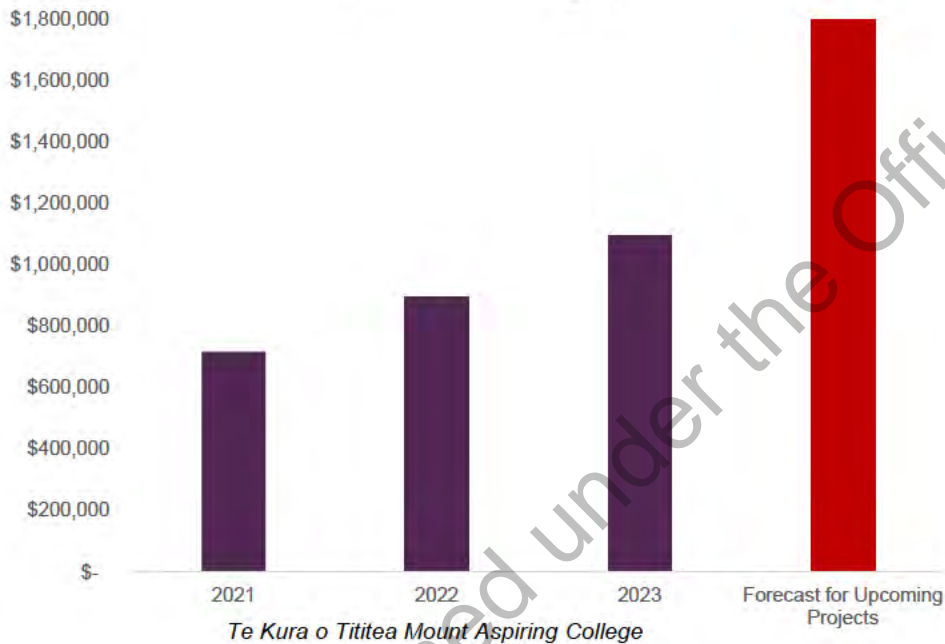
1. Context
2. Property facts and figures
3. School building cost challenges
4. Focus on simple, durable solutions
5. How we'll achieve this
6. Repeatable solutions and offsite builds
7. What this means for schools
8. Questions

Context

Costs have been rising and money doesn't go as far as it used to. The budget to build a classroom has increased from about \$700k in 2021 to \$1.1m in 2023.

- We have a responsibility to invest in property solutions that demonstrate value for money while still delivering the right outcome for schools and kura
- More than ever, we need to be prudent with our spending

Budget Per Teaching Space



Property facts and figures

- We have a big Ministry-led programme with a total combined project value of over \$2.3bn in construction and a significant future pipeline of work in the planning process.
- Schools receive a total allocation of about \$200m for maintenance and school led projects.
- We've delivered 5,658 student places (257 classrooms) in 2023/24 (July 2023 – December 2023)
- We have 12,677 student places in construction (576 classrooms) (as at 31 December 2023)
- And a further 45,569 student places in planning or design (over 2,000 classrooms) – however most of these projects will require funding through future Budgets to enable their construction (as at 31 December 2023).
- We are forecasting to spend over \$600 million on growing the school property portfolio in 2023/24.

School building cost challenges



Te Tāhuhu o
te Mātauranga
Ministry of Education

The cost to build a classroom has increased from about \$700k in 2021 to \$1.1m in 2023

The reasons include:

- Market conditions – high inflation means money doesn't go as far as it used to
- Mix of facilities included in a project, such as gyms, libraries, and halls
- Scope creep – we need to focus scope on high priority needs
- Rebuilding rather than upgrading existing buildings
- Over-engineering add-ons, such as extensive landscaping and infrastructure
- Over reliance on bespoke designs, requiring us to start from a blank sheet each time – we need to take advantage of solutions that have been used successfully across multiple Ministry-led projects.

Focus on simple, durable solutions



Te Tāhuhu o
te Mātauranga
Ministry of Education

- We aim to build simple, durable schools that meet the present and future needs of students, with a focus on cost-effective solutions
- We need to:
 - deliver what schools need which may not always be everything they want
 - work with our suppliers to provide more cost-effective, simple, durable solutions that enable us to deliver an affordable work programme across the motu
 - make these changes quickly to deliver the needs of schools within our available budget
 - start talking to schools whose projects may be impacted
 - set expectations with all schools about how Ministry led projects will be delivered going forward
- Demand for new school property across the country remains high – and demand will continue. We have an aging portfolio.
- The only way we can meet this demand is through more efficient and cost-effective solutions.

How we'll do this



Te Tāhuhu o
te Mātauranga
Ministry of Education

- We'll need to make changes at every stage of planning and delivery
 - An average budget of \$850,000 per teaching space across our programme.
 - Keeping project budgets below \$10 million in total where practical.
 - We will be relying more on standardised, repeatable designs and use of offsite builds rather than bespoke. This includes standardised construction materials and fabric palettes.
- We have started reviewing projects pre-construction to make sure they support our new target of \$850k per teaching space and within \$10 million total
- For projects in design that exceed the budget targets we will look at ways to bring down costs
- We'll be looking more closely at infrastructure improvements that can be completed on an existing building without doing a major redevelopment or replacing and building new
- Construction is our second highest carbon emitting activity, and we need to start considering the impact on our environment more earnestly when we replace and build.

Shifts to achieve better value for money



Te Tāhuhu o
te Mātauranga
Ministry of Education

Element	Shift	Why?
Cost	<i>High > Low</i>	So we can afford to do more
Volume	<i>Low > High</i>	
Project Size	<i>Large > Small</i>	So we can respond to the needs of more schools, faster
Project Type	<i>Complex > Simple</i>	To improve delivery timeframes To control costs
Delivery Scope	<i>Bespoke > Standardised</i>	To leverage economies of scale To achieve consistent, equitable outcomes for schools To prevent scope creep that leads to cost uplift
Delivery Timeframes	<i>Elongated > Condensed</i>	To reduce disruption to schools
Condition Focus	<i>Redevelopments > Quality Learning Environments</i>	So that funding isn't tied up in a small portion of projects So that more schools receive impactful property improvements
Growth Focus	<i>Bespoke > Repeatable Buildings</i>	So we can respond to growth pressures quickly
Procurement	<i>By Project > By Programme</i>	To leverage economies of scale
Outcomes	<i>Varied > Consistent</i>	To achieve equitable outcomes across schools

Repeatable Solutions and offsite builds



Te Tāhuhu o
te Mātauranga
Ministry of Education

To achieve better value, we need to leverage solutions that can be repeated across projects

- Repeatable solutions mean we're not starting with a blank piece of paper but reusing design and delivery solutions across school infrastructure projects.
- This means less reliance on bespoke and increased use of offsite manufactured buildings to meet the needs of our schools and kura where it makes sense.
- Standard and offsite solutions:
 - create savings of between 10% – 30% compared with traditional solutions for common projects, and
 - significantly reduce delivery times.



Oteha Valley School (Auckland): 18 classrooms, three-storey block delivered for a total budget which averaged less than \$830k per teaching space.

Examples



Te Tāhuhu o
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Te Pi'ipi'inga (Taranaki): The construction of 2 teaching spaces and accessible toilet block using a double OMB was delivered in 6 months. The spaces are currently serving as decant space for a weathertightness project in progress.

Following completion of the project, the teaching spaces will transition into medium-term roll growth spaces to accommodate the expected growth at the kura.



Te Kura o Kaupapa Whanui (Wellington): To accommodate for the growing roll at the kura, 4 teaching spaces constructed of a single and triple OMB were delivered by Niche Modular in 6 months, with a project budget of \$2.1m

Examples



Belmont School (Wellington): One of the school blocks was replaced with an OMB due to weathertightness issues.

The building includes a toilet block, resource room, two teaching spaces, two breakout spaces, a ramp, and decking.



Tararua College (Wellington): 12 teaching spaces, using 6 double OMBs were delivered to replace an existing block after asbestos was found. The project was delivered in 9 months from discovery of the asbestos contamination to practical completion.

The asbestos removal, building demolition, contaminated soil remediation, 6 x new double OMBs, upgrade of the fire system, furniture and equipment and all other associated costs were delivered for \$9.5m - \$791k per teaching space.

Opportunity to tell the kura narrative

- Buildings that reflect the special character of a kura – through design, flooring and placement
- Identifiably a Kura Māori and showcasing the special character inside and out



Tamahere Model School (Waikato) – the ochre-coloured panels speak to the unique colour of the soil found in and around Kirikiriroa pā.



Te Kura Kaupapa o Bernard Fergusson (Waikato)
– The kura had existing kōwhaiwhai on their buildings. They were able to apply these kōwhaiwhai to their OMBs to continue the narrative and tie the new building in with the old.

What this means for Ministry-led projects



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- We need to be equitable across our investments and work with schools effectively to agree on the project scope and value for money parameters before engaging suppliers.
- We will be reviewing Ministry-led property projects to check that they're meeting our new targets. If they don't, we will need to look at the drivers for this and opportunities for better value.
- Once we have the right design, projects will be progressed. As is the existing process, projects will move into construction subject to the availability of funding. We'll look to be clear when we anticipate this will be.
- We'll work with individual schools on the right solutions for them.

Next steps



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Underway now

- The Ministry's Property project teams are reviewing pre-construction projects to check that they're delivering cost effectively.
- This may cause some delay to some projects however it will support us to make the right investment at the right school and at the right time to maximise the benefit of our investments.

Updating schools

- We will update schools about project reviews as part of our regular engagement with them.
- We will be running a dedicated session on this for the wider sector at our quarterly Infrastructure Sector Forum on Tuesday, March 12, 4pm
- We would welcome your support to lift attendance at the forum.

In summary



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- Costs are rising, and we can't afford expensive solutions if we are going to respond to the needs of schools..
- We must focus on getting more value for our money.
- We need to make changes in project planning and investment at every stage.
- It's essential to act urgently so that we maximise what we deliver.
- It will take significant changes from all of us, and we all need to be on the same page to move forward effectively.
- I will continue to keep up you updated and involved in these conversations.

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Pātai | Questions?



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kia **rangatira** ai, kia **mana taurite** ai ōna **huanga**



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Property: Focus on an affordable and sustainable future

Purpose

This document provides the approach for updating the education sector and individual schools on how the Ministry plans to achieve better value for money with Ministry-led infrastructure projects.

Approach

External

- Online hui with national and regional association heads to provide standardised common messages. Led by Deputy Secretary, Infrastructure & Digital Scotty Evans and Head of Property, Sam Fowler providing update on school property challenges and the context for change.
- Face to face communication with schools / kura part of our regular engagement with them about a review of their project/s. The context for any review will be one or more of the following:
 1. Cost (high cost of delivery)
 2. Roll Growth (growth to date or forecast has changed)
 3. Prioritisation (determining relative priority to other investments)
- A list of schools we needed to notify more urgently about a review, or that their project/s will be paused, has been provided to your office [Metis number 1322809]. The list is provided again at the end of this document.
- Schools that contact us because they've heard about reviews or projects being paused will be updated in a timely and transparent way about our property challenges and what this may mean for their project/s.
- We expect to have engaged with all schools over the next month and will aim to complete any reviews by end May.
- We will update the wider education sector via our Quarterly Infrastructure Sector Forum in March. The audience is all schools and kura.

Activities

Informing the education sector

Timeframe	Activity - external
<i>From Feb 13 and ongoing</i>	<ul style="list-style-type: none">• Face to face communication with schools / kura as and when needed about a review of their project/s.
<i>Feb 20</i>	<ul style="list-style-type: none">• School Bulletin item to save the date for the Quarterly Infrastructure Sector Forum (note this item will not include value for money messaging).
<i>Feb 27 tbc</i>	<ul style="list-style-type: none">• Online hui with national and regional association heads.
<i>Mar 5</i>	<ul style="list-style-type: none">• School Bulletin item with more detail about the content of the forum.
<i>Mar 12</i>	<ul style="list-style-type: none">• Quarterly Infrastructure Sector Forum.

Appendix one

Narrative

Ongoing comms to schools relating to cost of delivery

- You may have read that some other projects have been paused while we review their projects.
- We have identified {this issue with your project}
- [Choose option most applicable]
 1. High cost of delivery
 2. Growth to date or forecast has changed (please make sure this has been verified recently by network)
 3. We need to determine the relative priority of this project to other investments to make sure that we're responding to the highest and most immediate needs of our schools.
- If relevant [high cost]
 - Over the past few years, the average budget to build a teaching space has increased from \$700k in 2021 to \$1.1m in 2023 and looks set to continue to climb. This is no longer affordable or sustainable within our available budget.
- [Include timeframe for completing the review]
- [If relevant] We will need to pause your project while we work through these challenges.
- Once we have completed an initial review of your project/s, we will come and talk to you about next steps.
- As always, we will need to prioritise delivery based on most urgent need across the country.
- I know you will be frustrated to hear that we are reviewing your project.
- If you have further questions about this, you can contact [Regional Infrastructure Manager].

For association hui and Sector Forum

Key messages

Top four

- Over the past few years, the average budget to build a teaching space has increased from \$700k in 2021 to \$1.1m in 2023 and looks set to continue to climb. This is not affordable.
- Where necessary we will review Ministry-led infrastructure projects pre-construction to see where cost efficiencies can be made. We need to drive down costs.
- Once they have been reviewed, most projects are expected to proceed, but they may be staged, scaled and/or planned to be delivered later.

Overall narrative

- We have a responsibility to invest in property solutions that demonstrate value for money while still delivering the right outcome for our schools, kura and their ākonga.
- Over the past few years, the average budget to build a teaching space has increased from \$700k in 2021 to \$1.1m in 2023 and looks set to continue to climb. This is not affordable.
- We need to review projects so that our budget goes further, and we deliver more for less.
- We will prioritise the review and delivery based on most urgent need across the country.
- Demand for new school property across the country is high. The more cost efficiencies we can achieve on individual projects the more we can deliver across the country to the benefit of all ākonga

About our new focus for our current pipeline

- We are working with our suppliers to provide more cost-effective, simple, durable solutions that enable us to deliver an affordable work programme across the motu more quickly.

We will be relying more on standardised, repeatable designs, including standardised fabric and colour palettes, and use of offsite builds.

- We have set a target budget of \$850,000 per teaching space across our programme. Targets on individual projects may be more or less than that average.
- We aim to keep projects below \$10 million where practical.
- We will be focussing on the core infrastructure issue that the project is intended to resolve.
- We will be looking more closely at improving existing spaces instead of building new. Construction is the Ministry's second highest carbon-emitting activity, and we need to consider the impact on our environment when we replace and build.

Appendix two

Name of school	Reason for engagement (e.g. reactive following recent media; or planned hui e.g. regular project meeting)	Reason that project may be affected e.g: <ul style="list-style-type: none"> • High cost – project as planned is expensive • Demand – roll growth not eventuated, forecast changed or can be met through alternative approach • Prioritisation – other projects may be more urgent 	Stage of project	Region	Who is having the conversation and when
Lincoln High School	Reactive	High cost of delivering replacement TSs and admin rebuild – undertake value for money review to reduce costs	Construction of teaching block due to start in April Admin in detailed design	Te Tai Runga	Regional Infrastructure Manager and PM meeting with school on 14/02
Kuranui College	PCG	School knows that the construction of the new gym is paused because of cost and have indicated that they may arrange a community meeting. Meeting with Ministry arranged to talk about the different approaches to deliver the gym cost effectively.	Design completed	Te Tai Runga	Capital Works (lead) and Asset Management 15/02
Cashmere High School	Advice sought by school	High cost and priority – no available budget for replacement of 4 TS's but balance of RG going ahead	Design	Te Tai Runga	Regional Infrastructure Manager and PM on Thursday 15/02
James Hargest College	Advice sought by school	High cost – undertake value for money review to reduce costs	Design completed and consented	Te Tai Runga	Regional Infrastructure Manager phoning principal 16/02
Hillmorton High School	Proactive	High cost – undertake value for money review to reduce costs.	Preliminary Design	Te Tai Runga	Regional Infrastructure Manager and PM meeting with principal

					prior 16/02 (not booked)
Te Anau School	Reactive	High cost of delivering TS's – review of design and tender responses underway	Consented and shovel ready	Te Tai Runga	Regional Infrastructure Manager phoning school on 16/02
Twizel Area School	Reactive	High cost of delivering proposed design, needs to be redesigned. Review of delivery approach underway.	Design near completion (one large block) – now being redesigned into small blocks	Te Tai Runga	Regional Infrastructure Manager phoning school on 16/02
Kamo Intermediate	Proactive follow up meeting (had previous discussion re value for money)	High cost – Meeting to follow up on review initiated and advise school the outcome. Proposing to reduce scope to bring within budget	Shovel ready	Te Tai Raro	Regional Infrastructure Manager before 16/02
Tauraroa Area School	Proactive follow up meeting (had previous discussion re value for money)	High cost. Meeting to follow up on review initiated and advise school the outcome. Proposing to reduce scope to bring within budget	Shovel ready	Te Tai Raro	Regional Infrastructure Manager before 16/02
Mayfair School	Update requested by school	Learning support roll growth – requirement can be catered for in other areas within the school, so new build not required BC declined in Dec '23	Design	Te Tai Whenua	Infrastructure Manager. Meeting deferred to week of 19/02
Elsthorpe School	Update requested by school	Cost – expensive, message will be to bring back within cost parameters Network are reviewing and TS is not required, propose to only replace the admin building	Design	Te Tai Whenua	Infrastructure Manager and Manager Integrated Services. Meeting deferred until network report received.
Tawera Bilingual	Pre-planned hui about project.	High cost - we propose to relocate an existing building on site instead of a new build (which is their current expectation). Building to be relocated is of good quality.	Design	Te Tai Whenua	Infrastructure Manager and Asset Manager – date TBC
Napier Boys High	Scheduled PCG	High cost – look for opportunities for savings for weathertightness project	Design	Te Tai Whenua	Infrastructure Manager – date TBC
Otamatea High School	Reactive due to news article	Meeting to explain that the Masterplanning process will continue and then to be prioritised alongside other schools. They will be kept updated throughout the process.	Masterplanning	Te Tai Raro	Regional Infrastructure Manager - date TBC

Document 19C

National sector associations

Organisation	Contact
NZ Principals Federation National Office New Zealand Principals (nzpf.ac.nz)	Leanne Otene Principal Manaia View School leanne.otene@nzpf.ac.nz Office manager Sadie O'Rourke office@nzpf.ac.nz
NZ School Trustees Assoc Secondary Principals Association of NZ	Vaughan Couillault Papatoetoe High School secretary@papatoetoehigh.school.nz
Ngā kura a iwi	Watson Ohia watson@kuraaiwi.nz Sophie Tukukino sophie@kuraaiwi.nz Arahia Stirling principal@ngatapuwaeschool.nz
Te Runanga Nui	Mahanga Pihama mahanga@runanga.co.nz
NZ Rural Schools Leadership Association	Andrew King – President andrew@oropi.school.nz
NZ Association of Intermediate and Middle Schools (NZAIMS)	Angela Lowe principal@newlandsint.school.nz
Te Akatea NZ Māori Principals Association	Bruce Jepsen manukura@teakatea.co.nz bruce.j@takp.school.nz

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NZ Pasifika Principals Association (NZPPA)	Helen Varney helen.tautaiolemoana@gmail.com
Secondary Principals' Council	Kate Gainsford, Aotea College gd@aotea.school.nz

Regional sector associations

Te Tai Raro	Contact
AIMS – Auckland	Jonathon Tredray, Northcross Intermediate jonathont@northcross.school.nz Jonathan Hughes, Pasadena Intermediate jhughes@pasadena.school.nz
Auckland Secondary School Principals' Association (ASSPA)	Karen Brinsden @ Botany Downs Secondary College Website: https://asspa.co.nz admin@asspa.co.nz
Auckland Primary Principals' Association	Kyle Brewerton @Remuera Intermediate President@appa.org.nz
Counties/Manukau Principals' Association (CMSSPA)	Karen Brinsden @ Botany Downs Secondary College k.brinsden@bdsc.school.nz
Eden-Albert Principal Association	Malcolm Milner, Balmoral School malcolm@balmoral.school.nz
Franklin Principals Association	Lysandra Stuart at Glenbrook School stuartl@glenbrook.school.nz

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Howick Pakuranga Principal's Association

Colleen Margison at Mellons Bay in 2023

colleenm@mellonsbay.school.nz

Māngere Principals Association

Michelle Fepuleai @ Nga iwi School

michellef@ngaiwi.school.nz

Manurewa Principals' Association

Tony Kolose @ Manurewa South

tonek@manurewasouth.school.nz

Mt Roskill Principal Association

Trudi Brocas, Principal of Central Auckland Specialist School

principal@cass.school.nz

North Harbour Principal's Association

Mary Nixon @ Takapuna Grammar

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North Shore Primary Principals Association

Lucy Naylor

lucy.naylor@milford.school.nz

Stephen Grady

principal@greenhithe.school.nz

Ōtāhuhu Principals Association

Paula Passfield paulap@fairburn.school.nz

Waitakere Principals' Association

Tony Biddick @Henderson Primary School

tonyb@hendersonprimary.school.nz

Te Manihi Tumuaki (Northland Association)

Karen Smith

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(Alec Solomon is on Sabbatical)

Tai Tokerau Principals Association (TTPA)

Pat Newman @ Hora Hora School

pat.newman@horahora.school.nz

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Te Tai Whenua	Contact
Bay of Plenty Principals' Association	Alan Liddle @ Te Puke High School Alan.LIDDLE@tepuke.school.nz
Hawkes Bay Secondary Principals' Association	Dawn Ackroyd @ Napier Girls' High School dmcpherson@nghs.school.nz (PA)
Hawkes Bay Primary Principals' Association	Robin Isaacson robvn.isaacson@flaxmere.school.nz
Tairāwhiti Secondary Principals' Association	Wiremu Elliot el@lyttonhigh.net
Tairāwhiti Primary Principals Association	Linda Savage principal@tehabara.school.nz
Western Bay of Plenty Principals' Association	Craig Pentecost – Omokoroa School principal@omokoroa.school.nz
Central Plateau Principals' Association	Zac Taylor – Chairperson Taupō Primary principal@taupoprimary.school.nz
Eastern Bay of Plenty Principals' Association	Craig McDonald-Braun @ Awakeri School principal@awakeri.school.nz
Rotorua Principals' Association	Hine Taute @ Lynmore School hinei.taute@lynmore.school.nz
Waikato Principals' Assn	Lesley Lomas principal@aberdeen.school.nz

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Central North Island Secondary Principals' Association (CNISPA)

Alistair Luke @ Whangamata Area School
alistairl@whangamata.school.nz

MidCentral Districts Secondary Schools Principals' Association

Gary Yeatman
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Taranaki Secondary Schools Principals' Association

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Whanganui Secondary Schools Principals' Association

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Whanganui Primary Principals' Association

Co-Chair
Linda Ireton | Jacqui Luxton | Eleanor Barry
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jacquil@stmarys.ac.nz
principal@wanganuieast.school.nz

Whiria New Plymouth Principal Association

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Jeremy Ogle
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Manawatu Primary Schools Principals' Association

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South Taranaki Principals' Association

Shevaun O'Brien
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Sarah Johnston
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Te Tai Runga	Contact
Aoraki South Canterbury Association	Jonathan Young @ Waimataitai School jsy021@waimataitai.school.nz
Canterbury West Coast Principals' Association	Joe Eccleton @ Cashmere High School ecj@cashmere.school.nz
West Coast principals' Association	Nicola Minehan @ Kokatahi-Kowhitirangi N office@kokatahi.school.nz
Buller Principals' Association	
Nelson Principals' Association	Freya Hogarth @ Wakefield School Freya.hogarth@cloud.wakefield.school.nz
Top of the South Secondary Principals' Association	<john.prestidge@motuekahigh.school.nz>
Marlborough Principals' Association	Carey Huria @ Rapaura School principal@rapaura.school.nz
Otago Secondary Principals' Association	Mike Wright, South Otago High principal@sohs.school.nz
Otago/Southland Principals' Association	Gavin Kidd, Director @ Dunedin Secondary Schools Partnership e: gavin.kidd@dssp.org.nz
Southland Principals' Association	Peter Wilkinson @ Northern Southland College principal@nsc.school.nz

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Southland Rural Principals' Association	Kathy Luoni @ Menzies College kath.luoni@menzies.school.nz
Southland Primary Principals Association (SPPA):	Co-President – Simon Bell and Bronwyn McCall: president@sppa.school.nz
Otago Primary Principals Association (OPPA):	President – Verity Harlick president@oppa.org.nz
Canterbury Primary Principals' Association	Lisa Dillon-Roberts President@CPPA.ac.nz
Greater Wellington Secondary Principals Association	Chair - Fiona Craven @ Heretaunga College cravenf@heretaunga.school.nz
Wellington Region Primary Principals Association	Chair - Nigel Frater – @Plateau School nigel@plateau.school.nz
Wellington Intermediate Schools Principals Association	Chair – Stephen Eames @ Rāroa Normal Intermediate s.eames@raroa.school.nz

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The phases of project delivery are in this order: Pipeline, initiation, master planning, preliminary design, developed design, detailed design, tender, construction.

School name	Project name	Project phase	Indicative project budget	Schools we've spoken to
18(d)	Hawera New School	Pipeline	9(2)(j)	
	Roll Growth and Redevelopment	Tender		
	Redevelopment Stage 3	Pipeline		
	Weathertightness Remediation	Pre-Construction		
	Weathertightness	Preliminary Design		
	Roll Growth	Initiation		
	Roll Growth - Stage 2	Developed Design		
	Roll Growth	Detailed Design		yes
	Roll Growth	Pipeline		
	Roll Growth	Master Planning		
	Redevelopment	Prelim Design		
	Roll Growth	On Hold		yes
	Roll Growth	Pipeline		
	Roll Growth	Initiation		
	Redevelopment Stage 1	On Hold		yes
	Redevelopment Blomfield Satellite	Pipeline		
	Roll Growth	Pipeline		
	Weathertightness Remediation	Detailed Design		
	Roll Growth	Master Planning		
	Roll Growth	Master Planning		
	Roll Growth	On Hold		
	Redevelopment	Initiation		
	Weathertightness	Detailed Design		
	BoT led Tech spaces	Prelim Design		
	New School Expansion	Detailed Design		
	TS Block + Hall and Admin (can't stage TS without re-design as all designed in one block)	Pipeline		
	Weathertightness Remediation	Detailed Design		
	Roll Growth	Developed Design		yes
	Special School: Sunnydene / Carlson co-location	Detailed Design		
	Roll Growth	Pipeline		
Location TBC (Johnsonville/Tawa area)	Pipeline			
Share of first 24 TS block (12/24 being Jnr College)	Prelim Design			
Unapproved: Share of Admin, Library and 5TS Learning Support + ECE relocation	Pipeline			
Unapproved: Final 24 TS block (100% Jnr College)	Pipeline			
Unapproved: Share of shared hall	Pipeline			

18(d)	Roll Growth	Initiation	9(2)(j)
	Roll Growth	Developed Design	
	Roll Growth	On Hold	yes
	Redevelopment	Master Planning	
	Roll Growth	Detailed Design	yes
	Roll Growth	Initiation	
	Weathertightness	Detailed Design	
	Redevelopment	Pipeline	
	Redevelopment	Construction	
	Redevelopment Stage 1	Tender	
	Portable Modular Classrooms replacement programme	Developed Design	yes
	Roll Growth and Redevelopment	Detailed Design	
	8TS OMB and Wellness Centre	Prelim Design	
	Remediation	On Hold	yes
	Weathertightness Remediation	Detailed Design	
	Roll Growth	Prelim Design	
	Roll Growth	Initiation	
	Redevelopment	Detailed Design	
	Roll Growth	Master Planning	
	Stage 2	On Hold	yes
	Roll Growth	Master Planning	
	Seed funding investigations	Prelim Design	
	Roll Growth	Initiation	
	B22 Q2 memo	Initiation	
	Roll Growth	Master Planning	
	Roll Growth	Prelim Design	yes
	Weathertightness	Detailed Design	
	Roll Growth	Prelim Design	
	Roll Growth	Developed Design	yes
	Roll Growth	Prelim Design	yes
	Redevelopment	Prelim Design	
	Re-Development - Stage 1	Construction	
	Roll Growth Satellite Unit	Developed Design	
	Roll Growth	On Hold	yes
	Redevelopment	Detailed Design	yes
	Roll Growth	On Hold	
	Roll Growth	Initiation	
	Roll Growth	Construction	yes
	Rationalisation	Detailed Design	
	Redevelopment- Stage 2	Pipeline	
	DFR 8, 12 Replacement 6x TS & New 1x LSC Office	Detailed Design	yes
	Weathertightness Remediation	Construction	
	Redevelopment - Stage 1	Construction	

18(d)	Co-location	Pipeline	9(2)(j)
	Roll Growth	Prelim Design	
	Roll Growth	Master Planning	
	Roll Growth	Initiation	
	Stage 2 6 Classrooms Teaching Block	Detailed Design	yes
	Gym Replacement - Future stage	Detailed Design	
	Roll Growth	Initiation	
	Redevelopment stage 1	Developed Design	yes
	Roll Growth	Master Planning	
	Base school placeholder; location TBC	Initiation	
	Roll Growth - stage 1	Detailed Design	yes
	Roll Growth - stage 2	Master Planning	
	Maitai Special School - Base School Project	Detailed Design	
	Roll Growth	On Hold	yes
	Roll Growth	On Hold	yes
	Redevelopment Stage 1	Construction	
	Roll Growth	Prelim Design	
	Roll Growth	Prelim Design	yes
	Roll Growth	Master Planning	
	Roll Growth	On Hold	yes
	Roll Growth	On Hold	yes
	Roll Growth	Detailed Design	
	Roll Growth	Detailed Design	
	New Kowhai special needs satellite	Prelim Design	yes
	Roll Growth Satellite 2TS (Kimi ora)	Detailed Design	
	Roll Growth	Prelim Design	
	Roll Growth and Redevelopment	Detailed Design	
	Roll Growth	Master Planning	
	Transition Unit	Pipeline	
	Roll Growth	Master Planning	
	Roll Growth	Initiation	
	Weathertightness Remediation	In Construction	yes
	Weathertightness Remediation	Tender	
	Roll Growth	Detailed Design	
	Weathertightness Remediation	In Construction	
	Roll Growth and Weathertightness remediation	Construction	
	Weathertightness Remediation	Detailed Design	
	Roll Growth	Prelim Design	
	Portable Modular Classrooms (PMC) replacement programme	Developed Design	
	New School - multi staged	Prelim Design	
	New School - multi staged	Prelim Design	

18(d)		Pipeline	9(2)(j)
	Roll Growth	Pipeline	
	Roll Growth	Initiation	
	Redevelopment and Roll Growth Stage 2	Initiation	
	Roll Growth	In construction	
	New School Expansion	Construction	
	Weathertightness	Detailed Design	
	Roll Growth	Master Planning	
	Roll Growth	Detailed Design	yes
	Structural Strengthening investigation and design	Initiation	
	Redevelopment	Prelim Design	
	Weathertightness Remediation	Prelim Design	
	Redevelopment Stage 1	Master Planning	
	Roll Growth	Master Planning	yes
	Roll Growth	Prelim Design	
	Redevelopment	Prelim Design	
	Roll Growth	Detailed Design	
	Weathertightness Remediation	Detailed Design	
	Redevelopment	Detailed Design	yes
	B22 Q2 memo	Initiation	
	Roll Growth	Prelim Design	
	New School Expansion	Construction	yes
	Roll Growth	Master Planning	
	Roll Growth	Developed Design	
	New School	Initiation	
	PMC Replacement Programme	Master Planning	
	Roll Growth (Kimi Ora Satellite)	Developed Design	
	Weathertightness Remediation - stage 1	In Construction	
	Weathertightness Remediation - stage 2	Detailed Design	
	Roll Growth: Mahinawa Specialist School & Resource Centre Satellite	Developed Design	
	Roll Growth	Initiation	
	Weathertightness and rationalisation	Prelim Design	
	Weathertightness Remediation	On Hold	yes
	Weathertightness Remediation	Prelim Design	
	Masterplan Refresh & Block L - Remediation	Initiation	
	Decant out of blocks 1 & 2	Prelim Design	
	Roll Growth	Master Planning	
	Site: Masterplan Refresh	Master Planning	
	Roll Growth	Master Planning	
	Roll Growth	Initiation	
	Roll Growth	Master Planning	
	New School	Initiation	
	New School and Expansion	Pipeline	
	Roll Growth	On Hold	yes
	Roll Growth	Detailed Design	

18(d)	Roll Growth	Master Planning	9(2)(j)	
	Roll Growth	Initiation		
	Redevelopment	Detailed Design		
	Roll Growth	On Hold		yes
	Expansion in one block - stage 2	Detailed Design		
	Roll Growth	Initiation		
	Roll Growth	Prelim Design		
	Roll Growth	Master Planning		
	Roll Growth	On Hold		yes
	Roll Growth	Tender		
	Roll Growth	Detailed Design		
	Redevelopment	Prelim Design		
	Redevelopment and Roll Growth Stages 3 & 4	Master Planning		
	Redevelopment Stage 2	Initiation		
	Stage 3 General teaching space block	Prelim Design		
	Roll Growth	Prelim Design		
	Roll Growth	Master Planning		
	2244 - Part of Taranaki Cluster Group A -Stratford	In construction		
	Roll Growth	On Hold		yes
	Roll Growth	Master Planning		
	Weathertightness Remediation	Initiation		
	Remediation	Developed Design		
	Redevelopment	Detailed Design		
	Weathertightness Remediation	Tender		
	Redevelopment	Pipeline		
	Roll Growth	Detailed Design		yes
	Redevelopment	Prelim Design		
	Roll Growth	Initiation		
	Roll Growth and Redevelopment	Initiation		
	Weathertightness Remediation/Structural	On Hold		yes
	Redevelopment - stage 1	Detailed Design		yes
	Redevelopment Stage 2	Pipeline		
	Redevelopment	Initiation		yes
	Roll Growth	Initiation		yes
	Roll Growth	Prelim Design		
	PMC replacement	Master Planning		
	New School - Stage 1	Pipeline		
	New School	Master Planning		
	Roll Growth	Master Planning		
	Redevelopment	Pipeline		
Roll Growth	Detailed Design			
Roll Growth	Prelim Design			
New School	Initiation			

18(d)	Roll Growth	Initiation	9(2)(j)
	Roll Growth	Master Planning	
	Roll Growth	Prelim Design	
	Roll Growth	Detailed Design	
	Roll Growth	Master Planning	
	Roll Growth	Master Planning	
	Redevelopment / weather tightness replacement	Detailed Design	
	Expansion	Initiation	
	Redevelopment	Detailed Design	
	Roll Growth	Detailed Design	
	Gym - (1TS)	Master Planning	
	Roll Growth	Initiation	
	Roll Growth	Initiation	
	Weathertightness Remediation	Tender	
	Weathertightness Remediation	Initiation	
	PMC replacement programme	Detailed Design	
	Roll Growth	Prelim Design	
	Roll Growth	Initiation	
	Roll Growth	Master Planning	
	Weathertightness remediation	Detailed Design	
	Redevelopment	Developed Design	
	Establish Wharekura on site of TKKM o Nga Maungarongo	Prelim Design	
	Redevelopment	Developed Design	
	Roll Growth	Developed Design	
	New School	Master Planning	
	Roll Growth	On hold	
	Exploration of relocation of TKKM o Ngati Ruanui	Master Planning	
	Te Kura Poutama (B21)	Master Planning	
	Roll Growth	On Hold	yes
	Roll Growth	Initiation	
	Roll Growth	Master Planning	
	Redevelopment	In Construction	
	Roll Growth	Master Planning	
	Roll Growth	Master Planning	
	Roll Growth	Developed Design	
	Roll Growth	Master Planning	
	Roll Growth	Detailed Design	
	Roll Growth	Initiation	
	Roll Growth	Master Planning	
	Roll Growth	Master Planning	
	Roll Growth	Master Planning	
	Redevelopment - Stage 2	Developed Design	yes

18(d)	Redevelopment	Developed Design	9(2)(j)	
	Redevelopment	Master Planning		
	PMC Programme	Initiation		
	Transition Unit	Pipeline		
	Roll Growth	Initiation		
	Roll Growth	Prelim Design		
	Roll Growth	On Hold		yes
	Roll Growth	Initiation		
	Redevelopment - multi staged	Developed Design		
	Roll Growth - multi staged	Prelim Design		
	Roll Growth	Master Planning		
	Roll Growth	Tender		
	Roll Growth	Master Planning		
	Redevelopment	Detailed Design		
	Roll Growth	Master Planning		
	Roll Growth	Initiation		
	Roll Growth	Master Planning		
	Roll Growth	Master Planning		
	Roll Growth	Prelim Design		
	Roll Growth	Developed Design		
	Weathertightness Remediation	Initiation		
	Roll Growth	On Hold		yes
	B22 Q2 memo	Initiation		

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Rapid Response

Drafter: Alistair Murray
Hautū | Deputy Secretary: Scotty Evans
Metis Number: 1322983
Date: 16 February 2024

Request

Information on the situation with the Wainuiomata High School rebuild referred to by Hon Andersen in the House on 15 February 2024.

Ministry Response

- The redevelopment project at Wainuiomata High School has not been cancelled, nor is it subject to a value for money review.
- The Wainuiomata High School project is a rightsizing and redevelopment project that was originally intended to provide a build roll capacity for an in-zone roll of 700 (38 teaching spaces, excluding gym spaces). The school's roll in July 2020 was 560 and was not projected to reach 700, and as a result the scope of the project was reduced in 2020 by one 5 teaching space block to give a total capacity of approximately 665 (including the gymnasium space).
- The Ministry is completing the project according to the scope of works agreed in 2020. All teaching spaces to be delivered through the redevelopment project have been handed over to the school. A construction contract remains in place for all remaining parts of the project, and construction of a new administration block and the refurbishment of two gymnasium buildings are underway.
- From Term 4 2023, the school's roll was 583. The actual Term 1 roll will not be confirmed until the March roll return.



Information Update

Drafter: Julia Henson

Hautū | Deputy Secretary: Scotty Evans

Metis Number: 1322984

Date: 20 February 2024

Request

An update on the re-build of Twizel Area School and where the stage is at.

Background

Twizel Area School is currently in the developed design stage for a traditional total redevelopment. The project consists of 19 teaching spaces, along with Technology, Administration, and Library facilities. Associated landscaping and a car park/pick-up drop-off area will also be included in the project. Following the completion of the redevelopment, the existing school buildings will be demolished, and hardcourts will take their place.

The redevelopment works have been closely monitored by the media over the years and were officially announced by then Prime Minister Ardern in 2020.

A Build Memo for the redevelopment of Twizel Area School was provided in July 2019, with an updated memo provided in December 2021. The Build Memo of December 2021 outlined the need for 275 student spaces at the school, and a Master Plan Capacity of 325. That memo stated that redevelopment works planned would deliver 19 Teaching spaces. The roll is growing, and current trends support the findings of the 2019 and 2021 Memos.

The school roll grew each year from 201 in July 2017 to 235 in 2021, declining slightly to 223 in 2022 due to the exit of a large Y13 cohort at the end of 2021.

Provisional July 2023 data indicates a roll of 236. This indicates growth has occurred this year, with the exit of only a small Y13 cohort at the end of 2022, and a large Year 1 cohort enrolling during early 2023. The Provisional July 2023 data indicates growth across many year levels, a result of families moving into the local area.

The roll is expected to increase further over the short term, with large junior cohorts enrolling and smaller senior cohorts leaving.

The school does not have an enrolment scheme. An enrolment scheme has not been deemed to be required at the school, due to the isolation of the school, with no significant numbers of students drawn from near other schools.

Information

The primary objective of the project at Twizel Area School is to replace the entire school infrastructure. The estimated cost is well in excess of the initial budget allocated for the redevelopment, 9(2)(j) .

We are currently working through a cost efficiencies exercise, which we will explain to the school in our prearranged meeting on Friday. This review will help us identify any cost efficiencies and reduce overall cost whilst meeting the needs of the school and ākonga.

The school currently does not have a dedicated gym, and utilise a community facility with limited access and are often 'deprioritised' by the local authority, in favour of other users. Ultimately, the Ministry will be seeking expansion funding to provide a dedicated school gymnasium.

We are currently exploring options for staging the project. A staged approach will allow us to manage resources more efficiently and minimise any potential disruptions to the school's operations.

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Rapid Response

Drafter: Hilary Capon
Hautū | Deputy Secretary: Scott Evans
Metis Number: 1323728
Date: 28 February 2024

Request

The Minister is wanting a clear communication plan that provides a breakdown of different project stages as previously provided and reflects that there is a plan being followed:-

Pipeline, initiation, master planning, preliminary design, developed design, detailed design, tender, construction

The comms plan needs to show if there are different responses reflecting the \$value of projects ie will we have the same response to a \$3M project as opposed to a \$30M projects.

The Minister wants to understand the clear messages that we are giving to schools who have been in the redevelopment process for a number of years, she is expecting our messages reflect the schools inputs through the process and dreams not materialising.

Indications in the meeting yesterday we would have reached out to the majority of schools in the next few weeks, so a timeframe will need to be included.

Ministry Response

1. The attached slide pack provides an overview of the review process and a corresponding comms plan.
2. The attached list shows the 352 school property projects at 305 schools that are subject to a value for money review. Note the review covers all Ministry led projects that are forecast to cost more than \$3 million that are not yet in construction (as at 31 January 2024).
3. 17 projects that are currently in construction are part of the value for money review because they have separable portions of work that are not contractually committed to.
4. Of the 352 projects 48 are at Māori Medium or Kaupapa Māori Kura. These projects are highlighted in the project list.
5. The list also highlights schools that have more than one project on the list.

Review Project List

- This pack presents the 352 projects at 305 schools that are in scope of the value for money (VFM) review.
- There have been different provisional lists provided to the Minister ranging from 245 – 350 school projects.
- The number of school projects on the list changed as we applied a different risk lens for example where expectations have been set or raised.
- The purpose of the review is to achieve the following:
 - Give schools clarity about their project (priority, scope and timeframes)
 - Project scope is appropriate, and right-sized to the asset need
 - The available funding is allocated to the highest priority projects
 - Project costs are affordable and represent an appropriate use of Crown funding
- In scope of the review are projects with a forecast budget over \$850k per teaching space.
- The review will prioritise projects in the construction and tender phase first, as it is important to give schools with live or soon-to-begin projects certainty quickly. Projects in construction will focus on aligning forecast and approved budgets to ensure that we are clear on affordability.
- The next stage of review will focus on projects in the design phase, to identify whether the project should proceed, or whether redesign is appropriate to deliver a solution that is more affordable (e.g. modulars, repeatable designs, reduced scope etc.).
- Projects in planning and pipeline will be reviewed to affirm if the project is a priority. Priority projects will proceed with planning and design, but under the new value-for-money guidelines (for example, projects are expected to use modular or repeatable solutions)

Summary of all projects under review

(Condition + Growth)

There are 352 projects at 305 schools in scope of the review, both condition and growth (some projects are delivering both condition and growth works). This table presents the project stage and the level of budget.

Stage	Number of Projects	Under \$1m	\$1–3m	\$3-5m	\$5–10m	\$10-20m	\$20-30m	Over \$30m
Construction*	17	-	3	-	5	5	2	2
Tender	18	2	2	2	5	5	1	1
Detailed Design	65	9	9	7	11	14	9	6
Developed Design	30	-	4	4	4	7	3	8
Prelim Design	63	8	4	14	7	10	8	12
Masterplanning	88	5	5	5	22	25	13	13
Initiation	49	7	5	19	6	7	3	2
Pipeline*	22							
Total	352	31	32	51	60	73	40	43

*Projects in construction are reviewed because they have separable portions of work that we are not contractually committed to

**No indicative costs identified yet

Review outcomes

- The review will assess projects, and there are five potential outcomes.
 1. Project proceeds as is
 2. Project proceeds with changes
 - a. Reduced Scope (do less)
 - b. Reduced Budget (do current scope for less)
 - c. Reduced Scope & Reduced Budget (less scope & less cost)
 3. Project will not proceed
- Projects will be categorised into one of the five outcomes. The category will inform both how the Ministry manages the project and what key messages the school will receive.

Review process

352 projects in review

Tranche One: Projects in construction & tender
35 projects

Tranche Two: Projects in design
158 projects

Tranche Three: Projects in planning & pipeline
159

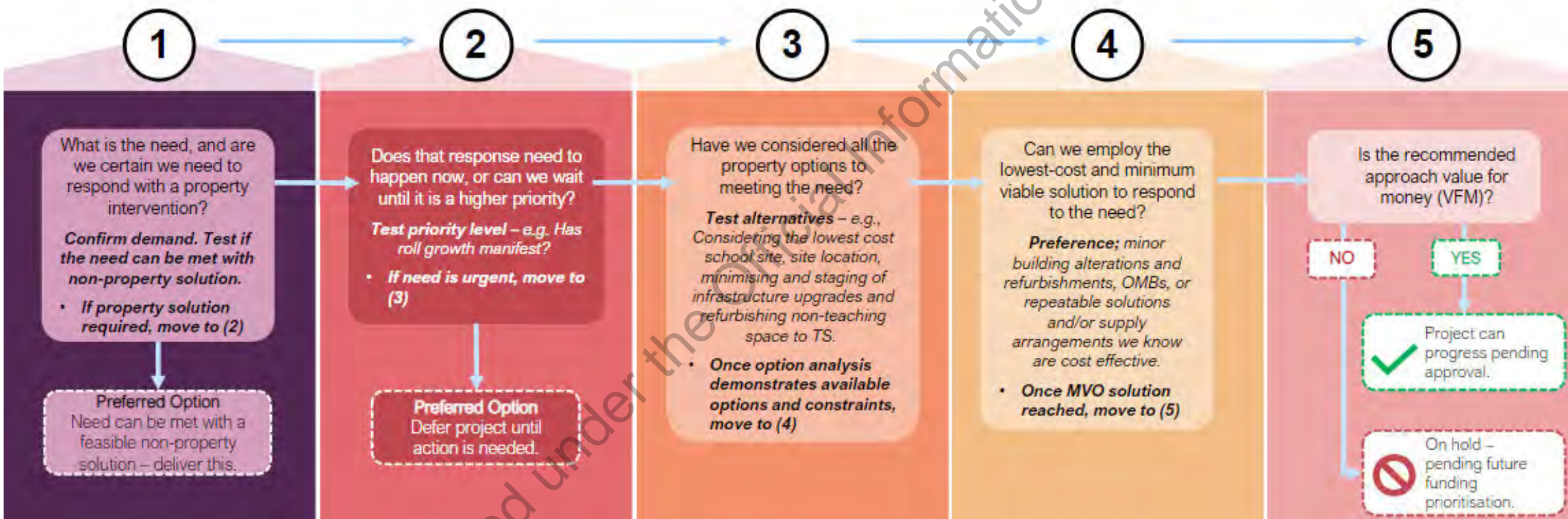


Timeframe for review: 4-5 Weeks for most projects

Review process

(Further detail on Step 1)

Projects will be tested against this set of requirements to progress.



Non-property solutions: this can look like a range of levers, including zone changes, but also support for schools to better utilise the spaces they have available or supporting management at a catchment level.

Review Targets

- Time frame targets:
 - Reviews are already underway. We expect to complete around 80% of reviews by the end of next month
 - A smaller number of more complex projects will take longer to review.
 - We will report back to you on progress.
- Costing Targets:
 - 20-50% reductions in the cost of teaching space delivery depending on the specific school context with greater potential for savings in the projects in the earlier stages of development.
 - We will report back to you on progress.

Engagement with Schools

- The Ministry will engage with schools through the review period:
 - Pre-review
 - Interim review
 - Post-review
- Pre-review engagement is underway.
 - Proactive in person discussions have occurred with high risk, complex projects. These are underway and will continue over the coming weeks.
 - We've met with 56 schools so far. We do not expect to need a meeting with all schools, as projects in the earlier phases of planning and design won't represent a significant change in direction as scope and plans are not as developed.
 - Pre-review messages have been shared with you as part of a wider collateral pack (Metis 1322938 refers)
 - We will continue to provide you with a list of schools we are talking to. From next week we will provide the list of schools we're meeting over the coming fortnight in time for your weekend bag.

Engagement with Schools

- Interim engagement with schools:
 - Will discuss options that the review has identified to help drive costs down.
 - The key messages will be tailored depending on progress of the review. There is no one size fits all messaging for the interim engagement.
 - **The discussion will be captured in writing and summarised in an email to the school to ensure a common understanding.**
- Future engagement with schools:
 - Following the review, we will engage with schools to communicate the outcome for their project. The following slides provide you with the proposed key messages and method of engagement.
 - Outcomes discussed will be captured in writing and summarised in an email to the school to ensure a common understanding.

Post-review engagement: Condition Projects

		2. Project proceeds with changes			
	1. Project Proceeds	2a. Reduced Scope	2b. Reduced Budget	2c. Reduced Scope & Budget	3. Project will not proceed
Key message	<ul style="list-style-type: none"> We have completed our review of your project Your project has been prioritised and will continue as planned with the next steps being xxxx. 	<ul style="list-style-type: none"> Following a review of your project, the Ministry can confirm that your project will proceed but some changes are required. Either <i>Where project is proceeding, but descoped</i> <ul style="list-style-type: none"> We will be progressing your project, but it the scope is being narrowed to focus on xxxx Once we have the right design, we will get your project to the shovel-ready stage and then pause it until funding is available for it to enter construction. Or <i>Where project is proceeding but focussing on refurbishment</i> <ul style="list-style-type: none"> We will be improving existing spaces instead of building new. Or <i>Where project changing to use repeatable solutions</i> <ul style="list-style-type: none"> We will be using a design for your project that has been successfully used at other schools with the same requirement. Here are some examples xxx. Here are the benefits xxx We will be using a modular solution to deliver your project. Modular classrooms offer modern learning environments in significantly reduced delivery times. Here are some other benefits xxxx We've talked to you before about our two-stage project process. Once we have the right design, we will get your project to the shovel-ready stage and then pause it until funding is available for it to enter construction. 			<ul style="list-style-type: none"> As you're aware, delivery of projects is prioritized based on most urgent need across the motu. Your project was not identified as a priority, Therefore, it won't be proceeding at this time. We will look at what other interventions we can put in place to maintain condition.
Method of delivery	<ul style="list-style-type: none"> All conversations to provide updates will take place in person, face-to-face online, or through regular project steering group meetings by property delivery staff, dependent on stakeholder risk. If the risk is high, the update will be shared by the Head of Property or General Manager Capital works. Staff are supported with tailored key messages developed and agreed in advance of conversations with schools Discussions will be captured in writing and a follow up email outlining what was discussed emailed to the school to ensure everyone is on the same page and to mitigate the risk of mixed messages. 				

Post-review engagement: Growth Projects

		2. Project proceeds with changes			
	1. Project Proceeds	2a. Reduced Scope	2b. Reduced Budget	2c. Reduced Scope & Budget	3. Project will not proceed
Key message	<ul style="list-style-type: none"> We have completed our review of your project Your project has been prioritised and will continue as planned with the next steps being xxxx. 	<ul style="list-style-type: none"> We have worked with Network to right-size your growth project to the forecast demand. Your anticipated growth has not happened as quickly as originally forecasted. As a result, we will deliver xx classrooms, instead of the original scope of xx classrooms. Roll growth at the school will be closely monitored, and if required, a future property solution can be implemented. We will be using a modular solution to deliver your project. Modular buildings are manufactured off-site and is a highly responsive solution to roll growth because they can be delivered faster while still providing modern learning environments. Here are some other benefits xxx. We've talked to you before about our two-stage project process. Once we have the right design, we will get your project to the shovel-ready stage and then pause it until funding is available for it to enter construction. 			<ul style="list-style-type: none"> Your RG project will not be progressing at this time. This is because your projected RG has not occurred or is no longer forecast. When the project was planned, it was based on a roll of xxx students. The forecasted roll growth has not occurred, and the roll has decreased from xxx students in xxx to xxx students in xxx. Roll growth at the school will be closely monitored, and if required, a future property solution can be implemented.
Engagement method	<ul style="list-style-type: none"> All conversations to provide updates will take place in person, face-to-face online, or through regular project steering group meetings. If RG has not eventuated, the discussion will be led by the infrastructure manager and Network representative. If the risk is high, the update will be shared by the Head of Property and the Regional Manager, supported by regional Network lead. In some instances, the Education Director may be involved. Staff are supported with tailored key messages developed and agreed in advance of conversations with schools Discussions will be captured in writing and a follow up email capturing what was discussed and agreed emailed to the school to ensure everyone is on the same page and to mitigate the risk of mixed messages 				

Tailoring key messages to schools

- Key messages will be developed to reflect individual school projects, the review outcome and next steps.
- For schools that have been waiting a long time, we will ensure that the messages reflect the delay and acknowledge the school's frustrations.
- We will ensure that key messages are tailored to reflect drivers for the project delay or change, including:
 - Complex site or project
 - Network forecast changes / uncertainty
 - Funding availability
 - Scope reduction
 - Prioritisation

Engagement Schedule

- The engagement with schools will be timed to align with the review schedule, which is in development.
- The schedule will identify when a project is planned to be reviewed.
- The schedule will allow us to proactively contact schools to advise a review is underway, the timing for when the review is planned to happen, how long it is expected to take and when we expect to be able to next update them.
- Following the initial update about a review and the reasons why, we are planning for an interim update on initial thoughts about ideas to make cost efficiencies and to get their input, followed by a final update once a decision has been agreed and next steps are known.

“Go / No-Go” Point

- All projects are considered by an internal governance board to approve the business case and budget prior to tender.
- Projects will only be confirmed when the tender has been received and assessed against the approved business case and budget.
- As we shift towards repeatable designs and modular building solutions, we will be utilising existing contracts more which will reduce the likelihood of price uncertainty and tenders being returned above budget.



Rapid Response

Drafter: Sam Fowler

Hautū | Deputy Secretary: Scotty Evans

Metis Number: 1323801

Date: 28 February 2024

Request

An urgent update on the property situation at Sommerville School, including the status of the project, communications with the school, and next steps.

Ministry Response

- Sommerville School is a Learning Support Base school located in Panmure Auckland. The school is located on a seven-hectare site that also accommodates the former Tāmaki Intermediate School (closed) as well as Tamaki School (primary school). Sommerville School occupies the base site as well as the former Tamaki Intermediate buildings. As of 1 July 2023, the total student roll at this base site is 178 students.

Redevelopment project

- The overall school property condition is poor, with ageing infrastructure at both Sommerville School (base site) and the former Tamaki Intermediate School site. In 2018 the then-Minister of Education announced a major re-development of Sommerville School, with an approved master plan for up to 300 students. Commencement of the redevelopment project has been delayed several times. We will provide a more detailed chronology from the announcement to now.
- The Ministry has engaged with the school on the project throughout 2023. In our last written communication with the school, we indicated that the construction will commence in Q3 2024. Since then, we have advised the school verbally that the project will be delayed due to the Ministry's internal evaluations on the project's costs and delivery strategy.
- On 19 February 2024, the school wrote to the Secretary for Education raising concern about the further delay to their project and the poor condition of their current school property. The Regional Infrastructure Manager phoned the school principal that day to discuss their concerns and provide assurance that the work to review and refine the design at Sommerville School was progressing as a matter of priority. We will be continuing through further design, consenting and tender activities this year to support construction work commencing on site in the first half of 2025.
- On 20 February the Secretary for Education responded to the school's letter, reiterating the message that the project was progressing, and that the Ministry's property team would also be making sure any maintenance requirements relating to the current buildings were progressed. A follow up meeting between the school and local staff was arranged for Friday 1 March.

Mould and weathertightness issues

- On 13 February 2024, the school notified the Ministry of a burst pipe in Block 3. (The issue emerged on 4 February, and the school had previously tried to contact a staff member who was on leave.) On 14 February, the Ministry asked its emergency contractor to conduct an on-site assessment of damage, determine the cause of the issue, and determine remedial steps.
- Areas of concern are not in use by the school. The Ministry's Construction Observers (the Ministry's technical building specialists) have been undertaking inspections at the school and are scheduled for further visits to inspect other areas. The Ministry is conducting air testing today determine whether the affected areas are safe to occupy, and results are expected in 3 days. Ministry staff specialising in mould decontamination are providing support and advice to the school.

Further communication

- On 26 February 2024 the school wrote a further letter to the Secretary for Education reiterating their concerns.
- On 28 February, the Secretary for Education called the school principal. The Secretary agreed with the principal that the school's situation was unacceptable. She advised that she would be asking the Ministry's Head of Property to personally manage this, to make sure that the immediate concerns with the current property are being addressed urgently, and to provide the confidence and certainty that is being sought regarding the redevelopment project.
- Ministry staff, including the Head of Property, are next meeting with the school on 1 March 2024.