

Welcome

Principal & Board of Trustee

Seminar 2018

Introductions



- Infrastructure Manager – Waikato
 - Sharon Walker
- Infrastructure Manager - Bay of Plenty
 - Tony Bodger
- Waikato Property MoE Team
 - David Vincent Regional Property Advisor
 - Brennon Lanigan Regional Property Advisor
 - Noeleen Ross School Property Advisor
 - Peter Hannam School Property Advisor
 - Pauli Simmons School Property Advisor
 - Vivienne Jones School Property Officer
- Regional Transport Advisor
 - Reade Nikora
- Sector Enablement
 - Mere LawsonNuri Manager Education
 - Chad Britten School Finance Advisor
- NZ School Trustee Association (NZSTA)
 - Alison Watkins Programme Co-ordinator

Purpose

- Provide a high level introduction to the MoE property world
 - Don't expect you to remember everything
 - “You don't know what you don't know”
 - This presentations touches on some key aspects of property
 - Where to go or look for help

Agenda

- High level overview
 - Evolution of Education Infrastructure Services
 - Our Structure
 - Our Role's
 - 10 Year Property Plan (10YPP)
 - Funding
 - Managing Roll Growth
 - Health and Safety
 - Insurance
 - Drinking Water
 - Questions

The Evolution of Education Infrastructure Services

The National Portfolio

- **Around 2,100 State Schools**
- **30,500 buildings**
on 8,000 hectares of land
- **c. \$17.2 Billion**
Book value
- **c. \$ 30 Billion**
Replacement value



Large Portfolio



The Major Shifts (1989-present)



The Tomorrow's Schools reforms of 1989 meant that:

- Individual school boards contracted their own property maintenance and repairs:
 - in some instances this did mean that administration spaces were built or modernised – while classrooms were left untouched
- The Ministry only had a small group of around 30 people managing the allocation of property funding

By 2010 there was:

- Increasing demand from the sector for support
- Impact of the nationwide leaky buildings' issue on schools
- Direction from Government to strengthen Crown asset management



In response the Ministry:

- Introduced national programmes to address common issues
- Enhanced its property management capability across the regions
- Condition assessment programme
 - understand maintenance needs, health and safety issues and the infrastructure investments across the portfolio
- The new Education Infrastructure Service (EIS) became fully operational in early 2014
 - Provide access to safe, healthy, inspiring learning environments to support better educational outcomes
 - Reduce the distraction of infrastructure issues for school leaders
 - Improve capital efficiency and effectiveness

The Future...



Education Work Programme

- 3 year work programme to refine, articulate and get shared ownership of a vision for the education system
- Key aspects of the current system will be reviewed and strategies will be refreshed
- 10 main components of the 2018 work programme including:
 - A comprehensive Reform of School Property
 - Current legislation and policy settings
 - Clearly define roles and responsibilities
 - Report to Cabinet March 2018 on proposed approach
 - First iteration of the plan to Cabinet in October 2018

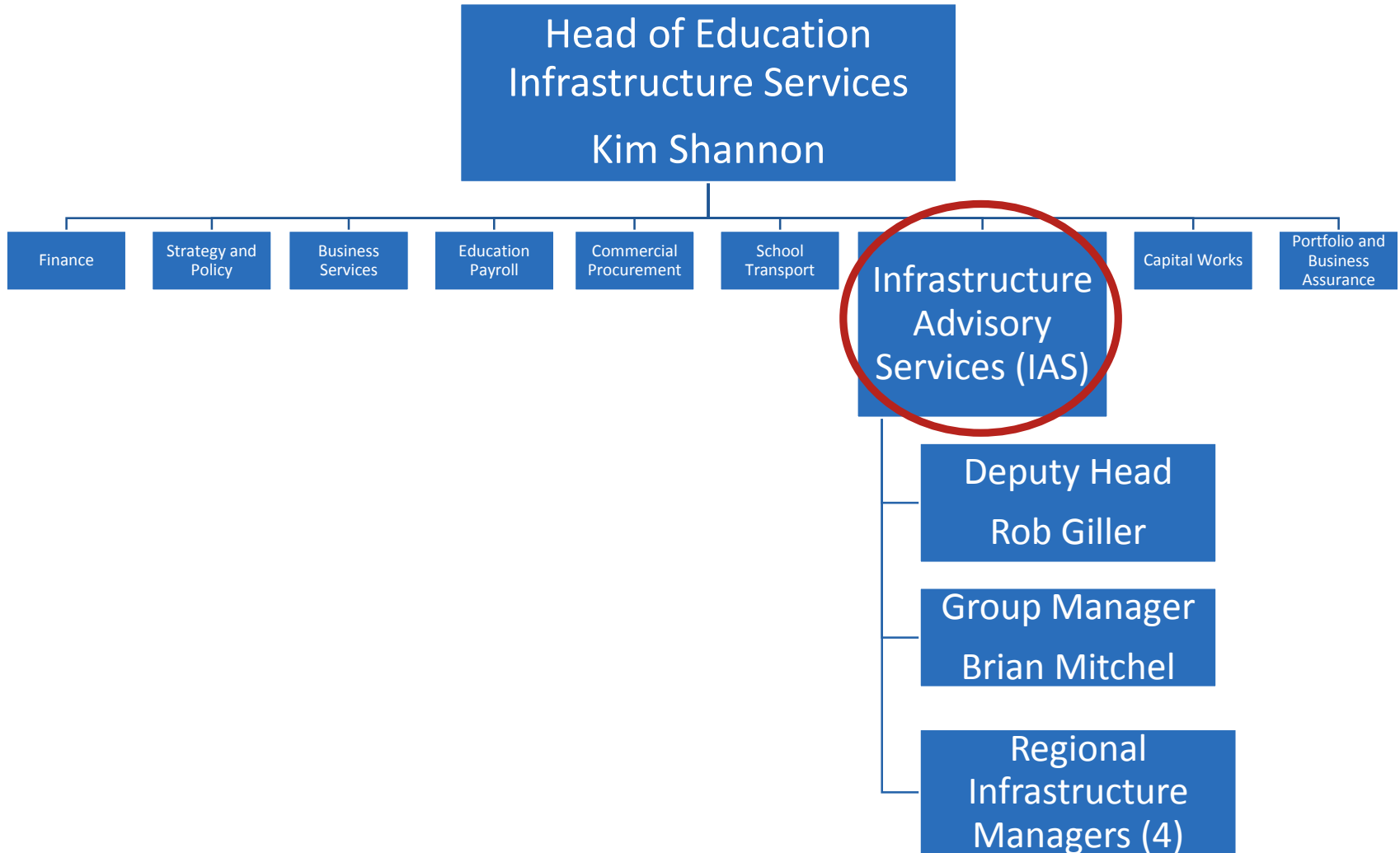
Key Points



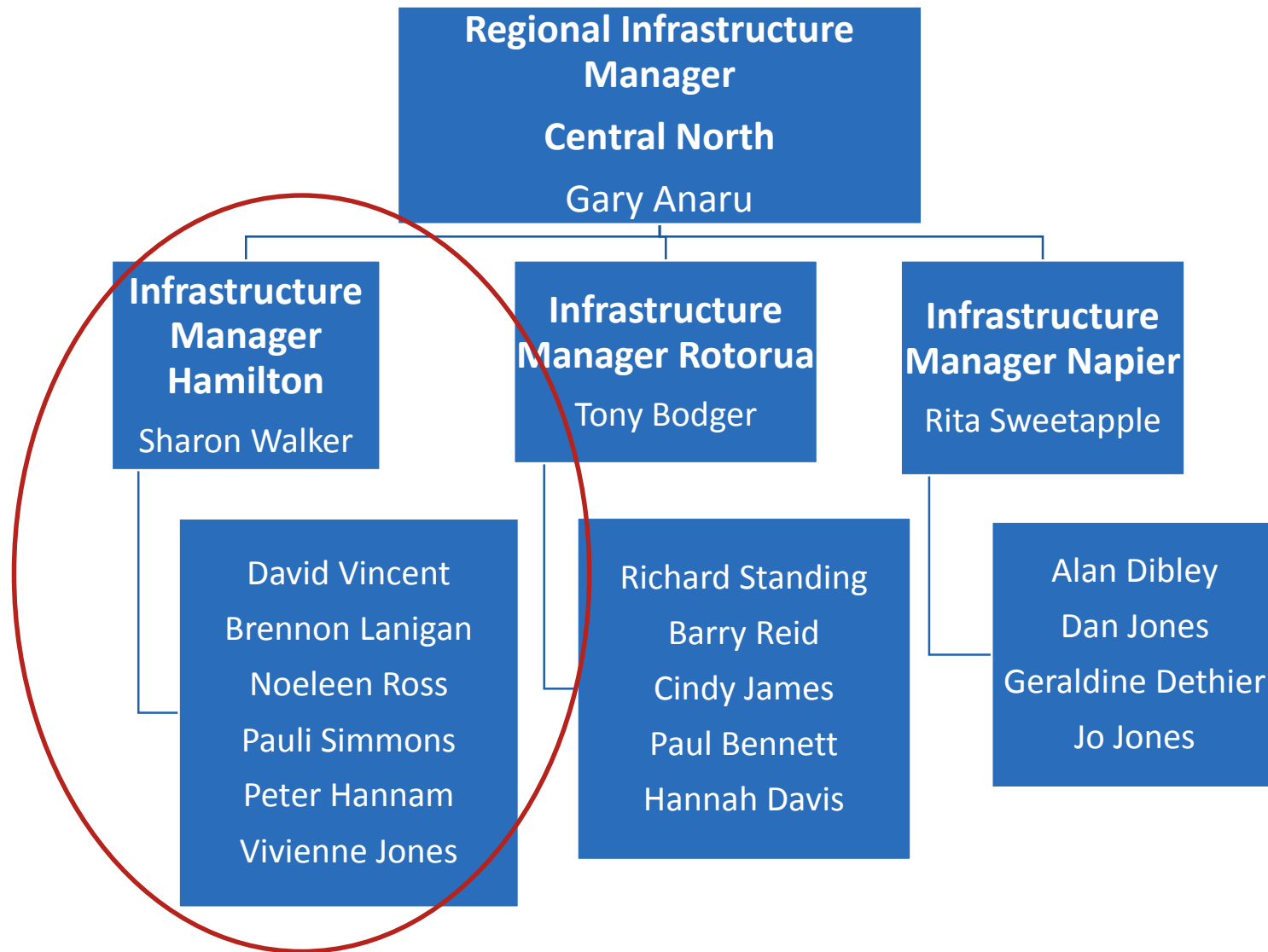
- The Boards of Trustees (BoT) and Principals requested change
- Implementation of Education Infrastructure Services
- We've made the shift from property funder to asset manager
- Focus is on partnering with schools to support asset management and strategic planning
- We are still developing and changing how we work

Our Structure

Education Infrastructure Services (EIS)

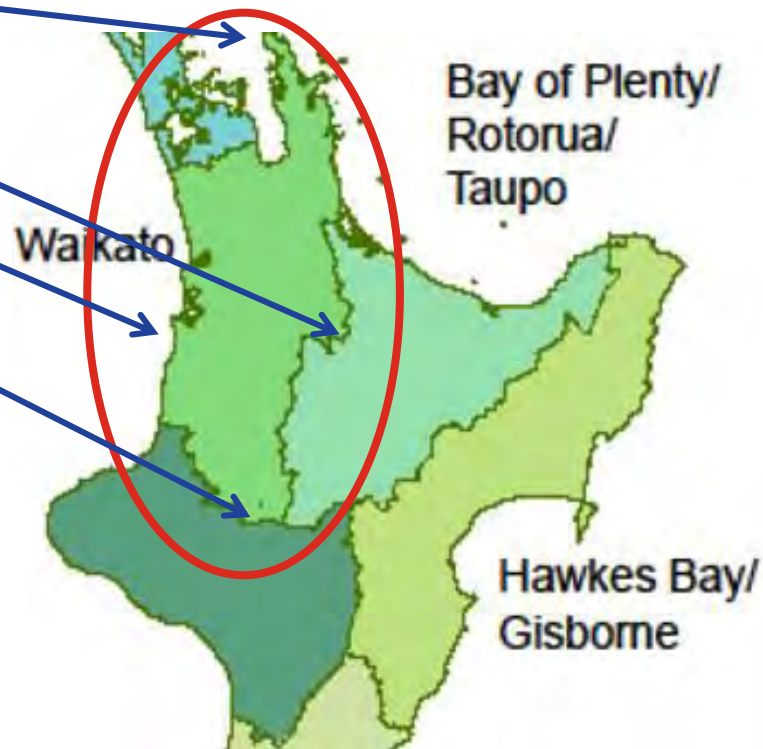


Our Team: Infrastructure Advisory Services



Central North - Waikato

- Colville school – North
 - Tokoroa – East
 - Te Kura o Tahaaroa – West
 - Kaiteke school – South
-
- 243 schools (exc Private)
 - Over 60,000 students (exc Private)



Other Support



Sector Enablement and Support (SE&S)

Director of Education	Paula Rawiri
Manager Education	Alison Harold
	Jean Paterson
	Mere LawsonNuri
	Rowan Brickell
Manager learning Support	Paul Mitchel
Strategic Advisor Maori	Merepaea Manukau
	Te Kowhai Ohia

Other Support – con't

EIS

Regional Transport Advisor

Reade Nikora

Capital Works

Stephen Hawley /Lawrence Joseph

NZ School Trustee Association

Melanie Pilcher

Regional Lead

Allison Campbell

Governance Advisor

Allan Hughes

Employment Advisor

Alison Watkins

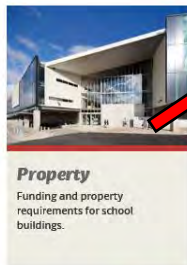
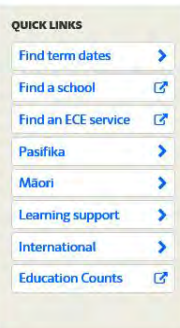
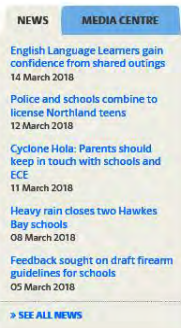
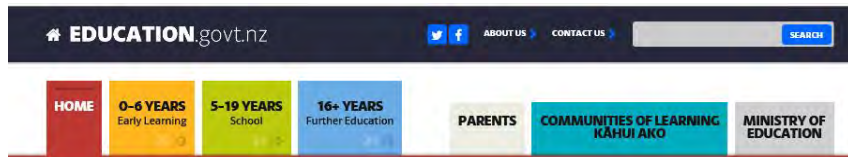
Programme Co-ordinator

www.nzsta.org.nz

0800 782 435

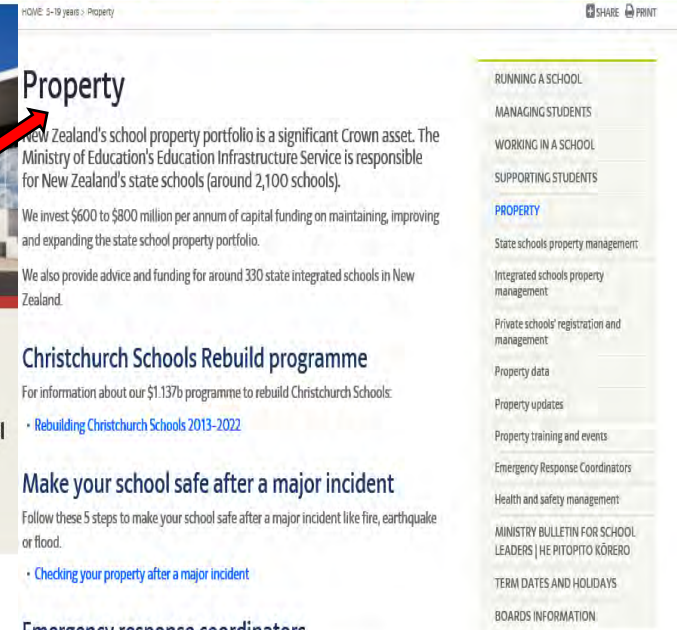
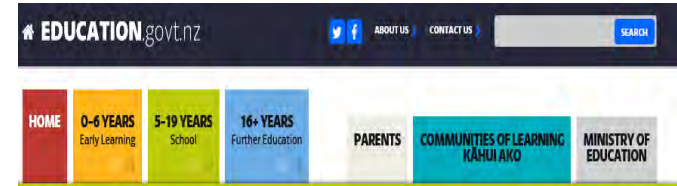
Website

- www.Education.govt.nz



Property

Funding and property requirements for school buildings.



Emergency response coordinators

Need to make substantial urgent repairs to your school buildings? See a list of emergency response coordinators in your region, and contact your Ministry property advisor before starting any work.

- [Emergency response coordinators](#)

Health and safety management

Our Roles

Roles and Property Occupancy Document



- The Property Occupancy Document (POD) outlines roles at a high level
- The POD is a statutory lease, with the Ministry as landlord and boards as tenants
- It is a legally binding document. So when a board is elected, it is effectively agreeing to the terms and conditions in the POD
- You do not need to sign the POD as it is not an individual negotiable contract. It continues to apply to your school even when new board members are elected
- Become familiar with your POD

Management of Property



Partnership

Ministry

- Owns land and buildings
- Sets policies for school property
- Approves and Funds 10-Year Property Plans
- Works with schools to develop quality property solutions

BoT

- Responsible for day-to-day operations/management incl. maintenance & repairs
- Prepare the 10-Year Property Plan for the capital investment of the asset (with MOE)
- Implements property plan through engaging property professionals

The Ministry's Role



- As the owner the Ministry acts as the landlord
- Responsible to Government for ensuring boards:
 - care for school property
 - make best use of property funding

The Ministry's Role



We do this by:

- Developing policies and procedures so boards can meet all Ministry and legal requirements
- Allocating property funding
- Providing information and advice to Boards
- Supporting schools
- Monitoring and holding boards accountable for school property management

Our Role's

Role	Description
Regional Infrastructure Manager	<ul style="list-style-type: none">• Leads regional teams to ensure IAS requirements are supported• Relationship management• Portfolio planning• Issues resolution, Third escalation point
Infrastructure Manager	<ul style="list-style-type: none">• Lead the local team to ensure schools are supported• Relationship management• Portfolio management• Issues resolution, Second escalation point
Property Advisors	<ul style="list-style-type: none">• Relationship Management – first point of contact• Strategic Asset Management• Supporting schools to deliver property projects• Information conduit for schools and regional office• Maintain accurate portfolio data• Review project funding
School Property Officer	<ul style="list-style-type: none">• Relationship Management• Supports the local teams, Schools and Project Managers with the very important back office work

Our Role's



Role	Description
Capital Works Delivery Manager	<ul style="list-style-type: none">• Manages Ministry led projects• Works closely with Property Advisor and school

Support Good Decision Making and Delivery



- By having close relationships with schools we can inform our colleagues of any issues and be party to decisions made
- We are proactive in forecasting and have developed a three year view of potential roll growth requirements, this informs National office for long term investments and the annual budget process
- We are proactive in health and safety
- We support the end to end process, and continuous improvement

Our Challenges

- Key challenges
 - Roll growth
 - Roll decline
 - Ageing buildings
 - High sector expectations – delivery now
- Our responses
 - Increasing / decreasing capacity
 - Better utilisation of existing capacity (school zoning)
 - Major/minor redevelopments (where there is a mixture of challenges)
 - Providing you with our escalation contact details

Key Points



- We are here to help
- Please call your Property Advisor if you have any property related questions
- We work closely with Sector Enablement, Network and Learning Support
- There are a range of challenges and we are working closely with schools to try and achieve solutions
- Please escalate if you feel that your issue has not been dealt with

New Zealand Schools Trustees Association (NZSTA)

NZSTA Role



- Membership of NZSTA is open to boards of trustees of any New Zealand State, State Integrated or Partnership School |Kura Hourua
- Membership-based national organization
- Represents interests of its member boards
- Deliver fully integrated range of services free to all boards of trustees to support and enhance boards' capability in governance and employment

Board of Trustee's Role

Board of Trustee Roles



We ask you, as a board, to:

- Include in your school charter how school property will contribute to raising student achievement
- Ensure property works complies with all legal and Ministry requirements
 - hire the right people, like project managers and contractors,
 - healthy and safe environment
- Develop a 10 Year Property Plan (10YPP)
- Meet the Ministry's procurement and project management requirements
- Oversee your school's day-to-day maintenance to keep it in good order and repair

Project Management



- The BoT must:
 - be part of the decision making/ communication process at all stages
 - ensure that the plan is achievable and within budget
 - follow the procurement process for all property projects
 - engage a professional project manager for all projects where:
 - a consent is required or the project is more complex
 - be aware of all financial management of projects and ensure they do not go over budget
 - validate and authorise any variations
 - provide variations to MoE for sign off



Other groups using school

- You may lease or hire out any of your school property
- The BoT and Ministry must also agree to the proposed use
- We provide standard agreement for Boards to use depending on use / frequency – Third Party Agreements
- You need to think about:
 - costs (eg power)
 - potential insurance ramifications
 - third party staff and police vetting
 - special rules around ‘sleeping at school overnight’

Role of School Principal

Role of School Principal



- Role as agreed with BoT and Delegated Financial Authority (DFA).
- Communication between BoT and Principals
 - 10YPP planning
 - property issues.
- Liaise with Property Advisor re 10YPP and all property projects.
- Ensure that property projects are as planned & financials are correct.
- Where relevant follow all procurement rules.
- Health and Safety

Role of School Project Manager

Role of School Project Manager

- Property Manager can manage one 10YPP project or all projects
- Be aware of conflicts of interest
- Property Manager manages the project
 - weekly or fortnightly reports to BoT, Principal
 - all project measures ie time, cost, quality, health and safety, other issues
 - variations must be approved and signed by BoT and MoE **before** they are actioned.
- We cannot fund works that have not been approved

Key Points



- BoT has strong Governance and communication responsibility
- Principals strong communication and planning focus
- Property Occupancy Document outlines property responsibilities
 - must have a current 10YPP
 - must follow MoE procurement rules
- Health and Safety
- 10YP Planning and financial management
 - validate all project outcomes, costs and variations
- Your Property Manager reports to you on time, cost ,quality and any issues
- Your Property Advisor is here to help you
- NZSTA are also here to help you

Other Support

Finance Advisor



- Who is your Finance Advisor?
- What is their role from a Property perspective?
- How can they help you?

Regional Transport Advisor



Reade Nikora

10 Year Property Plan (10YPP)

10YPP



- Property Occupancy Document “*all schools must have a current MoE approved 10YPP*”
- Planning tool for Capital funding
 - 10 year view with a 5 year funding allocation
 - plan projects as per policy
 - allocates 5YA funding to first five years of projects as per policy
- Agreed with the Ministry
- Formally submit a new 10YPP, every 5 years and obtain approval for next 5YA funding
- Policies and guidelines

10YPP Consultant



- Compulsory to use 10 YPP trained consultant
- There is a list of Consultants for your area
- 10 YPP consultant will:
 - complete condition assessment and obtain specialist reports
 - organise initiation meeting with you and your PA
 - discuss options and priorities with you
- Once all parties agree on plan, it will be submitted for MoE sign off

Example of 10YPP


- Example of 10YPP – First 5 Year Agreement

Project Summary	Block Summary	Rationalisation Summary	Future & Excluded Projects	Rolls	History
Funding Allocation					
FUNDING BUDGET	ORIGINAL	REMAINING	CONTINGENCY	PROJECTS	AVAILABLE
5YA - 2012/13 - Capital	\$657,880	\$90,857.48		\$90,857.48	\$0.00
5YA - 2017/18 - Capital	\$544,903	\$544,903.00	(10%) \$54,490.30	\$490,412.52	\$0.18
		\$635,760.48	\$54,490.30	\$581,270.00	\$0.18
BoT Contribution				\$0.00	
Community / Other Contribution				\$0.00	

5 Year funding

Example of 10YPP Projects



		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	TOTAL
1908-18-01	Stormwater & Sewer Drainage Upgrade	\$14,500										\$14,500
1908-18-02	Targeted Cladding Repairs, Decking & Door Replacement	\$75,000										\$75,000
1908-18-03	Roofing + Spouting Replacement & Repairs	\$48,200										\$48,200
1908-18-04	Toilet Block Upgrade	\$60,000										\$60,000
1908-18-05	Security Upgrade	\$10,000										\$10,000
1908-18-06	Administration Block Alterations & Refurbishment		\$373,570									\$373,570
		\$207,700	\$373,570	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$581,270

In this instance the school is doing all projects in the first 2 years.

Example of 10 Year View



10 Year View in Future and Excluded Projects Tab

ESTIMATED				
TITLE	DETAILS	START YEAR	END YEAR	COST
Drainage Upgrade	Replacement of sewer pump station serving Block T (Te Manawa_	2022	2022	\$5,000
Interior Refurbishment	Replacement of Floor Coverings, Wall Linings & Built-in Joinery in Library + all Teaching Spaces	2023	2023	\$150,000
Toilet Upgrade	Upgrade student toilets in Block J & U	2024	2024	\$20,000
Roof Replacements	Replace colorsteel roofing to Block's A, B, C, D, I, J & K	2025	2025	\$130,000



10 Year View in Future and Excluded Projects Tab.

Key Points



Six main steps to preparing a 10YPP:

1. Engage a 10YPP Consultant
2. Develop a Condition Assessment, and obtain specialist reports
3. Attend the 10YPP initiation meeting
4. 10YPP Consultant prepares your 10YPP
5. Get approval for your 10YPP
6. Update and renewing your 10YPP

2017/18 plan – Should be completed

2018/19 plan – Should be started and ready for 1 July 2018



Funding

Funding School Infrastructure



- Significant increase in education infrastructure
- A large driver for this is rapid population growth and movement
- The infrastructure investment needs to:
 - maintain the existing estate, and
 - meet expansionary demand (new schools, addressing roll growth at existing schools)
- Annual depreciation funds the existing estate
- The Ministry competes for funding every year against all other Government departments to meet demand driven by growth

Two main “funding pots”

\$843m Capital Budget 2017/18

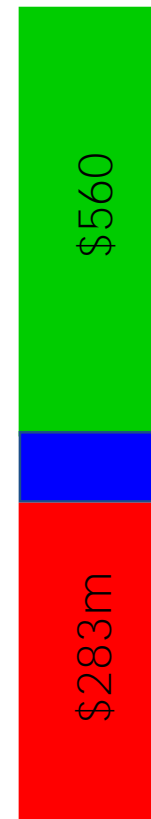
Maintaining the Existing Portfolio:

- 5 Year Agreements \$193m
- Major Redevelopments/Renewals \$228m
- Property Initiatives \$ 15m
- Special Needs Modifications \$ 35m
- Other Programmes \$ 11m

Christchurch Schools Rebuild \$ 79m

Expanding the Portfolio:

- Roll Growth \$110m
- New Schools/Kura \$173m



FUNDING SOURCE

**Depreciation
(Baseline)
funding**

**Insurance Proceeds
(Christchurch)**

New Money

Funding Policy and Guidelines



- Your Property Advisor will help you comply with Policy and Guidelines when planning your 10YPP
- The funding we receive is audited by Treasury
- The rules in place are to ensure that funding is being utilised in the right way
- 10YPP Capital funding is not for operational work
- If a new Principal, ensure that you have a copy of your current 10YPP



Managing Roll Growth Pressures

Planning for Roll Growth



- We consider:
 - demographic growth, decline and movement and how this impacts school rolls
 - forecasted growth
 - if roll growth is likely to be sustained for at least 2 years
 - neighboring schools - surplus accommodation or experiencing reducing rolls
 - temporary classrooms. How we fund / deliver these?
- Current demand is high. So we have to prioritise the roll growth programme

Roll Growth Considerations



Adding classrooms is not always the best solution because:

- there could be a spike in student numbers over a short timeframe
- other property/site issues may need to be addressed before accommodation can be extended
- new schools might be scheduled
- a wider network solution may be more effective long-term:
 - e.g. the use of enrolment schemes to balance out demand across a number of schools that may have surplus capacity

Modular Buildings



Modular Buildings, in future will:

- Provide schools with a high quality, high spec design that meets Ministry standards.
- Present the best whole of life value for the Crown as they are versatile and relocatable which meet delivery requirements

Key Messages



- IAS are responsible for the supply side of the demand chain
- Discuss roll growth with your Education Advisor
- A Network recommendation is required
- Additional classrooms are unlikely if an Enrolment Scheme is not in place or not being operated correctly
- Rapid population growth and movement is placing pressure on schools in a number of locations across NZ
- Discuss other options with your Property Advisor
- Ministry competes for funding every year against all other Government departments to meet demand driven by growth

Current demand outweighs supply so we have to prioritise the roll growth programme.

Health and Safety at Work - School Property

Understanding and managing
health and safety risks

Health and Safety Management



- Health and Safety is everyone's responsibility
- The HSWA introduced a new approach to workplace health and safety based on managing risk
- The Act requires Persons Conducting a Business or Undertaking (PCBU) to consult, co-operate and coordinate activities with other PCBU's who share H&S duties on the same matter
- Extensive guidance material is available on our website
- Information from WorkSafe has been used in some cases to avoid duplication
- Other sources for general health and safety information are:
 - www.worksafe.govt.nz
 - www.acc.co.nz

Managing Asbestos



- Many of our schools have asbestos
- When left in place and in good condition asbestos is not a significant risk
- However if it is disturbed during building work, or as a result of deterioration, there is a risk of asbestos fibres becoming airborne and creating a health risk
- As the PCBU, school's have a duty to identify asbestos where there is a risk of respirable fibres. If asbestos has been assumed or identified in your school the details must be recorded in your hazard and risk register and you must have an Asbestos Management Plan in place
- Before any refurbishment or demolition project starts a demolition or refurbishment survey must be conducted by a suitably qualified person
- The Ministry (EIS) has procedures, guidelines and check lists in place for EIS led projects on the MoE website
www.education.govt.nz/school/property/state-schools/fixing-issues/asbestos/

Managing Contractors



- Managing property often involves engaging contractors to undertake maintenance and building work
- Contractors engaged to work on school projects must have capability in health and safety practice and adequate systems in place to manage H&S risks
- Contractors working on project must:
 - comply with Ministry process and contracts
 - have proven knowledge, skills and experience to undertake work safely
 - Create and implement site specific safety plans
 - Be police vetted if they are likely to have unsupervised access to students at school during normal school hours
- Refer to our website for more information

Insurance

Insurance – School Buildings



- Ministry buildings are insured for damage from events like fire, flood earthquake
- Replacement is only up to entitlement
- There are exclusions such as walkways, fences, playground equipment (not an integral part of a building)
- No cover for damage under \$2,500
- No cover for poor maintenance
- BoT owned property must be insured by the Board

Insurance – Content



- Contents Insurance
- Boards can arrange their own insurance; or
- Join the Ministry run “*Risk Management Scheme for Schools*”
- Premiums are paid from operational grant funding

Drinking Water Quality

Drinking Water Quality



- Clean, safe water must be provided at schools, especially for drinking
- Schools are either on town water supply or 'self-supplying'
- Local authorities are responsible for water quality for schools on town supply
- Boards need to manage water quality if 'self-supplying'
- If 'self-supplying' we recommend schools comply with *Section 10 of the Drinking-water Standards*
- Self-supplying schools must be on the *Drinking-water Register for New Zealand*
- If water supply or water quality is compromised contact your Property Advisor and the Public Health Unit
- Upgrades to your water supply should be included in your 10YPP

Key Messages



- Health and Safety is everyone's responsibility
- The H&S Work Act (HSWA) requires PCBU's such as school boards and the Ministry to consult, co-operate and co-ordinate where they share a duty on the same matter
- Health and Safety Practical Guide for Boards and School Leaders on our website
 - Intended as a supplementary resource
 - Provides examples on policy/procedures
 - Includes a range of checklists

Any Questions?



Questionnaire

Please complete the Survey Monkey

Thank you for your time

Thank you for your help in

Lifting aspiration and educational
achievement **for every New Zealander**



[education.govt.nz](https://www.education.govt.nz)

New Zealand Government