Briefing Note: First Five ECE Service, Cannons Creek

To: Hon Chris Hipkins, Minister of Education

Date: 10 January 2019

Priority: High

Security Level: In Confidence

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Messaging seen by Communications team: No

Round Robin: No

Purpose of Report

The purpose of this paper is for you to:

Note the background and potential next steps for the First Five Early Childhood Education (ECE) Service currently located in eastern Porirua; and

Agree that this Briefing Note will be proactively released.

[Signature]
David Wales
Acting Deputy Secretary
Sector Enablement and Support

[Signature]
Hon Chris Hipkins
Minister of Education

This situation is ridiculous. There is no immediate harm to allowing First Five to remain until they secure a new site.

If costs are the issue, then this should be addressed ASAP.

This kind of inflexibility gives the public service a bad name.
Summary

- First Five has been based in a former ECE building at Cannons Creek School for the past two years. This was a temporary measure while the service sought more permanent premises.

- The building occupied by First Five has been identified for demolition because it is surplus to the school’s requirements, is not economical to maintain long term and the school has plans for the site. The building’s location means that the school’s students have limited access to their playground, and restricts supervision capability. Ministry funding has been allocated to remove the building in the April 2019 term break.

- Children attending First Five are not from eastern Porirua, are not priority learners and do not progress to schools in eastern Porirua.

- We are supporting the service to find alternative premises. We have made them aware of potential issues that need to be taken into account in terms of prospective premises to ensure that any property they move into is able to be licensed.

- First Five has sought an extension to its current lease. We have indicated that this may be possible for a short period providing they have secured a new premises by 18 January 2019, but the lease cannot be extended past the end of March due to the imminent demolition of the building.

- We are waiting to hear from First Five as to whether they have identified and secured an appropriate property before we make any decision about extending their current lease.
Background

1. First Five is a community based ECE service that initially opened in temporary accommodation at Kenepuru. The site at Kenepuru was available until Ngāti Toa began its housing development on the site in 2017.

2. First Five had no apparent plan for relocation at that time, and we supported them to broker a last-minute agreement with the Cannons Creek School Board of Trustees to occupy a building on its school site that had previously been used by a Playcentre.

3. The Cannons Creek School Board agreed to a two year lease in January 2017, to host First Five on the school site until 24 January 2019, with no right of extension.

4. We were clear from the outset that this opportunity was being provided for two years only, to enable First Five to prepare for a move to a more permanent location. We expected them to budget towards moving at the end of 2018, and to have identified and secured an appropriate permanent location by this time. This expectation has been made clear to First Five throughout their tenancy at Cannons Creek School.

Expiration of First Five’s lease at Cannons Creek School

5. In June 2018, the Cannons Creek School Board of Trustees wrote to First Five giving notice of their lease’s January 2019 expiry date.

6. The building occupied by the service has been identified for demolition because it is surplus to the school’s requirements, is not economical to maintain long term and the school has plans for the site. The building’s location means that the school’s students have limited access to their playground, and restricts supervision capability. Ministry funding has been allocated to remove the building in the April 2019 term break.

7. There is surplus capacity at local schooling sites, but this would take significant investment to bring up to standard for ECE occupation and licensing requirements. We are not funded to do this work and First Five has not saved the necessary funding, despite years of minimal rental on the Kenepuru and Cannons Creek sites.

First Five’s position in the Cannons Creek community

8. Cannons Creek was not a preferred location for the service, who only accepted it as there were no other relocation options. First Five families are not from Porirua East. Most are families who moved with the service from the Kenepuru site. This service is not serving the local Porirua East community. Children from the service do not move on into Cannons Creek School or to attend other schools in eastern Porirua.

9. First Five was invited to join the local Kāhui Ako and the recent community meeting to learn about planned housing development investment. It has declined both invitations.

10. Priority ECE needs in Porirua are for Pacific based services. First Five does not serve Pacific families.
Communications with First Five regarding its lease

11. In June 2018 we reminded First Five that their lease would end in January 2019. To ensure families were not left without childcare should First Five be unable to find suitable accommodation for 2019, we advised the service of the surplus capacity at other services as options for their families. We are unsure whether this information was passed to families.

12. We have subsequently provided face to face, written and telephone advice to First Five regarding prospective locations and premises. Options identified either did not meet their needs, or would be too costly for fit out and to meet regulatory requirements.

13. We met with First Five on 20 November 2018. At the meeting they identified three prospective sites, and asked for an extension of their lease at Cannons Creek School to give them time to finalise new premises. We were clear at the meeting that:

- their lease would end in January 2019 unless they had found an alternative site and needed a few weeks to finalise planning
- the absolute latest the lease can be extended is the end of March, due to the impending demolition of the building
- to consider an extension, we would need written confirmation that they had secured alternative premises by 18 January 2019
- if an extension was approved, asbestos may be discovered as contractors prepare the building for demolition - this would require them to vacate within 24 hours.

14. We emailed First Five on 5 December 2018 reiterating that in order for us to consider extending, they would need to confirm they had secured an alternative premises by 18 January 2019.

15. First Five wrote to us on 17 December 2018 indicating that:

- they understood that their lease could be extended if they needed extra time to finalise a new lease, and they did not recall discussing the requirement to confirm they had secured new premises by 18 January 2019
- a building in Cannons Creek recently vacated by Barnardos is the service’s preferred new premises, and they intended to submit a tender to an open tender process prior to Christmas\(^1\)
- the 18 January deadline means the service would need to close by 24 January - this doesn’t give parents enough time to find new childcare, potentially putting their employment at risk, and means staff will lose their jobs immediately.

16. We are concerned that an open tender process has too many uncertainties. We responded to First Five on 20 December including the following points:

- Even if the service is able to secure the premises, it is not clear when the building will be ready for habitation. They would need to arrange alternative accommodation if the new premises were not available by the end of March. It would not be able to continue to operate at the school past March 2019.
- The risk that asbestos may be discovered as contractors prepare the building for demolition, requiring them to vacate within 24 hours, was reiterated.

\(^1\) We are aware that other ECE providers may also be competing in the open tender process (some of which may provide for priority Māori or Pacific families). We therefore could not provide the letter of support that First Five requested for their bid.
• We have provided reminders about lease's expiry since June 2018, and First Five should have been communicating with families and staff to ensure everyone was fully aware of the situation and could make plans accordingly.

**Risks involved in extending First Five's lease**

17. Risks involved if we extend the lease for First Five on the Cannons Creek School site to the end of March include:

- First Five’s bid in open tender may be unsuccessful
- asbestos may be found in the pre-demolition process, resulting in the need for the service to leave the site immediately
- the preferred site may require asbestos removal before occupation in May at the earliest (this risk has been highlighted in discussions with Porirua Council, who own the premises). There would then still be a gap from April to May, where First Five would need another site.

18. If we agreed to extend First Five’s lease on the Cannons Creek School site further than March, this would interfere with demolition plans. Funding for the demolition is allocated annually. If it is not spent, the school will have to re-enter prioritisation to secure funding next year. If the demolition does not occur, the School's students will continue to be without full playground access beyond the current two year delay. The building will continue to deteriorate, and may need to be fenced for Health and Safety reasons.

**Other options for First Five's students**

19. There is surplus capacity in ECE services in eastern Porirua, Tawa and Titahi Bay. These locations are more reflective of the communities First Five’s current students reside in.

20. Cannons Creek School also hosts another ECE service on the school site with some spare capacity – Nuanua Kindergarten (under He Whānau Manaaki). Nuanua Kindergarten was built in 2014 and funded through Ministry Targeted Assistance Participation.

**Proactive Release**

21. We recommend that this Briefing is proactively released as per your expectation that information be released as soon as possible. Any information which may need to be withheld will be redacted in line with the provisions of the Official Information Act 1982.