

Education Report: Villa Education Trust application to increase the maximum roll of South Auckland Middle School.

Executive Summary

1. Villa Education Trust (the Trust), sponsor of South Auckland Middle School (the School), has applied for a maximum roll increase from 120 to 180 students.
2. The Trust was approved to open a Year 7-10 Partnership School, on 16 September 2013 with an establishment roll of 90 and a maximum roll of 120 students. The School opened on 4 February 2014 in Manurewa, South Auckland.
3. The Ministry recommends you approve the increase to 180 students, subject to conditions. This recommendation is made based on the following:
 - The School has had a favourable readiness report and new school assurance review from ERO.
 - The School has demonstrated favourable initial student achievement results.
 - The Trust intends to expand its leased property to accommodate an additional 60 students and is confident that the required modifications can be completed in time for the 2016 school year.
 - Based on predicted enrolment numbers and where the School is currently drawing students from, we expect the impact on other schools in the immediate catchment to be minimal.
 - The net cost to cater for an additional 60 students can be covered by the provision that was set aside in the four year Partnership Schools budget [Budget 2014].
4. The Ministry recommends the following condition is attached to the approval:
 - The Trust agrees to apply to NZQA for a Consent to Assess Against Standards (CAAS), which will allow it to offer relevant qualifications to students and further strengthen its educational provision. It is recommended that the School is granted CAAS by the beginning of the 2017 school year.
5. The Ministry assessment of the application identifies the primary risk of approving this increase is the Trust's capacity to manage the additional requirements of an increased roll at the School, whilst continuing to establish and strengthen its other Partnership School, Middle School West Auckland.

Recommendations

We recommend that you:

- a. **note** that Villa Education Trust has applied to increase the maximum roll of South Auckland Middle School from 120 to 180;
- b. **agree** that the maximum roll of South Auckland Middle School is increased from 120 to 180, subject to the following condition;
 - (i) The Trust will apply to NZQA, and be granted a Consent to Assess Against Standards (CAAS) to allow it to offer relevant qualifications to students and further strengthen its educational provision by the beginning of 2017.

 AGREE / DISAGREE

- c. **sign** the attached letter to the Trust informing it of your decision;
- d. **sign** the attached contract variation that records the changes to the Agreement to increase the maximum roll from 120 to 180.



Graham Stoop
Deputy Secretary
Student Achievement



Katrina Casey
Deputy Secretary
Sector Enablement and Support

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Hon Hekia Parata
Minister of Education

David Seymour
**Under-Secretary to the
Minister of Education**

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Education Report: Villa Education Trust application to increase the maximum roll of South Auckland Middle School.

Purpose of Report

1. Villa Education Trust (the Trust), the Sponsor, has applied to increase the maximum roll of South Auckland Middle School (the School) from 120 to 180 students.
2. This report provides you with information about the application to assist you with your decision. The Ministry recommends that you approve the increase to the maximum roll from 120 to 180, subject to a condition.

Background

3. Villa Education Trust was approved to open South Auckland Middle School, a Year 7-10 Partnership School, on 16 September 2013 with an establishment roll of 90 and a maximum roll of 120 students. The school opened on 4 February 2014 in Manurewa, South Auckland.
4. The Trust is now seeking to increase the maximum roll to 180 students.
5. The application is based on the School being at its current maximum roll, and estimates that it will have enrolled at least 45 of the additional 60 places by the start of 2016.
6. The Trust operates another Partnership School, Middle School West Auckland, located in Henderson and a Private School, Mt Hobson Middle School, located in Remuera.

Partnership Schools Agreement

Maximum Roll Increase

7. Sponsors can initiate a review of their maximum roll under clause 7.1(c) of the Partnership Schools Agreement at their second quarter review.
8. The Trust noted its intention to apply to increase its maximum roll at the first quarter review, and has progressed this intention through to the submission of the application (attached as Appendix One).
9. Clause 7.1(c) is one of the powers and duties you have agreed will be administered by the Deputy Secretary, Sector Enablement and Support [METIS 878319 refers]. This appointment does not remove your powers and you may still exercise the assigned powers under the Agreement.
10. The Ministry requests that you make the final determination on the maximum roll application in this instance, rather than the appointed person (Deputy Secretary, Sector Enablement and Support).

Ministry Analysis

Educational Performance

11. The School was reviewed by the Education Review Office (ERO) between September 2013 and April 2014 culminating in the readiness review, designed to provide assurance to the Ministry that the Trust was prepared to operate effectively as a school once it opened [METIS 868887 refers].
12. In October 2014, ERO completed a new school assurance review for the School which is designed to provide assurance as to whether the School has effective processes and planning to provide quality education for its community.
13. ERO has reported favourably on the progress made by the School and concluded that "South Auckland Middle School has made a good start to delivering the Trust's vision of providing pathways to opportunity, and that staff and students are working well together and enjoying shared teaching and learning".
14. The School has reported the following student achievement outcomes for 2014 (as required by clause 18.3(a) of their Agreement).

Year	Reading		Maths		Writing	
	Performance Standard	Achieved 2014	Performance Standard	Achieved 2014	Performance Standard	Achieved 2014
7	60.1%	62.5%	52.1%	50.0%	50.7%	69.0%
8	61.6%	62.5%	50.8%	79.2%	51.9%	50%
9	N/A		N/A		N/A	
10	N/A		N/A		N/A	
Manurewa – All Students	62.8%		63.7%		58.7%	
Manurewa - Māori	57.4%		58.3%		52.2%	
Manurewa - Pasifika -	57.7%		59.6%		56.0%	

Note:

PAI = Public Achievement Information – Manurewa area – includes all students

15. The results show the Trust has either nearly met or well exceeded its contractual obligations in relation to the performance standard for student achievement.
16. These results are comparable with the achievement of all students, across all National Standards levels, as reported in the Education profile for the Auckland-Manurewa 2013-2014, and are favourable compared to the achievement outcomes for students who identify as Māori or Pasifika.

Property

17. The School has been established in facilities leased from the Elim Church. The Trust states in its application that discussion has been held with the landlord who is positive about the expansion of the School, and has made the additional facilities available. The Trust intends to modify the facilities to accommodate an additional villa of 60 students.

Projected Roll Growth

18. The School is currently at its maximum roll of 120. If its application is approved, the Trust projects (based on a waitlist not provided to the Ministry), that at least 45 of the 60 additional places will be filled by the first day of term one, 2016.
19. The table below shows the projected growth across Years 7-10 over the next five years, derived from the Trust's application:

Year Level	2014	2015	2016	2017	2018	2019
7	30	30	45	45	45	45
8	30	30	45	45	45	45
9	30	30	45	45	45	45
10	41	30	30	45	45	45
TOTAL	111	120	165	180	180	180

Financial Plan

20. The Trust notes in its application that "each additional villa operates on the same financial model across the Trust," and that they have in reserve the funds required to develop the property to the desired standard.
21. The School's 2014 audited financial accounts record a \$0.650m surplus for the 15 month period covering the establishment and first year of operation.
22. Due to the way the accounts have been presented, we are unable to validate the proposed cost and any surplus associated with an additional 60 students. The reported surplus should comfortably allow for the establishment of the additional villa.

Network Analysis

23. The Ministry notes that it has been working with the Manurewa schooling community to design the future learning pathways for its children and young people in order to raise achievement and improve educational outcomes.
24. The Trust has opted not to participate in this review.
25. Applications for change of class have been put on hold until community engagement is carried out and this process is complete.
26. The School currently draws its students from a wider catchment area than the immediate Manurewa area, which is consistent with Partnership Schools being schools-of-choice.
27. Around 73% of the school's current students live in the broader Manurewa area.
28. The Ministry's analysis has identified 20 schools in the network catering for 4,727 students. The network is currently 87% utilised.

29. Nine of the 20 schools (eight primary and one secondary) currently have marginal rolls. There is little risk that any school in the network will become further marginalised as a result of the proposed increase at the School.
30. It is unlikely that the proposed increase will have a significant effect on the surrounding network of schools.

Consultation

31. There is no requirement in the legislation that the Ministry or Minister consult with surrounding schools when considering applications from Partnership Schools of this nature, nor is it appropriate, as these schools are managed through a contractual agreement.
32. If you approve the application from the Trust, the Ministry will notify the state schools surrounding the School of the changes to the roll.
33. The Trust has not indicated in its application if they have consulted with parents and whānau within its schooling community regarding their intention to increase size of the School.

Financial Implications

34. The financial implications of an additional 60 year 7-10 students is approximately \$1.74 million over four years.
35. The Ministry can manage the financial implications from baselines; this includes allocating \$0.523 million over four years from the provision for annual cost increases and roll growth [METIS 865557 refers].
36. The first three years of the current Partnership Schools contract provides for a guaranteed level of funding based on an agreed number of students. The Ministry intends to recommend to you, by separate advice, that the Guaranteed Minimum Roll (GMR) for 2016 is set equal to the School's 2015 closing roll. This will help to mitigate the possibility that the School does not achieve the enrolments stated in its application. The School will also be funded for any additional students attending the school over the GMR.

Other Considerations

37. The Trust has made undertakings to the Ministry to apply to NZQA to gain a Consent to Assess Against Standards (CAAS), to allow the school to offer unit and achievement standards to its students where appropriate, ahead of the students entering into a senior secondary school to undertake NCEA qualifications.
38. The Ministry recommends a condition of the increase be that the CAAS is granted before the beginning of 2017 year.
39. Approval of an increase to the maximum roll will provide the Trust with the critical mass and a strengthened economic position to pursue this outcome during the 2016 school year.

Risks

40. The Ministry has assessed the risks and has identified a medium risk regarding the Trust's current capacity to manage to the same degree of quality with an increase in roll at this school, whilst continuing to further develop Middle School West Auckland to strengthen and meet the obligations of that school's agreement.

Ministry's Recommendation

41. The Ministry recommends that you approve the change in maximum roll from 120 to 180 students, subject to the following condition;
 - The Sponsor apply to NZQA for, and be granted a Consent to Assess Against Standards, by no later than 2017.
42. While it is still early for the school to demonstrate accelerated and sustained student achievement results, the school has had a favourable report from ERO and has demonstrated acceptable achievement results from its first year of operation.
43. If you approve this recommendation, we have provided for your signature:
 - i. A letter to the Sponsor informing it of your decision (attached as appendix two);
 - ii. A contract variation that records the changes to the Agreement reflecting an increase to the maximum roll (attached as appendix three).