Education Report: Consideration of Closure of Isla Bank School (3969)

To: Hon Chris Hipkins, Minister of Education

Date: 5 November 2018

Priority: High

Security Level: In Confidence

METIS No: 1163008

Drafter: Philippa Pidd

DDI: 9(2)(a)

Key Contact: Katrina Casey

DDI: 

Messaging seen by Communications team: No

Round Robin: No

Purpose of the Report

This report seeks your decision on the proposed closure of Isla Bank School under section 154(2A) of the Education Act 1989 (the Act). It recommends you agree to close the School.

Summary

1. A Commissioner has been in place at Isla Bank School since November 2014.

2. The Commissioner of Isla Bank School requested voluntary closure of the school on 21 May 2018. Discussions between the Ministry, Commissioner and community about possible school closure had commenced earlier in the year. The proposed closure was requested because of the low school roll and indications from the community that roll growth is unlikely in the foreseeable future. The community could also not commit to forming a Board of Trustees.

3. All students at Isla Bank School transferred to new schools at the start of Term 3, 2018 and there are now no students on the roll.

4. We have written to nine schools where the roll might be affected by closure, seeking the Boards’ views on the closure proposal. This consultation is required under section 157 of the Act.

5. Responses have now been received, and all support the school’s closure.
6. If you agree, the closure would be implemented using the Education Development Initiative (EDI) policy. This funding is primarily to help students transition to their next school and to raise achievement. The cost to the Crown of the EDI enhancement would be $100,000, based on the March 2018 roll of 10 students.

7. It is estimated that the closure of Isla Bank School will save Ministry approximately $57,000 (including possible surplus staffing costs) in the first year and result in annual savings of $74,000 after that.

8. We recommend closure on 20 December 2018 as this will allow time to give non-teaching staff notice and avoid paying non-teaching staff longer than is necessary. The principal and teaching staff are no longer at the school.

Recommended Actions

We recommend that you:

a. **agree** to close Isla Bank School under section 154 of the Education Act 1989, with effect from 20 December 2018;

   Agree / Disagree

b. **sign** the attached *New Zealand Gazette* notice gazetting the closure;

c. **sign** the attached letters, to the Commissioner, the local Members of Parliament, and local rūnanga informing them of your decision;

d. **agree** that this Education Report be proactively released as per your expectation that information be released proactively. Any information that might need to be withheld will be done so in line with the provisions of the Official Information Act 1982.

   Release / Not release

---

Katrina Casey  
Deputy Secretary  
Sector Enablement and Support

Hon Chris Hipkins  
Minister of Education

5/11/2018  
20/11/18
Background

1. Isla Bank School is a decile 5, full primary school located in the rural Southland District. A location map is attached as Annex One.

2. The School’s 1 July 2018 roll was 10 students. It has three teaching spaces and capacity for 75 students.

3. A Commissioner has been in place at Isla Bank School since November 2014. A breakdown in relationships between the Principal and the trustees as well as the Principal and some members of the community posed a risk to the operation of the school. When the Board resigned a Commissioner was appointed.

4. In March 2017 we provided demographic information about Isla Bank School’s market share to the Commissioner. In December 2017, at the request of the Commissioner, we provided information about merger and closure processes. Follow up meetings took place with the Commissioner in April and May 2018.

5. Subsequently, the Commissioner emailed the Ministry on 21 May 2018 formally requesting closure. This has been proposed because:

   - the Isla Bank community recognised that with only 10 children enrolled (at that time) and with no significant preschool population, the future of the school was not viable
   - although the Commissioner had provided training and support to community members, they were not able to commit to forming a board of trustees
   - there is alternative quality education provision available within the wider area
   - the Commissioner had identified that there were four other schools within reasonable travelling distance.

6. Parents decided to transition their children to neighbouring schools at the start of Term 3, 2018. Currently Isla Bank School has no students on its roll.

7. The Ministry has provided the Commissioner of Isla Bank School with information about:

   - the closure process
   - transport provision
   - staffing issues
   - disposal of property
   - disposal of assets
   - residual agent duties
   - the Education Development Initiative policy.
Education in the Local Area

8. The students have all enrolled in neighbouring schools, in anticipation of closure. The schools generally have capacity. Two schools (Thornbury School and Heddon Bush School) have enrolment schemes but enrol a significant number of out-of-zone students. The majority of Isla Bank students have enrolled at Thornbury School.

9. All schools have received good Education Review Office reviews.

Consultation under Sections 154 and 157 of the Education Act 1989

10. Before making a decision about closing a school, consultation must be undertaken with the Board of the school concerned and with the boards of state schools whose rolls might be affected. The Ministry has carried out this consultation as outlined below.

11. We have written to the Board of Trustees of nine schools where the roll might be affected by the closure.

12. Although some schools expressed sadness with the possible closure of Isla Bank School no school opposed the closure.

13. Five out of the nine schools raised concerns about the transport entitlement zones (TEZs). Three of these five schools asked for consideration to be given to altering the TEZs to accommodate pick up of all students from the Isla Bank area. One school has requested that their TEZ be reviewed to accommodate its growing roll. Aparima College, Riverton, expressed concern that a change to any TEZ could impact on its enrolments.

14. Two schools, Heddon Bush School and Takitimu School, noted that there would be no adverse effect to the school or their TEZ.

15. Central Southland College, Winton, did not provide a response.

16. The local rūnanga, Oraka-Aparima Rūnanga, was advised about the proposed closure. It was identified that there was minimal existing connection between the rūnanga and the school.

Assessment

17. We support the proposed closure of Isla Bank School for the following reasons:

- There are currently no students attending the School.
- There are very few pre-schoolers in the district, and the roll is unlikely to increase.
- There is quality education provided at other accessible schools in the area.
- There is support for the closure from the school community and from the boards of neighbouring schools.
- The community is unable to commit to forming a board of trustees.
- The children would benefit educationally from the resources and greater opportunities for social interaction available in a larger school.
Staffing

18. The 2018 school staffing allocation is 1.3 Full Time Teacher Equivalents (FTTE).

19. The Commissioner understands her responsibility to meet the employment contract requirements of staff and will work with the New Zealand School Trustees Association and the relevant unions to ensure that obligations are met.

20. Isla Bank School does not have a current Principal. The Commissioner found it difficult to find a relieving principal for terms one and two of this year following the resignation of the Principal. A relieving principal was employed on a fixed term contract, which ended in September 2018.

21. The staff currently employed by the School includes a teacher (0.4 FTTE), two teacher aides, a school secretary and a cleaner.

22. If closure is approved for 20 December 2018, the Commissioner will have time to serve early termination of employment notices to those employees appointed on fixed term contracts, and undertake surplus staffing options where applicable. The Commissioner will not need to continue to employ staff to undertake closure procedures.

Financial Implications

23. The 2017 audited annual accounts indicate a surplus of $22,920, improving the school's equity position to 72%. The school has a small working capital surplus of $27,434.

24. EDI enhancements, based on the March 2018 roll of 10 students, of $100,000 would apply if the closure proceeds. This funding is primarily to help students transition to their next school and to raise achievement.

25. It is estimated that the closure of Isla Bank School will save Ministry approximately $57,000 (including possible surplus staffing costs) in the first year and result in annual savings of $74,000 after that.

Property Implications

26. The Isla Bank School property is Crown-owned. If the School closes, the school site and buildings would be declared surplus to education requirements and placed in the Crown disposal programme, managed by Land Information New Zealand. It would then be disposed of in accordance with the Public Works Act 1981.

27. Assets located on site that are of value to other nearby schools can be relocated prior to the site being transferred or sold.

Transport Implications

28. Should Isla Bank School close, the Transport Eligibility Zones (TEZs) for all neighbouring schools would be altered to reflect the closure.

29. School Transport Assistance would be provided in accordance with current policy settings.

30. Any special arrangements that are made will be documented in the EDI agreement, and it will be made clear that the school transport assistance will be provided within current policy settings.
Risks

31. Because this closure has been initiated by the Commissioner of Isla Bank School, is supported by the community and there are no students currently enrolled at the school, it is considered to be low risk.

Next Steps

32. Under section 154(2A) of the Education Act 1989, if the Board agrees with or does not oppose the closure of its school, the Minister has the discretion as to whether or not to continue the consultation with the Board and whether to give the Board 28 days to provide arguments in favour of the school remaining open.

33. When a Commissioner is fulfilling the functions of the Board, it is the Ministry’s usual practice to recommend providing a further 28 day period, during which the Commissioner would conduct further consultation with the community. This is because a Commissioner does not represent the school community the way a board would.

34. In this case there is support for the closure from the community and neighbouring schools, the Commissioner has requested the initiation of the closure process, and there are no students left at the school. It is therefore considered that a further 28 day period for provision of further arguments in favour of keeping the school open is not necessary in this instance.

35. If, after considering the information in this report and the Commissioner’s letter, you decide you are satisfied the school should close, a draft letter (Annex 3) and Gazette Notice (Annex 2) are attached for you to inform the board and gazette the closure. If you agree, the closure could take effect on 20 December 2018.

36. If you agree to this request for closure, a Memorandum of Agreement itemising the EDI funds and the process for accessing them, and including details of the distribution of assets from Isla Bank School, will be negotiated with the Commissioner and other relevant boards.

Conclusion

37. We support the proposed closure of Isla Bank School because:
   • there are currently no students attending the School
   • there are very few pre-schoolers in the district, and the roll is unlikely to increase
   • there is quality education provided at other accessible schools in the area
   • there is support for the closure from the school community and from the boards of neighbouring schools
   • the community is unable to commit to forming a board of trustees
   • the children would benefit educationally from the resources and greater opportunities for social interaction available in a larger school.
Proactive Release

38. It is intended that this Education Report be proactively released as per your expectation that information be released as soon as possible. Any information that might need to be withheld will be done so in line with the provisions of the Official Information Act 1982.

Annexes

Annex 1: Location map
Annex 2: Notice for the New Zealand Gazette
Annex 3: Letters to the Commissioner and MPs
Annex 1: Location map

Isla Bank and surrounding primary schools
Annex 2: Notice for the New Zealand Gazette
NEW ZEALAND GAZETTE NOTICE

Education Act 1989

Isla Bank School (3969) Closure Notice

Pursuant to section 154 of the Education Act 1989 I hereby declare that Isla Bank School (3981) will close on 20 December 2018 and will cease to be established on that day.

Dated at Wellington this 20th day of November 2018

Hon Chris Hipkins
Minister of Education
Leanne de Vries
Commissioner
Isla Bank School

$9(2)(a)

INVERCARGILL 9810

Dear Leanne

Thank you for writing to the Ministry requesting the voluntary closure of Isla Bank School. I note that closure is being considered because of the unviability of the school roll and inability to form a board of trustees. I am aware that parents have already enrolled their children in nearby primary schools.

The Ministry has consulted with you as Commissioner and with the boards of schools where the rolls might be affected if the school closes. This consultation fulfils the requirements of sections 154 and 157 of the Education Act 1989.

After considering all the information provided to me, I agree that Isla Bank School should close. The closure will be gazetted shortly to take effect on 20 December 2018.

Please ensure you follow the surplus staffing processes regarding school closure that are outlined in the relevant collective agreements. Your industrial relations adviser organisation will be able to assist you with these matters.

Even though there is agreement to the school closing, I realise that it is not an easy matter for a Commissioner and a school community to consider. I would like to take this opportunity to record my appreciation of the service of previous board members, the school staff and you as Commissioner have given to Isla Bank School and its children.

Yours sincerely

Chris Hipkins
Minister of Education
Hamish Walker
MP for Clutha-Southland
PARLIAMENT BUILDINGS

Dear Hamish

On 21 May 2018 the Commissioner of Isla Bank School wrote to the Ministry of Education requesting the closure of the school. There are no students currently attending Isla Bank School.

The Ministry has consulted with the Commissioner and with the boards of schools where the rolls might be affected if Isla Bank School closes. The consultation fulfils the requirements of sections 154 and 157 of the Education Act 1989.

After considering all the information provided to me I am satisfied that Isla Bank School should close. The closure will be gazetted shortly to take effect on 20 December 2018.

For your information I have attached a copy of my letter to the Commissioner of Isla Bank School.

In the meantime, the Ministry will continue to work with the Commissioner of Isla Bank School to support it during this time of transition.

Yours sincerely

[Signature]

Chris Hipkins
Minister of Education
Rino Tirikatene  
MP for Te Tai Tonga  
PARLIAMENT BUILDINGS

Dear Mr Tirikatene

On 21 May 2018 the Commissioner of Isla Bank School wrote to the Ministry of Education requesting the closure of the school. There are no students currently attending Isla Bank School.

The Ministry has consulted with the Commissioner and with the boards of schools where the rolls might be affected if Isla Bank School closes. The consultation fulfils the requirements of sections 154 and 157 of the Education Act 1989.

After considering all the information provided to me I am satisfied that Isla Bank School should close. The closure will be gazetted shortly to take effect on 20 December 2018.

For your information I have attached a copy of my letter to the Commissioner of Isla Bank School.

In the meantime, the Ministry will continue to work with the Commissioner of Isla Bank School to support it during this time of transition.

Yours sincerely

Chris Hipkins  
Minister of Education

enc
Dear Rikki

On 21 May 2018 the Commissioner of Isla Bank School wrote to the Ministry of Education requesting the closure of the school. There are no students currently attending Isla Bank School.

The Ministry has consulted with the Commissioner and with the boards of schools where the rolls might be affected if Isla Bank School closes. The consultation fulfils the requirements of sections 154 and 157 of the Education Act 1989.

After considering all the information provided to me I am satisfied that Isla Bank School should close. The closure will be gazetted shortly to take effect on 20 December 2018.

For your information I have attached a copy of my letter to the Commissioner of Isla Bank School.

In the meantime, the Ministry will continue to work with the Commissioner of Isla Bank School to support it during this time of transition.

Yours sincerely

Chris Hipkins
Minister of Education

enc