Education Report: Splitting of the Combined Board of Trustees and re-establishment of two separate Boards of Trustees for Mount Hutt College (348) and Lauriston School (3407)

To: Hon Chris Hipkins, Minister of Education
Date: 12 August 2019
Priority: High
Security Level: In Confidence
METIS No: 1200769

DDI: S 9(2)(a)

Drifter: Sue Rogers (Christchurch)
Doug Ferry (National Office)

Key Contact: Jill Forgie, Manager
Education Canterbury

Messaging seen by Communications team: No
Round Robin: No

Purpose of Report

The purpose of this paper is for you to:

Agree that the Combined Board of Trustees for Mount Hutt College and Lauriston School should be split under section 112 of the Education Act 1989 (the Act) and a separate board of trustees should be re-established for each school with effect from 27 September 2019.

Summary

1. A Combined Board of Trustees (Combined Board) for Mount Hutt College and Lauriston School was approved by the then Minister of Education, on 16 December 2003, with effect from 15 March 2004. This followed the Mid-Canterbury District Education Review in 1999, when Mount Hutt College had been working closely with other schools in the area, and particularly with Lauriston School. A clustering project between the two schools was established as an outcome of the 1999 review and Lauriston School had been exploring options for its future.

2. At the time, the schools had been increasingly working together and some processes for Lauriston School were carried out by Mount Hutt College (for example, processing accounts).

3. The community's commitment at that time to combined governance has not been sustained. On 9 April 2019 the Combined Board formally advised the Ministry (see Annex 1) that it proposed splitting the Combined Board and returning to a separate board for each school.
The Combined Board's request was made after consultation which identified strong community support for splitting the board. The community believes that separate boards will be able to provide a greater focus on supporting student achievement in each school.

The Combined Board has confirmed that no property is held in joint ownership, no assets are shared or held in joint ownership or trust, the schools' finances are managed separately with separate budgets and sign off for each school, and all staff are employed under a contract that relates to their respective school. No employees are shared between the schools.

The Ministry supports the splitting of the Combined Board as:

a. the communities' preference is to have two separate Boards;

b. the Education Review Office believes that both schools would benefit from having separate boards;

c. community support for each school suggests that board elections will produce a viable board for each school; and

d. ongoing support can be provided to each new board as required.
Recommended Actions

The Ministry of Education recommends you:

a. **agree** that you are satisfied, after consulting the Education Review Office and the Combined Board, that in all the circumstances it is appropriate for the Combined Board of Trustees for Mount Hutt College and Lauriston School to be split under section 112(1) of the Education Act 1989;

b. **agree**, under section 112(1) of the Education Act 1989, that a Board of Trustees for Mount Hutt College and a Board of Trustees for Lauriston School should be re-established with effect from 27 September 2019;

c. **agree**, under section 114 of the Education Act 1989 that the residual employer of the employees of the Combined Board will be the Mount Hutt College Board of Trustees;

d. **sign** the attached New Zealand Gazette notice to establish a Board of Trustees for Mount Hutt College and a Board of Trustees for Lauriston School;

e. **sign** the attached letter to the Combined Board for Mount Hutt College and Lauriston School informing it of your decision;

f. **note** that, if you approve the split, before the date specified in the New Zealand Gazette notice the Secretary’s delegate will give written notice to all employees of the Combined Board, under section 114 (b) of the Education Act 1989 as to which Board they will be employed by; and

Noted

g. **agree** that this Education Report is proactively released after employees have been notified of their employment arrangements.

Agree / Disagree

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Katrina Casey
Deputy Secretary
Sector Enablement and Support

9/8/2019

Hon Chris Hipkins
Minister of Education

20/8/19
Background

1 Mount Hutt College is a year 7-13 secondary school located in Methven in Mid-Canterbury, with a 1 March 2019 roll of 453 students. Lauriston School is a year 1-6 contributing primary school located in the Methven area, with a 1 March 2019 roll of 90 students.

2 A Combined Board for Mount Hutt College and Lauriston School was approved by the then Minister of Education, on 18 December 2003, with effect from 15 March 2004. This followed the Mid-Canterbury District Education Review in 1999, when Mount Hutt College had been working closely with other schools in the area, and particularly with Lauriston School. A clustering project between the two schools was established as an outcome of the 1999 review and Lauriston School had been exploring options for its future.

3 In December 2016 a Limited Statutory Manager (LSM) for the Combined Board was appointed under section 78M of the Education Act 1989. The LSM was vested with the functions, powers and duties of the Board as an employer and to manage communications.

4 This statutory intervention was revoked on 16 November 2017.

5 The Ministry and New Zealand School Trustees Association (NZSTA) have provided informal support in the last two years for the Combined Board to manage some employment issues. A new principal is currently being sought for Mount Hutt College.

6 The communities’ commitment to combined governance has not been sustained. On 9 April 2019 the Combined Board formally advised the Ministry (see Annex 1) that it proposed splitting the Combined Board and returning to a separate board for each school.

7 The Combined Board’s request was made after consultation which identified strong community support for splitting the board. The community believes that separate boards will be able to provide a greater focus on supporting student achievement in each school.

Authority for Splitting a Combined Board of Trustees

8 The statutory authority to split a Combined Board of Trustees is provided under section 112 of the Act, which states that “If satisfied, after consulting the Review Office and the board concerned, that in all the circumstances it is appropriate for a combined board to be split, the Minister may, by notice in the Gazette, establish two or more boards for the schools or institutions the combined board administers, with effect on a date specified in the notice.”

9 The proposed timeline for splitting the Combined Board is provided in Annex 2. The process would start by 14 August with an election day on 20 September. The new Boards will take office on 27 September.
Process to Follow Splitting a Combined Board of Trustees

10 If you approve the split, before the date specified in the attached New Zealand Gazette notice, the Secretary’s delegate will give written notice under section 114(b) of the Act to each employee of the Combined Board. The written notice will advise each employee that those who remain employees of the Combined Board immediately before the day specified in the notice shall on that day become employees of the boards specified in each employee’s letter. Service in the employment of the Combined Board shall be treated for all purposes as service in the employment of the new Board specified.

11 The effect of the Secretary’s letters will be that:
   a. employees of the Combined Board who are, immediately before 27 September 2019, employed to work in Mount Hutt College, but not in Lauriston School, will on 27 September 2019 become employees of the Mount Hutt College Board of Trustees;
   b. employees of the Combined Board who are, immediately before 27 September 2019, employed to work in Lauriston School, but not in Mount Hutt College, will on 27 September 2019 become employees of the Lauriston School Board of Trustees;
   c. the residual employer of the employees of the Combined Board will be the Board of Trustees of Mount Hutt College. This is a legal safeguard to ensure continuity of employment for all employees, should the Secretary’s letters not reach each employee before the Gazette notice takes effect.

12 The Combined Board has advised that none of its current employees are assigned to both Mount Hutt College and Lauriston School. The separation of employees to each of the two new Boards should therefore be straightforward.

Consultation

Community

13 The Combined Board took a multi-faceted approach to engaging with its community, including a community meeting, a community survey, media and editorial presence and one to one discussion with community influencers. (See extracts in Annex 3). This included discussion with former Board members who were involved in the set-up of the Combined Board in 2003.

14 Seventy percent of respondents to the survey agreed with the proposal to split the Combined Board. Some of the benefits anticipated were the potential for stronger engagement with each school community, reducing trustee workload, and focussing Board discussion on the needs of each school.

15 The risks of splitting the Combined Board were also discussed. The risk of not being able to find enough people willing to stand for election for each Board was seen to be balanced by a potential greater willingness to stand for a Board with a single local school focus.

16 Any loss of continuity for students transitioning between the schools was seen to be balanced by each school’s participation in their Community of Learning.
Education Review Office
17 We met with the Education Review Office (ERO) in May 2019 (see Annex 4) to discuss the Combined Board’s request.

18 The last ERO report for Mount Hutt College (dated January 2017) identified a number of ongoing challenges for the Combined Board, some of which had spanned two ERO review cycles. ERO believed the Combined Board needed to focus on improvements to Mount Hutt College.

19 The ERO report noted that Lauriston School had made significant improvements to planning, learning and teaching since its previous report. However the November 2018 report noted that school personnel felt that they were the “poor relation” to Mount Hutt College and expressed frustration with the school’s combined governance arrangements.

20 ERO believes that both schools would benefit from having separate Boards and that the Combined Board model had not worked well for the focus of each individual school community in the last few years.

NZSTA
21 We have consulted with NZSTA. NZSTA supports splitting the Combined Board and will provide ongoing support for the election and professional development of the membership of the two new Boards.

NZEI / PPTA / E TU
22 We have discussed the proposed Combined Board split with the relevant representatives of each employee group. The terms and conditions of employment and continuity of service of each and every employee are protected under the Act.

Risks
23 There is a risk that Lauriston School, being the smaller school, may not be able to attract enough suitable candidates for a new Board. However, the current Combined Board reports that it has had good representation from the Lauriston School community and the school also has a thriving Parent Teacher Association that has few issues in attracting participants.

24 NZSTA will support the school to promote the election process for this and ongoing election cycles.

25 The Combined Board also identified the risk of loss of continuity as they transition to separate Boards. However, the current trustees (elected and co-opted) are able to stand for election to the new Boards to provide continuity. In addition, the Community of Learning will support continuity.

Financial Implications
26 There will be a cost to the Crown of approximately $6000 to reimburse the schools for expenses relating to running the two separate Board elections.

27 The Combined Board must prepare final financial accounts up to the date that the Combined Board split takes effect. This will also incur costs, which will be borne by the Combined Board.
Proactive Release

28 We recommend that this Education Report is released after employees have been notified of their employment arrangements.

Annexes

Annex 2: Board of Trustees Election timeline.
Annex 3: Extracts from the Combined Board’s Proposal and Consultation Feedback.
Annex 5: Notice for the New Zealand Gazette
9th April 2019

Deputy Secretary of Education,
Sector Enablement and Support,
C/O Ministry of Education Governance team
MGE.GovernanceTeam@education.govt.nz

Dear Sir/Madam

I am writing to notify the Ministry of Education of the intention by the Lauriston Primary School and Mount Hutt College Combined Board of Trustees to change the structure of our Combined Board of Trustees.

Our two schools are currently governed by one Board of Trustees and intend to separate into two individual Boards, one for each school, effective at the 2019 Trustee elections.

The Board has undergone a robust community consultation process which has identified strong community support for splitting the Board. The community consider that the value proposition of the enhanced focus by two individual Boards on the matters of each school, and the opportunity to better support student achievement, far outweigh the risks associated with the Combined Board continuing to govern both schools.

Furthermore, our investigations have identified no interdependencies between the schools. There is no jointly held property, no jointly employed personnel and there are not any assets shared between the schools. Both schools are structured and are run entirely independent of each other (other than with a Combined Board). A formal proposal for splitting the Board with details of the risk-benefit assessment, and the findings of the community consultation will be forthcoming.

I trust you will consider this request favourably and approve the proposal in a timely manner to enable us to implement the changes in time for the 2019 Trustee elections.

Kind regards

Richard Fitzgerald
Chairperson
Lauriston Primary School and Mount Hutt College
Board of Trustees

Board of Trustees Secretary, C/- Mount Hutt College, PO Box 85, Methven, 7745.
Email botsecretary@mthutt.school.nz
Annex 2: Board of Trustees Election timeline

Board of Trustees Election Proposed Timeline

Mount Hutt College (348) and Lauriston School (3407)

<table>
<thead>
<tr>
<th>Process</th>
<th>Time frame</th>
<th>Date</th>
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</thead>
<tbody>
<tr>
<td>Appoint returning officer</td>
<td>At least 37 days before election</td>
<td>By 14 August 2019</td>
</tr>
<tr>
<td>Close roll</td>
<td>At noon, 30 days before election day</td>
<td>21 August 2019</td>
</tr>
<tr>
<td>Call for nominations</td>
<td>At least 28 days before election day</td>
<td>By 23 August 2019</td>
</tr>
<tr>
<td>Close supplementary roll</td>
<td>At noon, 16 days before election day</td>
<td>4 September 2019</td>
</tr>
<tr>
<td>Close of nominations</td>
<td>At noon, 14 days before election day</td>
<td>6 September 2019</td>
</tr>
<tr>
<td>Issue voting papers</td>
<td>After close of nominations and at least 9 days before election day.</td>
<td>By 11 September 2019</td>
</tr>
<tr>
<td>Close poll</td>
<td>Noon on election day</td>
<td>20 September 2019</td>
</tr>
<tr>
<td>Accept postal votes</td>
<td>Up to 5 days after election day (if postmarked before noon on election day)</td>
<td>By 25 September</td>
</tr>
<tr>
<td>Count votes</td>
<td>On 6th day after election</td>
<td>26 September 2019</td>
</tr>
<tr>
<td>Declare results</td>
<td>As soon as result is known</td>
<td></td>
</tr>
<tr>
<td>Board takes office</td>
<td>On 7th day after election</td>
<td>27 September 2019</td>
</tr>
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Annex 3: Extracts from the Combined Board’s Proposal and Consultation Feedback

Proposal to Split the Mount Hutt College and Lauriston Primary School Combined Board of Trustees

Executive Summary
The existing combined Board of Trustees and community propose that Mount Hutt College and Lauriston Primary School have their own separate Board of Trustees. Currently each school is structured and operate completely independently of each other, except for the Board of Trustees. A robust community consultation and feedback process has taken place with both school communities. This demonstrated a strong desire to have separate Boards, and several significant benefits have been identified. The major benefit will be increased student achievement resulting from the Board having a singular focus on the affairs of one school. The discussions highlighted the challenge of securing more Trustees to run two Boards. However, it was also considered that this would not be a significant issue.

Background

In 2003 Lauriston Primary School was advised they were to close. In response to this they approached Mount Hutt College to sit within their governance which would enable them to remain open. Both schools went through a consultation process, applied to the Minister of Education and it was approved to have a combined Board. The process required both Boards of Trustees to cease and a new combined board be created.

Time and circumstances have changed, and members of the community and board members regularly ask the question whether a combined board works best for both schools or if separate boards would deliver better educational outcomes for each school. Both schools are in a strong position and the board believe that now is the time to have the public discussion.

The current Combined Board of Trustees is comprised of the principal from each school, a teacher Trustee and a student trustee as well as four elected parent trustees and three co-opted trustees. Of these, three trustees are connected only to Lauriston Primary School and four are connected only to Mt Hutt College. Two trustees have a connection to both schools. The board is evenly balanced with even representation from both schools.

Proposal

After completing due diligence and a robust process of community consultation, the Mount Hutt College and Lauriston Primary School Combined Board of Trustees (the Board) propose that the Board cease the current governance structure at the 2019 Trustee elections and the elections be held for two Boards of Trustees; one board will govern Mount Hutt College and one board will govern Lauriston Primary School.

The findings – the benefits of splitting the Board

Following is a summary of the themes that came through the consultation process with several quotes sourced from the consultation feedback survey.

Governing one school will provide the following benefits when compared to one Board governing two schools:
• More effective governance
  o Each school will have the entire focus of the Board on the affairs of that school. This will enable the Board to understand the unique character of the school more deeply, and leverage those strengths. This will flow through to all aspects of the school including student achievement.

'It would be an advantage for each school to have their own dedicated board meetings so as to explore issues and opportunities in more depth than is possible at this time with the time limitations of combined board meetings'. LP - Methven

'We like the idea that a separated board will bring the best of both school and it would be reflected in a better education for the children'. DC- Lauriston

'Both schools will be better governed by their own board, they are both unique and need to be nurtured and managed differently. Time will be better spent at meetings and on projects when there is only 1 focus. - MJ Methven

'It is now time for these Schools to have separate Boards so each school can concentrate solely on their students fulfilling their achievements to the best of their abilities'. MII – Methven

• Credibility
  o The board will have stronger engagement with their community because their focus is entirely on that school and the school community. Trustees will be more connected to each individual school which builds the mana, trust and confidence by the school community.

'Lauriston School is absolutely unique, and on a whole different level to Mount Hutt College. I feel that the specific needs and requirements of Lauriston School would be better met by a Board of Trustees who live and work in their community'. AJ - Methven

• Simplified trustee’s requirements
  o There will only be one set of school policy’s and processes to understand including financial, asset and policy matters. There will be fewer variables and issues to be addressed.

'Board meeting time spent solely on Lauriston School matters seems a more appropriate and efficient way for board members to deal with governance and individual school needs. I agree that the reduction of workload for key roles is important. Splitting will also mean that attendees to board meetings are not required to be part of discussions that are not relevant to them or the school they are representing'. BH – Lauriston

• Trustees workload
  o A significant area of concern is the current workload expected from the Trustees, especially the Chairman. Splitting the Board will make these roles more manageable as the focus will be on one school, some of the discussion at sub-committees could be brought into the board meeting which would reduce the workload across the wider board
  o It was highlighted that two boards may increase the pool of potential Trustees as the joint board appears to be a barrier for those with no interest in either Lauriston or Mt Hutt College. Therefor these people do not stand as a Trustee for the combined board.

'I wonder if more people would put their names forward if they were only having to concentrate on the one school that they have an interest in. I know if I was a parent of a Mt Hutt student and they had not attended Lauriston School, I would possibly not wish to be part of the combined board.'
While I realise the board of Trustees concentrates on governance, there is, I believe still a huge difference between a primary schools focus and a high schools focus and I take my hat off to all trustees in the past who have served on our combined board for their dedication towards both schools. It is a huge workload and few are prepared to take time out of their already busy lives to put their hand up for such a big job. I would hope that by splitting the boards, the job of a trustee would not be an onerous, particularly for the chairperson’. Anna - Methven

The findings – the risks of splitting the Board

Following is a summary of the themes that came through the consultation process. There were no risks highlighted in the on-line community feedback survey responses.

- Enough Trustees
  - The discussion highlighted the main possible risk existing for Lauriston in being to be able to secure enough trustees of the calibre required to deliver on the role. It was noted that the current, and previous Combined Boards had good representation by Lauriston Trustees. It was also noted that there is a thriving School Support group (PTA) which has few issues with securing participants.

- Loss of continuity
  - The Board identified a possible short-term risk with the transition to two boards through a potential influx of new Trustees, and therefore loss of continuity. This is moderated by the fact that the current Board is comprised of half of the Trustees being connected to Lauriston and half to Mt Hutt College. Additionally, with several co-opted members currently on the Board, the election process may return these people to give two experienced Boards from the outset.

Interconnected Schools

The Board undertook a review of the interconnectedness between each school and what would need to be addressed for both schools to be completely independent from each other. It was determined that there is no property held in trust between the schools and no personnel employed across both schools; all staff are employed by their own respective schools. There are no jointly held assets between the schools. The only common point of connection is the Board of Trustees. This means that the matter of splitting the Board has no further implications than that of governance structure and process.

Community of Learning

Initially, one of the benefits of having a combined board was to achieve a more cohesive of students between primary and secondary schools and the student pathway from year 0 to 13. It is unclear whether this was achieved through the combined board, and these outcomes are currently being achieved on a broader basis through the Community of Learning initiative.

Summary

The Mount Hutt College and Lauriston Primary School Combined Board of Trustees proposes that the Board be split into two Boards; one that governs Lauriston Primary School and one that governs Mount Hutt College. This proposal has resulted from a robust consultation process which engaged with both school communities, their staff, the principals and other stakeholders.

Overwhelmingly, the community view is that a singular focus on the affairs of one school board will deliver better education outcomes for the students, it will enable governance decisions...
and strategic development to be based on a deep understanding of the unique character of each school, and stronger connections between the school and the community will result.

The risks pale in comparison to the benefits which will flow, and these benefits will be enjoyed by both Mount Hutt College and Lauriston Primary School equally, and the students of both schools will be the major beneficiaries.
Memo to: Puetanga Kose Selinafo
Jane McKinnon

From: Greg Tucker - Education Review Office Southern
Sue Carswell - Education Review Office Southern

Date: 07 May 2019

Subject: Lauriston / Mt Hutt School Board

Kia ora Puetanga and Jane,

Further to our meeting this morning regarding possible scenarios for governance of Lauriston School and Mt Hutt College I have outlined Sue and my thoughts.

Mt Hutt College:
The latest Mt Hutt ERO report highlights a number of ongoing challenges for the board related to Mt Hutt College:

The 2017 report quotes:
As an outcome of ERO’s evaluation, ERO requires the board and senior leaders to provide an action plan that addresses the following recommendations:
- develop strategic planning for supporting educational success for Māori, or Māori
- develop planning and approaches to accelerate the achievement of underachieving groups of students, as identified in this report
- in consultation with staff, evaluate current processes for consulting and communicating with them, and provide regular opportunities to review and report progress in this area to the board.
- continued strengthening of internal evaluation capability for sustained and ongoing improvement, including the regular review of governance and school leadership effectiveness

Some of these recommendations have spanned 2 ERO review cycles. The board needs to focus on improvements to just Mt Hutt College.

Lauriston:
Since moving off the ERO longitudinal process the school has made significant improvements to planning, learning and teaching:

Strengths of the school:
- improvement-focused leadership which is managing change strategically and intelligently
- child and whānau-centred communication practices that are inclusive, respectful and thoughtful
- strong bicultural practices and Māori values that guide practices, inform curriculum planning and delivery, and support trusting relationships at all levels of the school.

During the Lauriston School recent ERO review it was noted that the school personnel felt that they were "the poor relation" to Mt Hutt College and outlined some frustrations with the arrangements at governance level.

Our thoughts would be that both schools would benefit from having separate boards as the shared board approach has not worked well as these schools that have very different communities and focus.

Sue Carswell -
Acting Director Review and Improvement Services - Southern

Greg Tucker -
Manager Review and Improvement Services – Southern.
Annex 5: Notice for the New Zealand Gazette
NEW ZEALAND GAZETTE NOTICE

Splitting of combined Board and establishment of a Board of Trustees for Mount Hutt College (348) and a Board of Trustees for Lauriston School (3407)

Pursuant to section 112 of the Education Act 1989, I hereby split the Combined Board of Trustees of Mount Hutt College and Lauriston School and establish a Board of Trustees for Mount Hutt College and a Board of Trustees for Lauriston School with effect from 27 September 2019.

I further specify under section 114 of the Education Act 1989 that the residual employer of the employees of the Combined Board of Trustees will be the Board of Trustees of Mount Hutt College.

Dated this 20th day of August 2019

Hon Chris Hipkins
Minister of Education