



Report Title:	Draft Cabinet paper Report of the Ministerial Inquiry into School Property		
Report No:	2024-0232		
Date:	5 August 2024		
To:	Hon Erica Stanford, Minister of Education		
Action Sought:	Indicate any changes you would like us to make to the draft Cabinet paper	Due Date	Wednesday 7 August
Cc:	Hon Nicola Willis, Minister for the Public Service		
Contact Person:	Hannah Cameron, Deputy Commissioner Strategy and Policy		
Contact No:	9(2)(a)		
Encl:	Yes – draft Cabinet paper; analysis of entity	Priority:	High
Security Level:	IN CONFIDENCE		

Purpose of Report

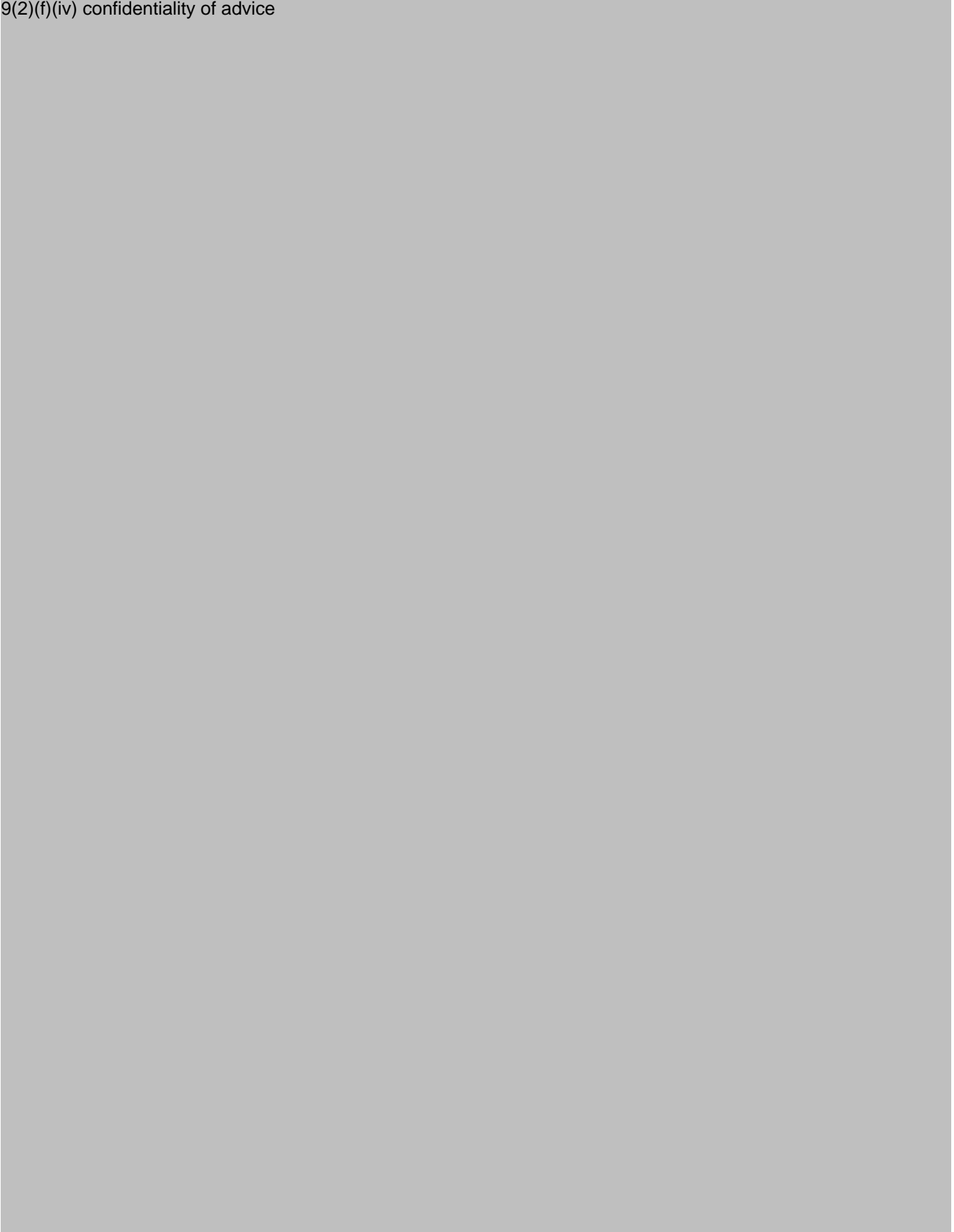
1. This briefing accompanies a draft Cabinet paper that outlines a potential initial response to the Report of the Ministerial Inquiry into School Property. It seeks your agreement that the paper will propose to move certain, but not all, school property functions out of Ministry of Education in the short to medium term.

Key matters from feedback requiring your decision

2. We have worked with the Ministry of Education, the Treasury and with your office to prepare a draft Cabinet paper outlining your response to the Report of the Ministerial Inquiry into School Property (the Inquiry Report). This draft Cabinet paper is attached for your consideration. It aims to test a high-level narrative on the approach you may wish to take.
3. The Inquiry Report recommends that:
 - a. a new entity be established for school property ownership and asset management separate from the Ministry of Education (MoE), and that commercial approaches should be used
 - b. changes to the options, funding processes, and accountabilities for schools in respect of property matters; processes should be simplified and accountability increased
 - c. decision-making processes should be clear
 - d. there should be a Transition Board and Transition Unit to take immediate actions to simplify the operating model, ensure value for money, and build toward the new entity.
4. We have considered the recommendations of the report together with the challenges for the school property system it identifies, when preparing the draft Cabinet paper.


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Remaining functions in the Ministry of Education

20. This leaves certain school property functions with MoE. The draft Cabinet paper addresses these remaining functions, and outlines steps taken to:
- a. make a series of immediate improvements to the systems and processes for school property, including appointing a new School Property Advisor Panel with external expertise
 - b. consolidate dispersed policy, planning, and investment decision-making functions in MoE together into a branded business unit, and bring in new leadership.
21. We have considered different ways to ensure there is dedicated leadership to bring together the dispersed policy, planning, and investment decision-making functions in MoE, and drive future changes to the system. We have considered:
- a. a branded business unit in MoE, led by a dedicated Deputy Chief Executive
 - b. a Functional Chief Executive, supported by a dedicated branded business unit with staff employed by MoE
 - c. a Departmental Agency, hosted by MoE.
22. In weighing up these options we have considered:
- a. the size of the school property portfolio, and ‘bandwidth’ issues for senior officials, especially the Chief Executive of MoE, tasked with these functions as well as other functions of MoE
 - b. the current interdependency of diverse school property functions within MOE and the need to maintain a coherent approach to delivering them while change occurs
 - c. the need to provide as much certainty and continuity for staff as change is made
 - d. the costs and disruption associated with each option.

23. On balance, we recommend putting in a place a Functional Chief Executive for school property, directly accountable to you for the functions of the business unit.
24. A Functional Chief Executive provides dedicated tier 1 leadership to the work of the branded business unit and helps to address 'bandwidth' issues by taking on, and being accountable for, the school property functions which remain in MoE. Appointing a Deputy Chief Executive would not do this as well, as accountability would remain with the Chief Executive of MoE. A Departmental Agency would also put in place dedicated tier 1 leadership. However, a Departmental Agency would be more costly, and disruptive, with higher administrative overheads than appointing a Functional Chief Executive.
25. A Functional Chief Executive would be appointed by the Public Service Commissioner but would be housed within MoE. They will be a dedicated leader who will drive the work programme and monitor the new entity outlined in paragraph 14.
26. The Functional Chief Executive would also be responsible for appointing a new School Property Advisor Panel which would build on, and replace, the existing, internal investment board. This new Panel would include external members, including members connected to the wider infrastructure work programme.
27. This new Panel would not have governance responsibilities and so, in this way, differs from the Transition Board recommended by the Report which would lack the mandate to make change, without legislative change. However, the new Panel would be well placed to perform functions including:
 - a. managing and advising on the pipeline of school property decisions, including network planning decisions
 - b. making sense of the data to inform decision-making
 - c. providing considered advice on investment decisions.
28. The Panel would also offer a way of testing different decision-making processes, in advance of considering legislative change in the medium to long term. While they would be appointed by the FCE, they could also provide you directly with advice and monitoring reports. You could take draft Terms of Reference to Cabinet if you wish.
29. Finally, the draft Cabinet paper also notes the improvements that MoE have already made to school property arrangements, and the active work programme it has in place.

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Next Steps

38. We are awaiting further contextual information from MoE which we will add to the draft Cabinet paper.
39. You are scheduled to meet with officials to discuss the draft paper on Wednesday 7 August.
40. We understand you would like to present the Cabinet paper by mid-September. Our initial timeline had the Cabinet paper going to Cabinet on 23 September, following consideration by the Cabinet Expenditure and Regulatory Review Committee on 17 September.
41. If you want to present your paper at Cabinet earlier than this, we recommend taking the paper to the Social Outcomes Committee on 11 September followed by Cabinet on 16 September.
42. To meet these timeframes, we recommend that combined Ministerial and agency consultation begins on 15 August and run until 29 August. The final Cabinet paper would then need to be lodged on 5 September.
43. Following your feedback, we will aim to present you with a revised version of the Cabinet paper by 12 August for further consideration.

Recommended Action

We recommend that you:

- b **note** the draft Cabinet paper at Appendix A.
- c **indicate** any changes you would like us to make to this draft Cabinet paper.
- d **indicate** whether you would like officials to develop draft Terms of Reference for the new investment board, prior to consideration by Cabinet
Yes / no.
- e **agree** that this briefing is not published until decisions have been made following Cabinet consideration.
Agree / disagree.

Hon Erica Stanford
Minister of Education