Education Report: Consideration of Closure of Hillcrest School (Pahiatua) (2856)

To: Hon Chris Hipkins, Minister of Education

Date: 5 December 2018

Priority: High

Security Level: In Confidence

METIS No: 1166563

Drafter: Ross Hampton

Mobile:

Key contact and number: Katrina Casey

Mobile:

Messaging seen by Communications team: No

Round robin: No

Purpose of Report

1. This report is to update you on the outcome of the consultation process about the closure of Hillcrest School (Pahiatua) (2856), and recommends you agree to close the school under section 154 of the Education Act 1989 (the Act).

Summary

2. On 19 June the Hillcrest School Board of Trustees wrote to the Ministry advising that it wished to pursue the voluntary closure of the school.

3. The roll at Hillcrest School had declined from 49 students in March 2012, to 14 students in November 2018. Five of these students are in year eight and so are leaving primary school at the end of this year.

4. The Board considers the long term viability of the school to be poor. If the school remains open it could have a maximum of nine students in Term 1 2019 with one potential additional enrolment during the year.

5. A survey of school families conducted by the Board in June 2018 confirmed that less than ten students were likely to be enrolled at the school in 2019.

6. On 28 August 2018 you agreed to initiate consultation on the possible closure of the School [METIS 1138307 refers]. We consulted on the potential closure with the boards of the four neighbouring primary schools and local iwi. No objections to the closure were raised.
7. The Ministry’s view is that Hillcrest School should close. If you agree to this proposal, the closure will take effect on 27 January 2019. This will give the Board time to fulfil its obligations under the various employment agreements including giving staff the required period of notice.

8. If you agree to the closure it would be implemented using the Educational Development Initiative (EDI) policy. The cost to the Crown of the EDI enhancement would be $108,500. This funding is to help students transition to their next school and to raise achievement.

9. If you agree to this closure the total net operating saving to the Crown is estimated to be $68,000 (excl GST) in the first year and $162,000 (excl GST) in subsequent years, with net savings of $769,500 (excl GST) over six years.

Recommended Actions

We recommend that you:

a. **agree** to close Hillcrest School (Pahiatua) under section 154 of the Education Act 1989, with effect from 27 January 2019;

   Agree / Disagree

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

c. **sign** the attached letters to the Board of Trustees Chairperson and the local Member of Parliament informing them of your decision; and

d. **agree** that this Education Report be proactively released. 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  
5/12/2018

Hon Chris Hipkins  
Minister of Education  
19/12/18
Background

1. Hillcrest School (Pahiatua) is a decile two, Year 1 – 8 school located less than one kilometre from Pahiatua School in the Tararua Region (see map, attached as Annex 1). The school has a current roll of 14 students and, if it were to remain open, would start next year with a maximum of nine students.

2. The school is on a three year Education Review Office (ERO) review cycle. ERO was due to visit the school this term, but the visit was delayed pending the outcome of the closure process. Gaining a three year review was achieved under a former principal following two successive 1-2 year ERO reviews and significant support from the Ministry of Education.

3. The current Board Chair’s parents are the school’s caretaker and administrator. They live in the school house. The caretaker is also on the school’s Board of Trustees.

4. We appointed a Limited Statutory Manager (LSM) to the school in August 2017. He has been vested with the Board’s powers of employment, curriculum management including teaching and assessment practice, financial management and to establish policies and procedures. He must also advise the Board on its communications.

5. His appointment was based on the declining roll, poor academic achievement of students and concerns about the Board’s ability to govern. As the Board’s financial management has not always met audit standards, it was considered prudent to give the LSM financial powers when the voluntary closure process started.

6. The closure of the school is being considered for the following reasons:
   a. The school has a very low roll, there are few pre-schoolers in the area likely to enrol and only one potential additional enrolment during 2019.
   b. The other state school in Pahiatua, Pahiatua School, is less than one kilometre away from Hillcrest School.
   c. Although there are pre-school aged children in Pahiatua, all ECE services are closer to Pahiatua School, which is the school of choice for the community.
   d. The community is aware of the lack of opportunities for social interaction available to learners at Hillcrest School as a result of the low roll numbers.

7. The majority of Hillcrest’s parents have accepted the closure of the school and have sought alternative options for 2019 at other local schools.

Education in the Local Area

8. The largest, and the preferred school in the area, is Pahiatua School, which is a Year 1 – 8 primary school with 401 students. It is sited less than one kilometre from Hillcrest School. Ballance School is also a Year 1 – 8 primary school, with 26 students, and is approximately 12 km away. Mangatainoka School is a Year 1 – 8 primary school with 55 students and is approximately 5.4 km away. St Anthony’s School (Pahiatua) is a state integrated Year 1 – 8 primary school with 107 students, and is less than 1 km from Hillcrest School.

9. Pahiatua School and Ballance School are on 3 year ERO reviews. St Anthony’s School is on a 4 – 5 year review. ERO has been carrying out a process of ongoing evaluation at Mangatainoka School to support development over the course of one to two years.
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. You agreed to this consultation on 28 August 2018 [METIS 1138307 refers].

Consultation with the Board of Hillcrest School

11. The Ministry had meetings with the Board on 15 August 2018 and again on 12 September 2018, to discuss possible voluntary closure under section 154 of the Education Act 1989. The Board formally requested voluntary closure on 19 June 2018. It was made clear to the Board at these meetings that no final decision about closure had been reached. Regular contact has been maintained with the LSM and the principal by telephone and email.

12. The Ministry has provided information on the following to the LSM and the Board:
   - staffing issues
   - disposal of property
   - disposal of assets
   - closure process
   - residual agent duties
   - EDI policy
   - feedback from schools likely to be affected.

Consultation with the boards of other schools

13. On your behalf, the Ministry undertook consultation with the Boards of Pahiatua School, Ballance School, Mangatainoka School and St Anthony’s School (Pahiatua). We also consulted with local iwi. The only feedback has been a query received, that relates to processes that occur with school closures.

Assessment

14. The Board of Hillcrest School has indicated to the Ministry of Education in writing that it wishes to close the school [METIS 1138307 refers].

15. The LSM has also written to the Ministry and provided a copy of the 15 August Board minute summarising the feedback from consultation and confirming the Board’s decision to request the close of the school.

16. The Ministry supports the Board’s position because:
   - the school has a declining roll
local population projections do not indicate a need for the school
there is capacity at other local schools to absorb the students who would be on
the roll in 2019. These schools are easily accessible for students in the area
there is widespread support for the closure from the school community. No
concerns were raised by the Boards of the neighbouring schools or iwi
Pahiatua School has 401 students, and is able to provide greater opportunity
for social interaction and a wider range of curriculum and extracurricular
choices for students than Hillcrest School.

Risks

18. We consider this to be a low risk decision, as the Board of Trustees, local community,
and other schools support or do not have concerns about the closure of the school.

Staffing

19. Hillcrest School has a fixed term principal, principal release teacher, part time
cleaner/caretaker and a part time secretary. The Board is working through all industrial
requirements regarding teaching and non-teaching staff with assistance from the New
Zealand Education Institute and the New Zealand School Trustees Association.

Financial Implications

20. If you agree to this closure the estimated total net operating savings to the Crown is
$68,000 (excl GST) in the first year and $162,000 (excl GST) in subsequent years,
with net savings of $769,500 (excl GST) over six years.

21. The proposed closure would be implemented using the Educational Development
Initiative (EDI) policy. The cost to the Crown of the EDI enhancement would be
$108,500 (included in the above calculations). This funding is to help students
transition to their next school and to raise achievement.

Property and Transport Implications

22. The property at Hillcrest School is Crown-owned. If the school closes, and it is not
required for educational purposes, the site and buildings will be disposed of in
accordance with section 40 of the Public Works Act 1981, related local authority
legislation and the protection mechanisms in respect of Māori land claims.

23. There are no transport implications arising from the proposed closure of the school.

Next Steps

24. 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 give it 28 days to provide arguments in
favour of the school remaining open.
25. In this case, as the Board has requested closure and there is support for this from the community, with no opposition from surrounding schools. We therefore consider that the 28 day period for provision of further arguments in favour of keeping the school open is not necessary.

26. If, after considering the information in this report, you decide you are satisfied the school should close, draft letters (Annex 3) and a Gazette Notice (Annex 4) are attached for you to inform the board and gazette the closure. The closure would take effect on 27 January 2019. The LSM’s appointment would automatically end on that date.

27. If you agree to this request for closure, a Memorandum of Agreement itemising the EDI funds and the process for accessing them, as well as details of the distribution of assets from Hillcrest School, will be confirmed with the Hillcrest Board and other relevant Boards.

Conclusion

28. The Board has requested the closure of Hillcrest School due to a declining roll, which has affected the school’s current and long term viability.

29. The Ministry supports this decision because:
   • there is support for the closure from the school community and no concerns were raised by the Boards of the neighbouring schools
   • the school has a declining roll
   • local population projections do not indicate a need for the school
   • there is capacity at other local schools, which are easily accessible for students in the area.

Proactive Release

30. 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: Map showing local schools
Annex 2: Letter from LSM
Annex 3: Letters to Board Chair and local Member of Parliament
Annex 4: New Zealand Gazette notice
Hillcrest School
42 Princess St
Pahiatua 4910
(06) 3768910

August 23rd, 2018

Dear Ross,

You will be aware that Hillcrest School, Pahiatua, Board of Trustees had requested that the Ministry of Education (MoE) consider the Board’s request for voluntary closure.

Following the initial request for closure, and then after another period of 28 days for public submissions on the proposed closure, the Board met again on Wednesday August 15th, 2018.

At that meeting, the Board endorsed its earlier decision to request of the MoE the closure of Hillcrest School as of the end of the 2018 school year, effective from January 27th, 2019.

Please find the attached Board Minutes as a record of that decision.

Please be assured that the Board of Trustees and the Limited Statutory Manager (LSM), will be seeking the advice of NZSTA and liaising with NZEI in respect of any staffing or other implications around the closure of Hillcrest School.

Once the MoE has made a decision in respect of the closure of the school, please advise the MoE procedures required in regards said closure if confirmed.

Yours sincerely,

Kevin Palmer
Limited Statutory Manager
Hillcrest School

Kevin Palmer
Educational Consultant
Te Aomihi Tangiwi
Chairperson
Board of Trustees
Hillcrest School (Pahiatua)
42 Princess Street
PAHIATUA 4910

Dear Te Aomihi

Thank you for your Board resolution of 15 August endorsing its earlier decision to request the closure of Hillcrest School (Pahiatua) as of the end of the 2018 school year. I note that closure is being considered because the roll at Hillcrest School has declined considerably, there are few pre-school children in the area that are likely to enrol at the school, and there are other primary schools close by, with capacity to enrol those students.

The Ministry of Education has consulted on my behalf with your Board and with the boards of schools whose 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 am satisfied that Hillcrest School should close. The closure will be gazetted shortly to take effect on 27 January 2019.

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

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

Yours sincerely

Chris Hipkins
Minister of Education
NEW ZEALAND GAZETTE NOTICE

Education Act 1989

Hillcrest School (Pahiatua) (2856) Closure Notice

Pursuant to section 154 of the Education Act 1989 I hereby declare that Hillcrest School (Pahiatua) (2856) will close on 27 January 2019 and will cease to be established on that day.

Dated at Wellington this 19th day of December 2018.

Chris Hipkins
Minister of Education