Greater Christchurch Education Renewal Programme (GCERP)

Programme Business Case

Information that has been withheld

Page	Deletions	Section of the Official Information Act
Page 9	Information has been deleted to prevent prejudice or disadvantage in relation to negotiations the Ministry of Education will have or is undertaking.	s9(2)(j)
Page 48	Information has been withheld to maintain the constitutional convention protecting the confidentiality of advice tendered by officials.	s9(2)(f)(iv)
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Page 67	Information has been deleted to prevent prejudice or disadvantage in relation to commercial activates the Ministry of Education will have or is undertaking.	s9(2)(i)
Page 81	Names of employees below manager level are withheld to protect the privacy of natural persons.	s9(2)(a)
Pages 89 -91	Information has been deleted to maintain the effective conduct of public affairs through the free and frank expression of opinions; Information has been deleted to protect information which is subject to an obligation of confidence and making available the information would be likely to otherwise damage the public interest	s9(2)(g)(i) s9(2)(ba)(ii)
Appendix A	This interim business case is publically available on the Ministry's shaping education website	s18(d)

Appendix E	This entire appendix has been deleted to prevent prejudice or disadvantage in relation to negotiations the Ministry of Education will have or is undertaking.	s9(2)(j)
Appendix F	This entire appendix has been deleted to prevent prejudice or disadvantage in relation to negotiations the Ministry of Education will have or is undertaking.	s9(2)(j)
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Appendix I	Information has been deleted to maintain the effective conduct of public affairs through the free and frank expression of opinions.	s9(2)(g)(i)
Appendix I	Names of employees below manager level are withheld to protect the privacy of natural persons.	s9(2)(a)
Appendix J	Names of employees below manager level are withheld to protect the privacy of natural persons.	s9(2)(a)

Please note: the Woolston site redevelopment is now a "proposal" which is dependent on the Minister's decision making regarding the proposed merger and further consultation with Phillipstown and Woolston schools.

Ministry of Education
Greater Christchurch Education Renewal Programme (GCERP)

Programme Business Case

Date Issued: November 2013
Version FINAL

Table of Contents:

Change Control

Date	Updated by	Change Made
7 November 2013	EIS	Final Issue

1. Executive Summary

Purpose

On 20 August 2012 Cabinet considered and approved an initial Programme Business Case (the IPBC) for the Ministry of Education's Greater Christchurch Education Renewal Programme (GCERP). This Updated Programme Business Case (UPBC) seeks to expand on and reconfirm that IPBC. It aims to re-assess and justify a $1.137bn investment in education renewal across the greater Christchurch region. In so doing it will demonstrate the opportunities for not just restoring the education network in the region, but for renewing and modernising it to remove inequalities and improve educational outcomes for the entire community.

With that opportunity comes responsibility; a responsibility to ensure that the investment achieves the maximum educational return for the benefit of not just the people of greater Christchurch but for the future economic benefit of all New Zealanders.

This UPBC will demonstrate how this will be achieved via five cases as per the Treasury's Better Business Case guidance:

- Strategic Case – explains why the programme should happen
- Economic case – analyses how we will deliver the programme to realise the strategic objectives of the programme
- Financial case – details the cost and funding sources
- Commercial case – outlines key commercial aspects largely around procurement options
- Management case – provides an overview of how the programme will be managed to deliver successful outcomes

Background

The earthquakes of 2010–11 caused massive disruption and loss for the people of greater Christchurch, impacting all members of the community and triggering regional, national and global responses.

Yet, prior to the earthquakes the educational situation across greater Christchurch was not perfect. Inequalities existed; a disproportionate number of Maori and Pasifika young people left school early with few qualifications, never to return to education or training. School leaver attainment in greater Christchurch lagged behind that of Auckland and Wellington. The educational infrastructure suffered from an aging property portfolio, had issues of over capacity and was in need of modernisation.

While the school property portfolio generally responded well during the earthquakes in comparison to other asset categories, considerable damage was sustained and major investment is now required to address network shortfalls. Furthermore there is now a mismatch between current educational demand and supply due to land damage resulting in large residential developments being untenable for reconstruction and changing the nature and pattern of urban development within greater Christchurch.

Raising student achievement and ensuring that all young people can access high quality teaching in modern educational environments is one of the Government's main priorities. Against this backdrop comes an historic opportunity and great responsibility via the GCERP to provide current and future children with greatly enhanced access to quality education and to make real advances in educational achievement; to not just restore but to renew and improve.

This Business Case addresses 115 schools and does not address the remaining schools that form part of the broader Education Renewal Plan. It focuses specifically on the property aspects of the programme (as an enabler to broader Educational benefit outcomes).

The Strategic Case

The GCERP is intended to "position greater Christchurch as a future leader in teaching and learning practice". The objective is to develop a new model of education delivery within the region that is structured around clusters of education providers who collaborate to seamlessly integrate education delivery across the learning continuum within a defined local area. This modern education network will take collective ownership for education delivery and student achievement within its defined geographic region. The network will be based around flexible models of education provision in ICT-enabled environments that empower teachers and learners to develop and implement new, more effective approaches to education delivery.

The key outcomes of the programme lie in the establishment and fostering of Learning Community Clusters (LCC). That is a network of schools and early childhood service providers where all members have a common interest and willingness to work together collaboratively to develop and implement educational best practice solutions to common education challenges.

The focus of the LCCs will be on enhancing the provision of education across a network, rather than in individual settings. Adopting a cluster model of education provision provides an opportunity to develop and implement innovative practices that achieve better educational outcomes across the network - and for priority learners in particular.

Investment Objectives

The Ministry is focused on ensuring the education system delivers on the Government's key goals – better public services that deliver improved outcomes for all New Zealanders, and stronger economic growth for New Zealand.

To support the successful achievement of these outcomes the Ministry must ensure that the state school property portfolio has sufficient schooling capacity, of the right type, in the right location and of appropriate quality to support and facilitate effective teaching and learning and enable choice. Schools that require higher than normal maintenance and capital expenditure during their lives or do not reflect best practice modern learning environment standards will inevitably detract in some way from the Ministry's ability to meet these strategic objectives.

The Ministry considers that addressing these issues will result in significant efficiency and effectiveness improvements to education delivery in Christchurch. The investment objectives for GCERP are:

Education Renewal	Property and Infrastructure
• The education system will provide the skills and knowledge needed for the development of greater Christchurch as its economy adapts to changes precipitated by the earthquakes. • Educational institutions will support the transmission of language and culture and the development of personal identity by harnessing resources and expertise in ways that individuals or voluntary organisations cannot. • A disproportionate number of Māori and Pasifika young people leave school early, with few qualifications, never to return to education or training. We will provide a network with thriving, well-resourced, culturally responsive ECE services, schools, and tertiary providers that will work in collaboration with families, whānau, and the community. • Communities identify with their schools: good local schools can have a positive impact on how people feel about their neighbourhood. By renewing the education system, we will rebuild Christchurch's reputation as an education destination and confirm the region as a great place to live. • Education is a major source of economic activity and employment in greater Christchurch. The renewal of the education network will cement education as an economic enterprise in its own right.	• Building an optimised network to meet education demand: 'rationalise and design a school network optimised to meet education provision in Christchurch'. This ensures the right schools are in the right place. • Better integrate schools to use shared facilities: The renewal of the Greater Christchurch school network has the opportunity to be coordinated between schools or between a school and the community. The Ministry has the opportunity to better utilise assets such as halls and gyms. • "Safe and inspiring learning environments" through improved infrastructure standards. The investment should deliver quality standards in New Zealand schools and develop a resilient network more capable to respond to future natural disasters. This results in a better quality property portfolio.

Expected Benefits

Based on a $1.137bn investment the key improvements to the property network are:

- Matching the school network to the demand for education and creating choice;
- Creation of new and repaired teaching spaces that meet modern Ministry standards for quality learning environments;
- Development of new schools designed for modern teaching and learning;
- A focus on long term property portfolio outcomes on a whole of life cost basis;
- All design and construction works influenced by the new LCC framework.

Over the course of the Programme:

These figures include the proposed Woolston redevelopment. This is conditional of the Woolston and Phillipstown merger proposal.

- 13 new school construction projects;
- 10 schools will be rebuilt as complete new schools;
- 34 schools will undergo major redevelopment (greater than $5million); and
- 58 schools will undergo moderate redevelopment.

The table below summarises the teaching spaces that will be repaired and created as a result of the construction effort and the quality standards that will be achieved:

Renewal Action	Number of teaching spaces	Teaching space (net m^2)	Quality Standards
Repaired teaching spaces	1,382	208,321	• Will comply with the Ministry's weather tightness standards • Will comply with Core MLE standards, including the DQLS requirements

New teaching spaces
    Replaced
    Additional
	1,261
	758
	503
		162,498
		88,787
		73,711
			• Will comply with the Ministry's weather tightness standards
			• Will comply with 100% of the National Building Code
			• Will comply with the Advanced MLE standard

These new and repaired teaching spaces correspond to higher quality learning spaces for the following percentage of the network:
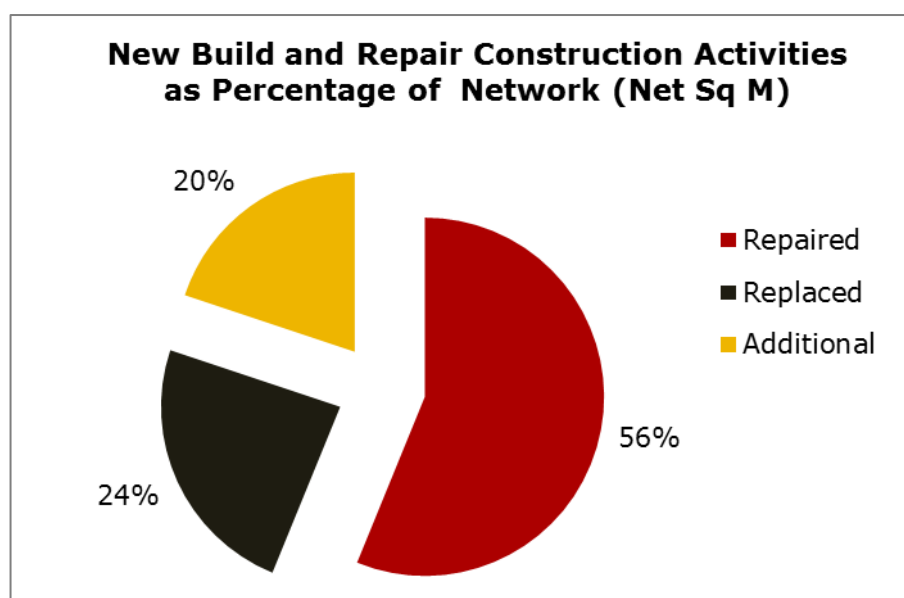
The Economic Case

Changes since the last PBC

The value of the network property investment has changed since the initial Programme Business Case set out the preferred renewal option in August 2012. A further $154 million has been included to the investment total. This change has been driven by five main factors:

- Scope changes arising from the public consultation process around school closures and mergers;
- Updated demographic information with new school, roll growth and distribution implications;
- More detailed condition assessment data, particularly weather tightness and infrastructure estimates;
- Granulated block by block review informing rationalisation, repair or rebuild decisions;
- Consideration of furniture and equipment implications of network investment.

The table below breaks down the total impact of these changes.

Table: Impact of Changes from August 2012

Change	Investment Implications
Proposed Closures/Mergers Remaining open	$24m
New Schools added to Scope	$56m
Repairs now Rebuilds	$36m
Updates to Assessment Data	$58m
Block by Block Review	-$39m
Furniture and equipment	$19m
	$154m

These figures include the proposed Woolston redevelopment. This is conditional of the Woolston and Phillipstown merger proposal.

The Commercial Case

The delivery of the rebuilding process in a cost effective manner will require strong partnerships with the private sector and strategic approaches to procurement. It is expected that as other rebuild work comes on line in Greater Christchurch that there are going to be significant resource constraints and commercial pressures. This will ultimately result in escalation issues and may impact the ability of the Ministry to transfer some risks to the private sector.

The Ministry is proposing a range of different procurement approaches to deliver the programme. The key aspects of the approach are:

- Transparency with the market (the Ministry has already released one Notice of Intent) and is planning a second one focussed on construction firms.

- Actively bundling packages of work to achieve efficiencies. This is to provide both larger packages and longer term work (over a number of years).

- The implementation of standardised solutions.

- A range of procurement models including Public Private Partnerships (PPP), Professional Services Panels, Guaranteed Maximum Price, Traditional Lump Sum and centralised Facilities Management options.

The following table is a summary of the Procurement Options Outcomes.

Table: Procurement strategies

Service	Procurement Approach	Applicability	Scope
Professional Services	**Panel Arrangement**	A panel arrangement is appropriate where there are a number of suppliers who can provide a service and where there is an on-going demand for the service. This is a final option where Trusted Provider and Government Syndication is not possible. It allows for varying procurement methodologies to be used without the need to go to market for individual projects. It provides fast and streamlined access to providers whilst maintaining competitive tension.	• Professional services across the Programme
	Traditional Project by Project	Traditional project-by-project procurement is appropriate where works are required to progress ahead of the establishment of the professional services panels or where one-off specialist services are required.	• Professional services for early or specialist works
Construction	**Head Contractor**	Use of a Head Contractor is appropriate where: • Long lead-in times, programme experience in the type of works or certainty/simplicity of scope allow the design to be completed prior to engaging the contractor. • Rebuild area is easily separated from school operations.	• Demolition • Minor and major remediation • Rebuilds • New schools • Temporary accommodation
	Managing Contractor	Use of a Managing Contractor is appropriate where: • Works are required in an operational environment and input on methodology and sequencing is important. • Uncertainty of scope or short lead-in times do not allow for detailed and accurate design documentation.	• Major remediation • Rebuilds • New schools • Temporary accommodation
	Design and Construct	The success of Design and Construct projects depends on the quality of the specification of requirements. Given the varied nature of the repair works, Design and Construct is best used where standard specifications can be used or the cost and time associated with developing project specific specifications can be justified.	• Major remediation • Rebuilds • New schools • Temporary accommodation
Facilities Maintenance	**Maintenance Help Desk**	Logging of school maintenance requirements with a maintenance help desk as they arise is most applicable where the maintenance requirements are unknown or only loosely defined early on.	• Reactionary maintenance for existing schools
	Group Contracts	The use of group contracts is most applicable where the scope of works can be documented in detail well in advance of being required. The use of service specification based group contracts further requires certainty in the current asset condition to be effective.	• Cyclical/planned maintenance for existing schools • FM services for new schools
Public Private Partnerships • Professional Services • Construction • Facilities Management		Public Private Partnerships (PPP) are most appropriate for new schools where the scope and service specification can be clearly defined.	• New schools • Temporary accommodation

The Ministry has historically delivered projects on a school by school basis. The size of the proposed programme enables different strategies to be considered. Whilst the

business as usual process is available (school by school), this will generate significant procurement and management costs and will make securing appropriate resources difficult. The opportunity exists to bundle projects.

Schools will be bundled (to achieve scale) by type (eg minor works) or by clusters (various locations). The Ministry recognises that the advantages of bundling are:

- Achieving scale
- Lowering procurement and transaction costs
- Better resource allocations

The disadvantages of bundling are:

- Availability/suitability of small contractors is reduced
- Delivery risk is restrained to a smaller number of contractors

The bundling approach will vary by Service Requirement. For example, smaller packages of professional services maybe more appropriate to access a larger pool of resources, whereas larger construction projects may be used to attract larger construction firms. The approach adopted will need to be flexible as the programme evolves.

The Ministry is currently preparing a separate Detailed Business Case for the development of a bundle of schools using a PPP. At this stage two schools have been identified for inclusion in this PPP bundle, being Aranui Campus and Rolleston Secondary. A second PPP bundle will be the subject of a business case in 2014.

Information has been deleted to prevent prejudice or disadvantage in relation to negotiations the Ministry of Education will have or is undertaking. s9(2)(j)

The Financial Case

The cost of the programme has been determined using current dollar value estimates of repair costs and standard rates of construction for rebuilds and new schools. The financial case identifies a network property investment of $1,137 million over 10 years to provide the property components of the GCERP in its entirety. $40 million over 10 years will be spent on operational resources to manage the delivery of the network property investment. This will be funded from reprioritised Ministry baselines, insurance proceeds and new funding injections. New funding of between $480m and $580m will be required dependent on the final size of the insurance payout.

Please note that this uPBC excludes the implications of the recent decision regarding the closure of Phillipstown Primary.

The main property components of the programme and their associated cost are set out in the table below.

Table: Programme Investment Components

Activity	Description	Investment
Master Planning	The development of Cluster and School Property plans.	$5m
Relocatables	Temporary accommodation to support capacity during mergers and staged construction.	$8m
Land Acquisition	Purchases for new sites.	$25m
Design & Documentation	Detailed design and local government consents.	$36m
Construction	Repairs and upgrades, rebuilds, and new school developments, including project management fees. This includes ICT backbone works.	$882m
Demolition	Removal of surplus and obsolete building stock.	$15m
Furniture and Equipment	New furniture and equipment to support the investment in new building and infrastructure.	$25m
Contingency	Standard project contingency to cover scope changes and price variations. Also provides flexibility for innovation in the cluster approach to education provision.	$141m
		$1,137m

The figure below shows the expected expenditure per year on the property components of the GCERP.

Network Property Investment - Base Cashflow
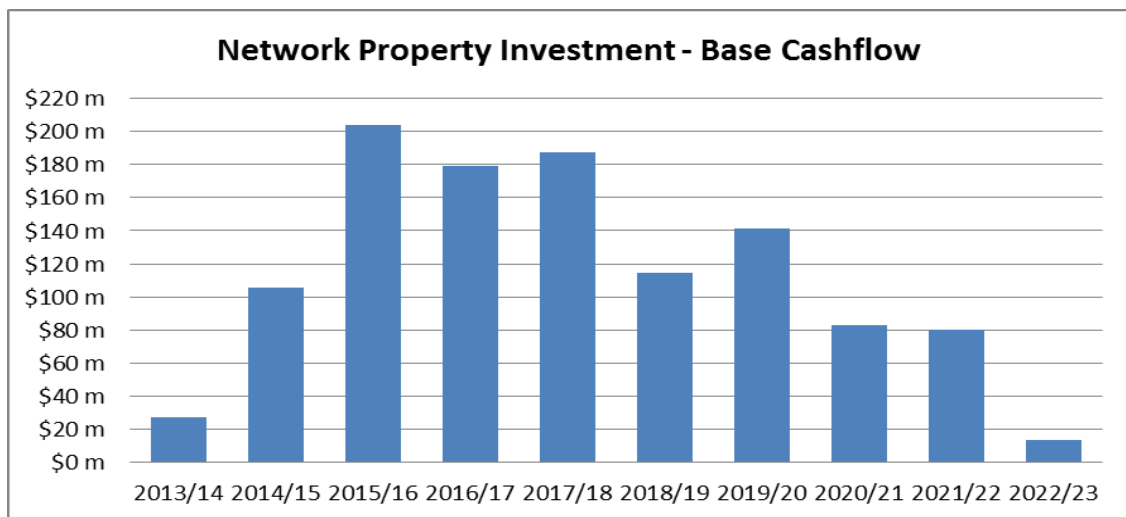
The Management Case

To establish a programme of works the following steps were taken:

1. Understand capital investment priorities
2. Develop a criteria and scoring matrix
3. Evaluation

The Ministry identified four key priorities for capital investment within the programme as follows:

Priority 1	Committed dates for mergers, new schools and dependencies arising from closures.
Priority 2	Responding to population changes, roll growth and capacity requirements.
Priority 3	Based on the Ministry's assessment and the opportunity for improvement. The majority of the schools within the capital programme are placed in priority 3.
Priority 4	Allocation of schools for procurement and effectiveness in delivery.

Criteria were developed based on the priorities above and the overall programme objectives. Schools were asked to complete a self evaluation questionnaire based on these criteria. The Ministry also scored each school against the criteria. Both scores were combined to determine a final score for each school. The overall score was used as the basis of the final prioritisation. Some adjustments were made based on the following:

- When schools stated they would prefer to enter the capital investment programme.
- Adjustments to achieve greater procurement and building efficiencies.

The outcomes of the programme are presented as a chart on the following page.

The Ministry will continue to support schools in maintaining their facilities until the proposed programme of works is complete. The Ministry recognises that for those schools in the later waves it will be necessary to continue to maintain these schools through minor capital works in the interim. The Ministry has developed a minor capital process to address this requirement.

Programme Summary
Completion of Construction Works

Year	Total	2014	2015	2016	2017	2018	2019	2020	2021	2022
Primary and Intermediate Schools										
New School Sites:	9	1		2	2			1		3
Completely Rebuilt Schools:	8	1	2	1	3	1				
Major Redevelopments:	22*		1	4	5		4	3	3	1
Moderate Redevelopments:	51		2	8	8	5	8	9	8	3
All Scopes:	90	2	5	15	18	6	12	13	11	7
Secondary Schools										
New School Sites:	4				2	2				
Completely Rebuilt Schools:	2			1	1					
Major Redevelopments:	12*				2	2		5	1	1
Moderate Redevelopments:	2*					1				
All Scopes:	20			1	5	5		5	1	1
All Schools										
New School Sites#:	13	1		2	4	2		1		3
Completely Rebuilt Schools:	10	1	2	2	4	1				
Major Redevelopments:	34*		1	4	7	2	4	8	4	2
Moderate Redevelopments:	53*		2	8	8	6	8	9	8	3
All Scopes:	110	2	5	16	23	11	12	18	12	8

Notes:

* Totals include schools without completion dates: Redcliffs, Kaiapoi High Karanga Mai TPU, Linwood Kimihia Parents College

New School Sites include: Aranui Campus, Banks Avenue, Belfast West/Ouruhia, Halswell West, Lincoln Second Site, Marshland, Pegasus, Rangiora West, Rolleston Secondary, West Rolleston, Wigram/Sockburn, Avonside Girls, Shirley Boys.

Tables do not include Special Schools: Allenvale Special School & Res. Centre, Ferndale School, Halswell Residential College, Van Asch Deaf Education, Waitaha Learning Centre

Planned Construction Completion Dates

KEY
- New Schools Sites
- Completely Rebuilt Schools
- Major Redevelopments
- Moderate Redevelopments

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
Q1			Marshland; West Rolleston; North New Brighton; Avonhead; Cashmere Primary; Addington; Rolleston	Aranui Campus; Rolleston Secondary; Spreydon*; Hornby High; Kaiapoi Borough; Kaiapoi North; Woodend		Hoon Hay; Mairehau Primary; Queenspark; Duvauchelle; Okains Bay; Parkview	Casebrook Int; Kirkwood Int; Thorrington; Ilam; St Albans	Belfast; Christchurch South Int; Isleworth; Northcote; Roydvale; TKKM O Te Whanau Tahi	Chisnallwood Int; Clearview Primary; Harewood; Templeton
Q2	Pegasus		Banks Avenue	Avonside Girls'; Shirley Boys'; Linwood College; Waimairi			Christchurch Boys' High; Christchurch Girls' High		Belfast West/Ouruhia; Halswell West
Q3		Lyttelton Main; Woolston/Phillipstown #; Shirley Primary	Unlimited Discovery; Bromley; Gilberthorpe; Hornby Primary	St Martins; Bamford; Opawa	Oaklands; Diamond Harbour; Governors Bay; Heathcote Valley; Somerfield	Westburn; Merrin; Russley	Linwood North; Mt Pleasant; Riccarton; Rowley Avenue; Sumner; Wairakei	Paparoa St; Breens Int; Burnham; Elmwood Normal	
Q4	Halswell	Windsor; Papanui	Beckenham; South New Brighton; Waltham; Christchurch East; Wharenui	Wigram/Sockburn; Burnside Primary; South Hornby**; Cobham Int; Cotswold; Kaiapoi High; Mairehau High; Bishopdale; Linwood Avenue; Little River; Redwood; Shirley Int	Hillmorton High; Akaroa Area	Heaton Normal Int; West Spreydon; Yaldhurst Model	Rangiora West; Cashmere High; Hagley Community College; Papanui High; TKKM O Waitaha	Fendalton; Open Air; Riccarton High	Lincoln Second Site; Burnside High

Note: Pending Final Decisions

* Note: Moving to Manning Intermediate site
** Note: Moving to Branston Intermediate Site

Note: Further consultation is underway with Phillipstown School following the judicial review.

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2. Introduction

The Ministry's Greater Christchurch Education Renewal Programme (GCERP) provides a unique opportunity to not only restore, but rejuvenate the education system in Canterbury and provide new and improved facilities that will reshape education delivery, improve the options and outcomes for learners, and support greater diversity and choice[1]. It is expected that this improved delivery of education in the greater Christchurch area will lead to better educational outcomes and ultimately, enhanced employment opportunities for the region's learners.

The funding that this business case seeks will be applied to enhance the current property network for the provision of education and support the education sector and wider community through an extensive period of change impacting up to 150,000 learners and 10,000 staff, engaged in more than 300 ECE centres and 200 schools. The programme will facilitate the largest scale of change ever made to the New Zealand education system.

Funding proposals in this paper align with the Government's commitment to rebuild Christchurch and to achieve the Better Public Services targets for education. They also complement the approach being implemented by the Canterbury Earthquake Recovery Authority CERA to support the community.

The initial Programme Business Case (IPBC) considered by Cabinet on 20 August 2012 approved a funding range between $0.825bn and $1.1bn over 10 years for the GCERP (Cabinet minute (12)29/3A refers). This Updated Programme Business Case seeks formal approval to invest $1.137bn over 10 years to implement the GCERP in its entirety. Refer to Appendix A for a copy of the IPBC.

The purpose of this Updated Programme Business Case (UPBC) is to:

- expand on and reconfirm the IPBC
- to re-assess and justify the investment in education renewal across the Greater Christchurch region
- justify and determine the most appropriate procurement model to deliver a range of investments required to renew the greater Christchurch education network and
- to confirm the expected investment for each cluster and school

This UPBC follows Treasury's Better Business Case guidance which sets out the business case structure under five cases as follows:

- Strategic Case – explains why the programme should happen
- Economic case – analyses how we will deliver the programme to realise the strategic objectives of the programme
- Financial case – details the cost and funding sources
- Commercial case – outlines key commercial aspects largely around procurement options

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[1] Opportunities plus Innovation: Education renewal in greater Christchurch. Ministry of Education, Wellington, New Zealand. http://shapingeducation.minedu.govt.nz

- Management case – provides an overview of how the programme will be managed to deliver successful outcomes

This UPBC responds to the property component of the Educational Renewal Programme; the non-property Educational Renewal component is the subject of a separate internal business case. The detailed costs of this separate business case do not form part of this UPBC.

2.1 Background and Context

The earthquakes of 2010–11 caused massive disruption and loss for the people of greater Christchurch, impacting all members of the community and triggering regional, national and global responses.

The effect of the quakes on young learners – present and future – is an on-going concern, as is the viability of education services, centres, schools and bodies that have a key role to play in restoring the wellbeing and vitality of the community.

Yet the response to the earthquakes and degree of damage to the education network provides both an opportunity and the responsibility to do better.

The Programme needs to ensure the approach to renewal looks to address inequities and improve educational outcomes, while prioritising actions that will have a positive impact on learners with the greatest need for assistance. There is also a need to align these changes with broader Government policies and commitments for educational achievement.

Generally the school property portfolio responded well during the earthquakes compared to other assets, however considerable investment is required to address shortfalls in the network. Land damage has resulted in large residential areas being untenable and not suitable for reconstruction, which has changed the nature and pattern of urban development within greater Christchurch.

The proposed large scale investment brings opportunity to provide an improved education network that addresses the inequity in education outcomes between different demographic groups that existed prior to the earthquakes and address the mismatch between supply and demand across the network, thereby ensuring that there is the right capacity and choice in the network.

3. Strategic Case

3.1 The Greater Christchurch Education Renewal Programme Context

The Government has recognised the importance of re-establishing the education network as a response to the Canterbury earthquakes. The Government's objectives are wider than just rebuilding damaged school properties. It recognises that education renewal is fundamental to develop the skills to ensuring a growing economy. It also recognises that schools are an important part of the social infrastructure which will support the remediation process.

Education Renewal

In September 2012, following extensive consultation with the communities of greater Christchurch, the Minister of Education published *Directions for Education Renewal in Greater Christchurch*. This document set out the Government's commitment to rebuild education in greater Christchurch. Our ambition, backed by a $1 billion investment, is to make greater Christchurch the leading education community in New Zealand.

This renewal work is based on five important principles:

- supporting life-long learning;
- giving greater Christchurch, and New Zealand as a whole, a distinctive advantage;
- getting the best value and outcomes for Crown investment;
- supporting the wellbeing of communities; and
- promoting innovative and sustainable solutions.

A central objective is to develop a new model of education delivery within the region that is structured around clusters of education providers who collaborate to seamlessly integrate education delivery across the learning continuum within a defined local area. This modern education network will take collective ownership for education delivery and student achievement within its defined geographic region. The network will be based around flexible models of education provision in ICT-enabled environments that empower teachers and learners to develop and implement new, more effective approaches to education delivery. Consultation on this new model of education delivery and intent has been GCERP's focus over recent months. The property network must respond to this approach.

The focus of these learning community clusters (LCCs) will be on enhancing the provision of education across a network, rather than in individual settings. Adopting a cluster model of education provision provides an opportunity to develop and implement innovative practices that achieve better educational outcomes across the network - and for priority learners in particular. Co-ordination across clusters also provides an opportunity for communities to collaborate in terms of developing joint assets that achieve LCC outcomes (such as a better hall accessed by all students in the LCC).

A substantial commitment to promoting and supporting education renewal activities within the network will be required if greater Christchurch is to become a future leader in teaching and learning practice. Creating, facilitating and supporting the activities of the LCCs will be central to the success of the GCERP and achieving the necessary lift in student achievement.

Improving achievement and attainment in Christchurch will benefit learners, their parents, families and whānau and the wider community. It will also make a significant contribution to the Government's targets for education.

The educational change components of the programme are covered by a separate internal business case. This will address the decisions made post the original business case in terms of providing choice for education in Christchurch.

3.2   The Strategic Case

The Strategic Case outlines the strategic context for the proposed programme investments and makes a robust "Case for Change". The case for change will integrate the broader strategic context with the GCERP's key investment objectives and the "Business Need" (which bridges the gap between the investment objectives and the existing arrangements). Consideration will then be given to future projections for demand, deficiencies in current provision and key service requirements. This will form the basis for both the programme and business scope. The strategic case will conclude with an identification of benefits, risks and dependencies and the identification and management of constraints.

The strategic case is presented in the following sections:

- strategic context for the proposed investment;
- the case for change (investment objectives, existing arrangements and business needs);
- key service requirements and programme scope; and
- benefits, risks, constraints and dependencies.

3.3   The Strategic Context

This section provides a contextual analysis that takes the reader from an organisational overview and the Ministry's priorities to the current state; from Government goals to GCERP priorities. The direct contribution of the GCERP to the Ministry's broader education strategy will be discussed and followed by a more detailed description of the GCERP context from a property point of view. Finally GCERP will be placed in the context of the Ministry's property portfolio.
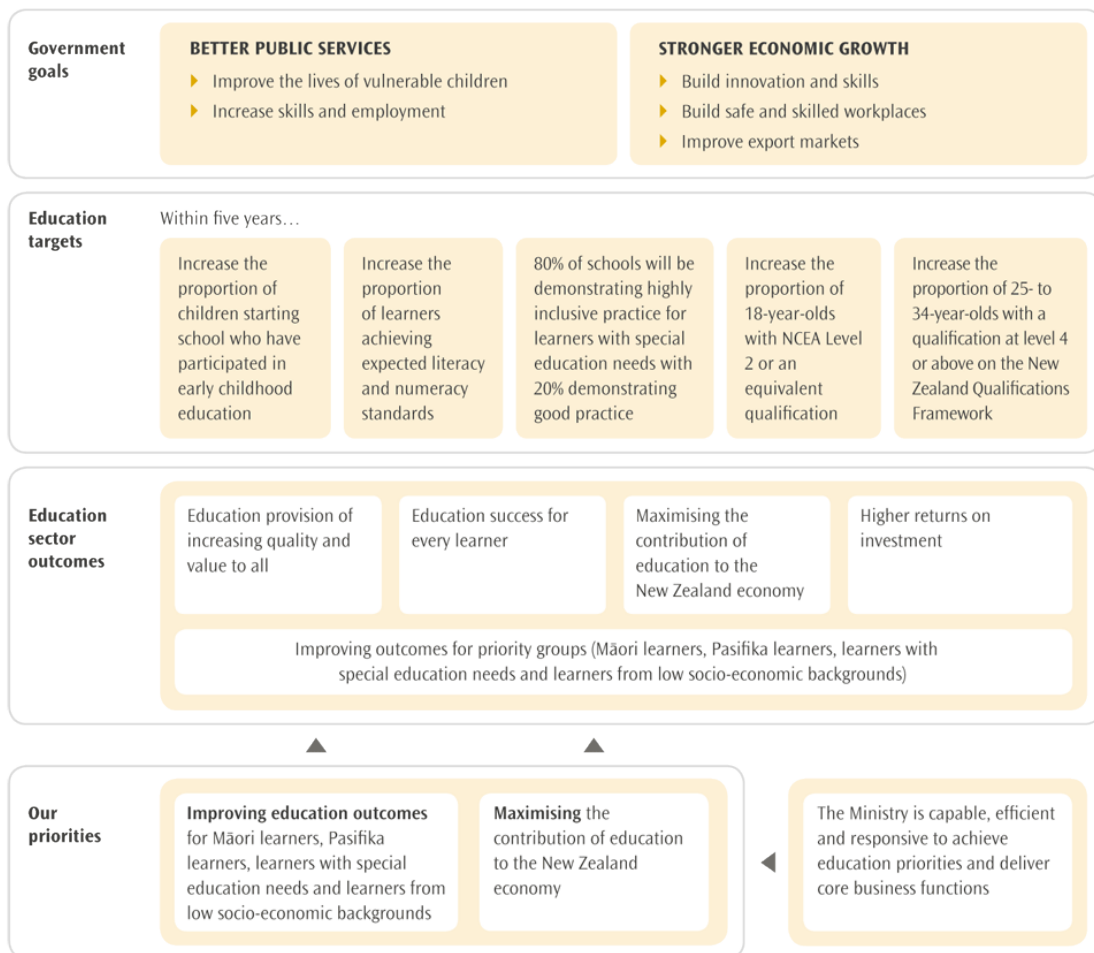
3.3.1   Organisational overview – priorities of the Ministry

The Ministry is focused on ensuring the education system delivers on the Government's key goals – better public services that deliver improved outcomes for all New Zealanders, and stronger economic growth for New Zealand.

The Ministry's strategic direction diagram shows the links between its priorities, education sector outcomes and targets, and the Government's goals.[2]

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[2] Statement of Intent 2012-2017

Government goals

BETTER PUBLIC SERVICES
- ▸ Improve the lives of vulnerable children
- ▸ Increase skills and employment

STRONGER ECONOMIC GROWTH
- ▸ Build innovation and skills
- ▸ Build safe and skilled workplaces
- ▸ Improve export markets

Education targets

Within five years…

| Increase the proportion of children starting school who have participated in early childhood education | Increase the proportion of learners achieving expected literacy and numeracy standards | 80% of schools will be demonstrating highly inclusive practice for learners with special education needs with 20% demonstrating good practice | Increase the proportion of 18-year-olds with NCEA Level 2 or an equivalent qualification | Increase the proportion of 25- to 34-year-olds with a qualification at level 4 or above on the New Zealand Qualifications Framework |

Education sector outcomes

| Education provision of increasing quality and value to all | Education success for every learner | Maximising the contribution of education to the New Zealand economy | Higher returns on investment |

Improving outcomes for priority groups (Māori learners, Pasifika learners, learners with special education needs and learners from low socio-economic backgrounds)

Our priorities

| Improving education outcomes for Māori learners, Pasifika learners, learners with special education needs and learners from low socio-economic backgrounds | Maximising the contribution of education to the New Zealand economy | The Ministry is capable, efficient and responsive to achieve education priorities and deliver core business functions |

To support the successful achievement of these outcomes the Ministry must ensure that the state school property portfolio has sufficient schooling capacity, of the right type, in the right location and of appropriate quality to support and facilitate effective teaching and learning. Schools that require higher than normal maintenance and capital expenditure during their lives will inevitably detract in some way from the Ministry's ability to meet its strategic objectives.

Links with other task forces

The Greater Christchurch Taskforce links closely with the work of other taskforces being formed to deliver the Better Public Services (BPS) results for education set by Government.[3]

BPS targets for education will not be achieved without lifting educational performance across Greater Christchurch as:

- The level of NCEA2 attainment (for groups of students that include European, Māori and Pasifika) has been below the performance of these groups at the national level.
- The area has one of the highest rates of educational inequity in New Zealand with only marginal improvements made in recent years:

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[3] To increase participation in ECE, attainment of NCEA Level 2 (or equivalent qualification) and the proportion of 25- to 34-year olds gaining at least a Level 4 qualification.

- in 2010, 37.4% of the Māori leaver population left school without an NCEA1 qualification, and
- on recent trends, more than half of Māori school leavers will exit the school system without achieving NCEA2.

Key to addressing the significant gap in attainment will be ensuring Māori and Ngāi Tahu, through the Waitaha Education Authority, inform the design and implementation of national taskforce actions to support Māori learners.

3.3.2   Christchurch Earthquake Recovery Authority (CERA)

The Government has emphasised that planning for the redevelopment of Canterbury needs to reflect a 'whole-of-government' approach. The Government established CERA to lead and coordinate the on-going recovery effort by vesting special powers to enable an integrated, effective and timely response across a range of organisations.

The Recovery Strategy for greater Christchurch aims to provide "a road map for ensuring the success of Christchurch for recovery and future leadership in earthquake resilience". The Strategy is a statutory document under the Canterbury Earthquake Recovery Act 2011.

Directions for Education Renewal in Greater Christchurch deals with the recovery of the education system in greater Christchurch and also the opportunity to enhance education, which is central to the development and maintenance of human and social capital in any community. Recovery does not mean returning to the state that existed on 3 September 2010. The GCERP supports all the recovery plans and programmes being created under this Recovery Strategy.

The GCERP will continue to work with CERA and those responsible for the other recovery programmes so that the critical interfaces and interdependencies are managed in ways that will deliver the best outcomes for greater Christchurch.

3.3.3   Ministry of Business Innovation and Employment (MBIE)

The Ministry is supportive of MBIE's steps towards seeking improvements in procurement coordination and reporting as part of the Canterbury rebuild.

From the Ministry's perspective the Canterbury rebuild is likely to represent approximately 15% of our capital works over the next ten years. We would note that we have and are proposing to use a range of procurement approaches from traditional RFP, through to panels, public private partnerships and other procurement methodologies – so it is not simply an RFP approach.

We are very supportive of co-ordinating our reporting programmes to ensure they can be uplifted by CERA. We are also supportive of having good coordinated interagency engagement as we proceed through the procurement and rebuild programme.

We note that our school property portfolio in Christchurch has a significant number of light weight timber framed buildings, with similarities to the residential market. And is very likely that a large portion of the work will be more timely and cost effectively undertaken by SME's rather than the national or international firms. Our procurement approaches are reflecting that market reality.

One key area that the Ministry would appreciate significant help is around consenting processes in Christchurch and consider this is an area that MBIE could assist the Council to ensure more timely and streamlined responses.

3.3.4 GCERP property context - infrastructure renewal

All schools and ECE providers in greater Christchurch have experienced some damage to infrastructure, with the greatest impacts experienced by large, complex multi-storey urban secondary schools and those situated to the east of the city. Many providers are continuing operations with reduced facilities.

To date, the school network has been repaired so there is sufficient access provided to ensure continuity of learning, however the work cannot be returned to its previous state. The earthquakes have disrupted communities so schools are no longer necessarily where they are needed. The impact of the earthquakes on education provision was, and still is, substantial. For example:

- 21 early childhood centres have been permanently closed and a further nine are operating from temporary premises pending decisions on buildings or sites.
- Following the February earthquake, over 12,000 students left the school they had been attending and enrolled elsewhere - often at a school outside the region. Many have since returned, but as of March 2013, approximately 3,500 fewer students were enrolled in Greater Christchurch schools compared to March 2010.
- As of June 2012, there were approximately 1,100 students living in red zones and a further 46 living in white zones.

The figures below demonstrate the change in enrolments before (2008-2010) and after (2010-2012) the earthquakes for the primary and secondary school networks.

March 2008 to March 2010   March 2010 to March 2012

Primary: Year 1-8 School Roll Change
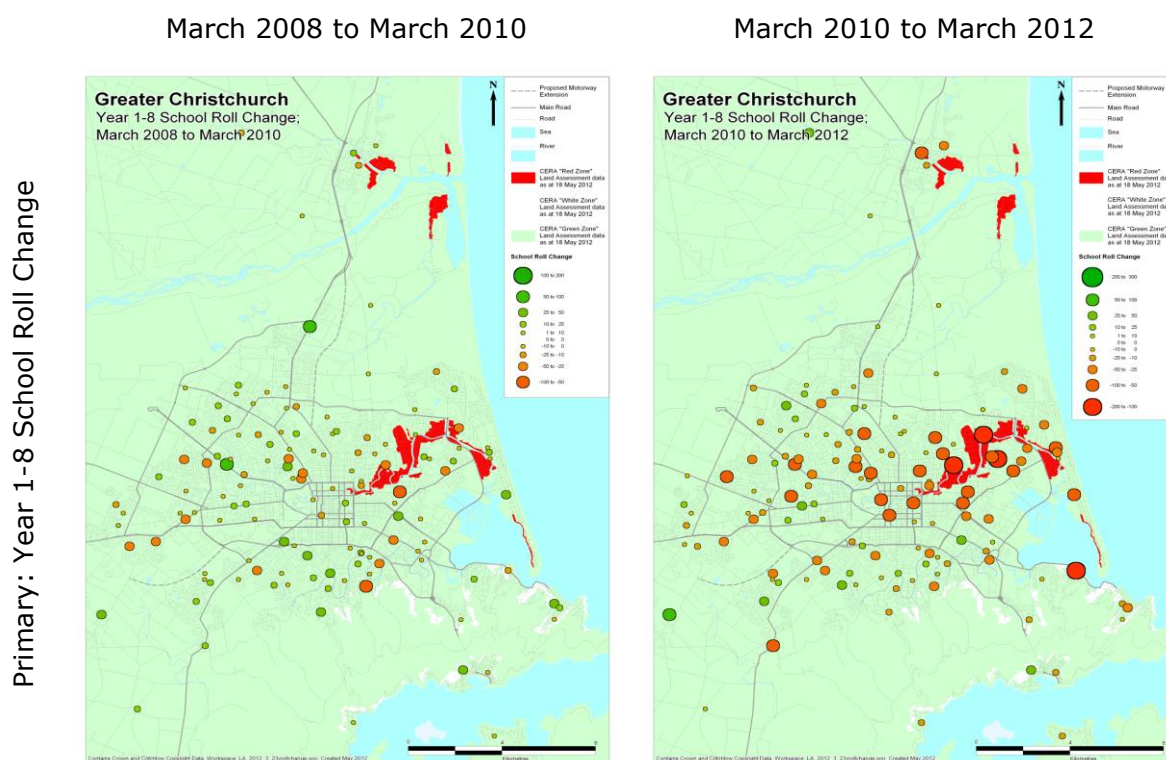
Secondary: Year 9-13 School Roll Change
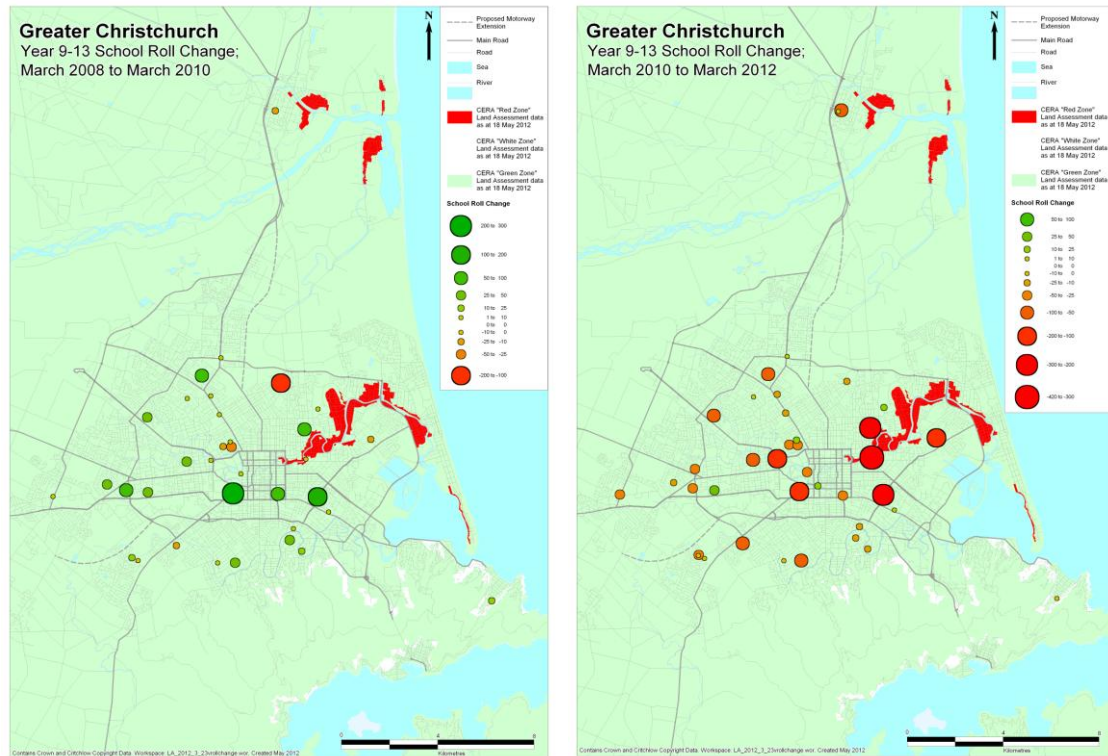
The projected demands and capacities against the existing network are summarised in the tables below.

Table: Utilisation – Combined Secondary and Primary

	2012	2013
Number of Teaching Spaces	3008	3058
Teaching Space Roll Capacity	64639	65976
Actual Roll	57626	57226
Surplus / Deficit	7013	8750
Utilisation	89%	87%

Table: Utilisation - Secondary

	2012	2013
Number of Teaching Spaces	1157	1174
Teaching Space Roll Capacity	22382	22918
Actual Roll	21353	20924
Surplus / Deficit	1029	1994
Utilisation	95%	91%

Table: Utilisation – Primary including Intermediates

	2012	2013
Number of Teaching Spaces	1851	1884
Teaching Space Roll Capacity	42257	43058
Actual Roll	36273	36302
Surplus / Deficit	5984	6756
Utilisation	86%	84%

To support the successful achievement of the education renewal outcomes and enable the quantum lift in student achievement that the programme is seeking, hence contributing to achieving the outcomes contained within the Ministry's Statement of Intent, the Ministry must ensure that the school property network has sufficient schooling capacity, of the right type, in the right location and of appropriate quality. Reconstruction of the education property portfolio in the greater Christchurch area will not, of itself, deliver the outcomes. The property changes support the education change initiatives.

A detailed assessment of both educational performance data and property investment data has highlighted a myriad of property and student achievement combinations. In many cases, repairing the earthquake damage and modernising the property is all that is needed to enable the introduction of new models for education provision. However, in other instances a total transformation of the network is required, which has included closing, merging and building new schools and early learning providers, and reconstructing a range of different facilities including shared community-based facilities in order to better match the demand for education services with supply. This business case details the investment needed for the remediation and reconfiguration of the network.

There were a range of decisions made by Government that support 'choice' in terms of school options and therefore a reduction in network capacity has not been decided as the optimum outcome (as a balance to rationalisation and the outcomes noted elsewhere in this uPBC). The Education choice decisions have resulted in an increase in capacity (over time as new schools are established). There will be a decline in utilisation as a result of this programme.

In September 2012, Minister of Education Hon Hekia Parata announced proposals affecting 38 schools of the 215 in greater Christchurch. These proposals followed from a range of factors relating to people, land and buildings and the detailed papers prepared throughout that process can be found on the website www.shapingeducation.govt.nz. Close to 12 months of consultation with school communities occurred in order to reach final decisions.

Of the original 38 schools subject to proposals to close or merge:

14 schools received decisions to stay open on their current sites:
- Bromley School
- Burnham Primary School
- Burnside Primary School
- Chisnallwood Intermediate School, with a review in 2020
- Duvauchelle School
- Gilberthorpe School
- TKKM o Waitaha
- Linwood Avenue School
- Okains Bay School
- Ouruhia Model School
- Shirley Intermediate
- South New Brighton School
- TKKM o Te Whānau Tahi
- Yaldhurst Model School.

11 schools received decisions to merge, which will create five merged schools:

- Burwood will merge with Windsor
- Central New Brighton, Freeville and North New Brighton will merge
- Discovery will merge with Unlimited
- Lyttelton Main will merge with Lyttelton West
- Phillipstown will merge with Woolston.*

*Note: this decision is currently pending court action and is a proposed merger.

11 schools received decisions to close:

- Aranui High School*
- Aranui School*
- Avondale School*
- Branston Intermediate
- Glenmoor School
- Greenpark School
- Kendal School
- Linwood Intermediate
- Manning Intermediate
- Richmond School
- Wainoni School**

*note these four schools will be replaced with a year 1-13 campus on the Aranui High School site

Two schools chose to voluntarily close:

- Hammersley Park School
- Le Bons Bay School.

These decisions follow a robust consultation process with a consequence that the over capacity in the network will not be addressed by as much as originally proposed. The excess capacity was deliberately not prioritised over the decision to significantly invest in education infrastructure or in outweighing other factors that emerged in the consultation process.

Where the opportunity arises through redevelopment, infrastructure will be downsized in areas where over capacity exists but there will be no additional measures taken over the next few years to significantly address overall excess capacity.

3.3.5 The Ministry's Property Portfolio

New Zealand's school property portfolio is the second largest publicly-owned property portfolio in the country, with a carrying value of around $10.5 billion.[4] The portfolio comprises around 2,300 schools and includes land, buildings (such as classrooms, auditoriums, school libraries and gymnasiums), facilities (such as playgrounds), and infrastructure (such as boilers, drains and fire management systems).[5]

The education property portfolio has a mixed history of building quality due to age and type of stock, weather-tightness failure, earthquake prone issues age related maintenance issues and compliance with Modern Learning Environment standards (MLE).

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[4] See *Ministry of Education Annual Report for the year ended 30 June 2012*

[5] See *Ministry of Education Annual Report for the year ended 30 June 2012*

The Ministry is responsible for the long-term planning of the state school property portfolio, including purchasing and constructing new school property, maintaining and upgrading existing property, and managing risks to the Crown's ownership interest.

Strengthening the management and quality of the school property portfolio is a key objective and a core function of the Ministry.

To that end the GCERP will apply the following quality standards:

- All new buildings and repairs (where weather-tightness failure has occurred) shall comply with the Ministry's weather tightness standards.
- All new buildings shall comply with 100% of the current National Building Code (NBC). All earthquake prone upgrades shall comply with a minimum of 67% of the current NBC.
- ESG has provided guidance and advised Policy that all existing buildings will be assessed and subsequently strengthened to IL2 and IL3 as per "The Policy summarised" on the Toolbox. This states; The Ministry of Education's short-term goal is to ensure that all school buildings are at or above 34% NBS, and the medium-term goal is to ensure all buildings are at or above 67% NBS.
- Capital decisions will be determined based on the whole of life cost of the asset. Compliance with warranty and guarantee criteria for new builds and repairs will be managed to ensure their currency.
- All new builds shall comply with the Advanced MLE standard. Repairs and renovation will meet core MLE standards. This includes the Design Quality Learning Standard requirements.
- SNUP ICT standards, plus requirements for a SNUP accredited supplier.

All new building proposals shall be compared to high quality reference designs to reuse good design practices and Post Occupancy Evaluations (POE) to learn and improve on those designs.

3.4   The Case for Change

In the wider government context, the Ministry's strategic objectives and the issues with the current school property portfolio directly influence the selection of investment objectives for the GCERP. The Investment Logic Map further explores the problem with the performance of the education network and provides the requirements for the property network to respond too. The case for change bridges the gap between the investment objectives and the existing arrangements.
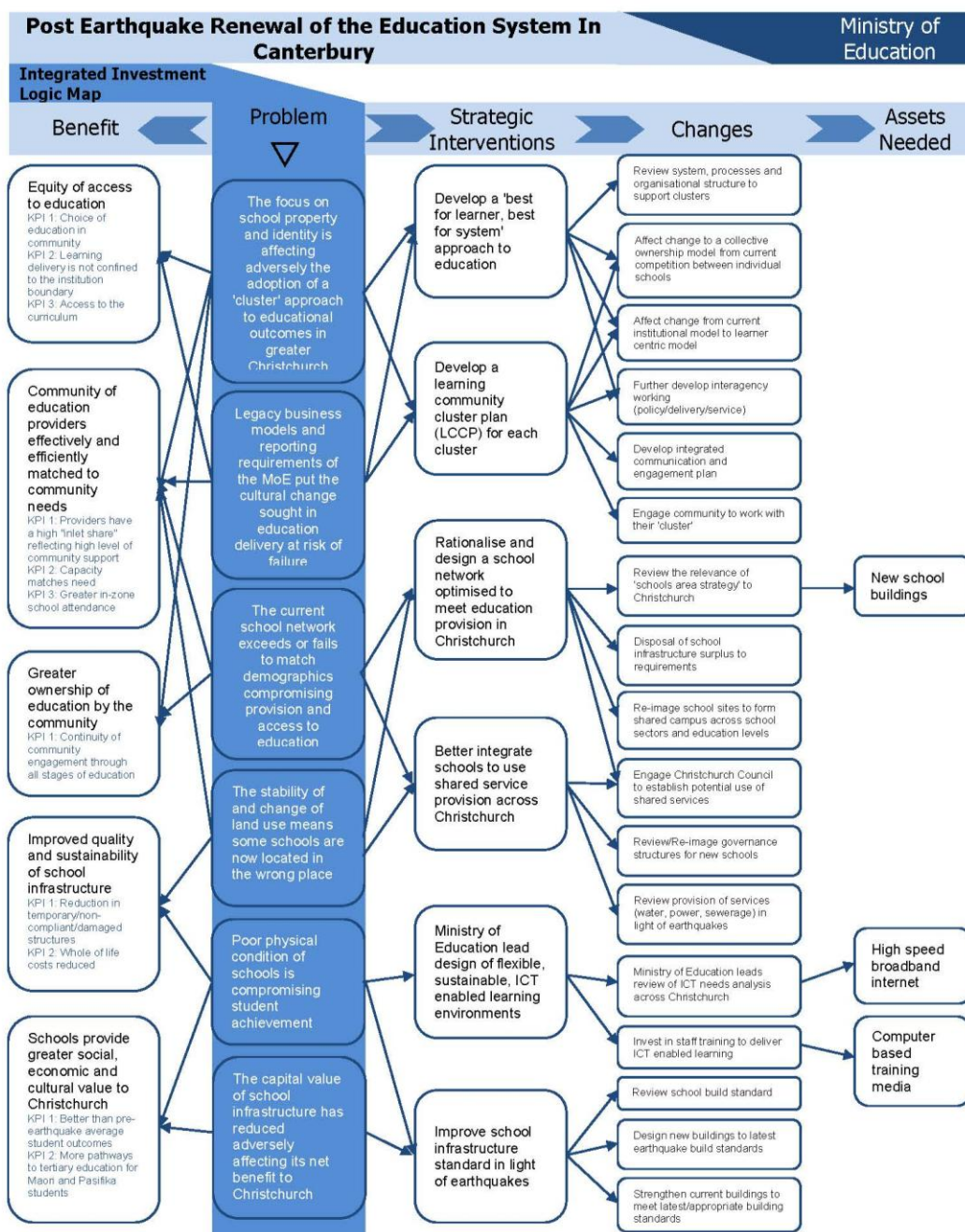
The investment objectives for GCERP are:

Education Renewal	Property and Infrastructure
- The education system will provide the skills and knowledge needed for the development of greater Christchurch as its economy adapts to changes precipitated by the earthquakes. - Educational institutions will support the transmission of language and culture and the development of personal identity by harnessing resources and expertise in ways that individuals or voluntary organisations cannot. - A disproportionate number of Māori and Pasifika young people leave school early, with few qualifications, never to return to education or training. We will provide a network with thriving, well-resourced, culturally responsive ECE services, schools, and tertiary providers that will work in collaboration with families, whānau, and the community. - Communities identify with their schools: good local schools can have a positive impact on how people feel about their neighbourhood. By renewing the education system, we will rebuild Christchurch's reputation as an education destination and confirm the region as a great place to live. - Education is a major source of economic activity and employment in greater Christchurch. The renewal of the education network will cement education as an economic enterprise in its own right.	- Building an optimised network to meet education demand: 'rationalise and design a school network optimised to meet education provision in Christchurch'. This ensures the right schools are in the right place. - Better integrate schools to use shared facilities: The renewal of the Greater Christchurch school network has the opportunity to be coordinated between schools or between a school and the community. The Ministry has the opportunity to better utilise assets such as halls and gyms. "Safe and inspiring learning environments" through improved infrastructure standards. The investment should deliver quality standards in New Zealand schools and develop a resilient network more capable to respond to future natural disasters. This results in a better quality property portfolio.

3.4.1   Investment Logic Map

An updated Investment Logic Map (ILM) workshop session was undertaken and the revised ILM is presented below.

This ILM combines the separate Renewal and Property focussed ILMs into one that covers the full extent of the programme.

Post Earthquake Renewal of the Education System In Canterbury

Ministry of Education

Integrated Investment Logic Map

Benefit	Problem	Strategic Interventions	Changes	Assets Needed
Equity of access to education — KPI 1: Choice of education in community; KPI 2: Learning delivery is not confined to the institution boundary; KPI 3: Access to the curriculum	The focus on school property and identity is affecting adversely the adoption of a 'cluster' approach to educational outcomes in greater Christchurch	Develop a 'best for learner, best for system' approach to education	Review system, processes and organisational structure to support clusters	
Community of education providers effectively and efficiently matched to community needs — KPI 1: Providers have a high "inlet share" reflecting high level of community support; KPI 2: Capacity matches need; KPI 3: Greater in-zone school attendance	Legacy business models and reporting requirements of the MoE put the cultural change sought in education delivery at risk of failure	Develop a learning community cluster plan (LCCP) for each cluster	Affect change to a collective ownership model from current competition between individual schools; Affect change from current institutional model to learner centric model; Further develop interagency working (policy/delivery/service); Develop integrated communication and engagement plan; Engage community to work with their 'cluster'	
Greater ownership of education by the community — KPI 1: Continuity of community engagement through all stages of education	The current school network exceeds or fails to match demographics compromising provision and access to education	Rationalise and design a school network optimised to meet education provision in Christchurch	Review the relevance of 'schools area strategy' to Christchurch; Disposal of school infrastructure surplus to requirements; Re-image school sites to form shared campus across school sectors and education levels	New school buildings
Improved quality and sustainability of school infrastructure — KPI 1: Reduction in temporary/non-compliant/damaged structures; KPI 2: Whole of life costs reduced	The stability of and change of land use means some schools are now located in the wrong place	Better integrate schools to use shared service provision across Christchurch	Engage Christchurch Council to establish potential use of shared services; Review/Re-image governance structures for new schools; Review provision of services (water, power, sewerage) in light of earthquakes	
Schools provide greater social, economic and cultural value to Christchurch — KPI 1: Better than pre-earthquake average student outcomes; KPI 2: More pathways to tertiary education for Maori and Pasifika students	Poor physical condition of schools is compromising student achievement	Ministry of Education lead design of flexible, sustainable, ICT enabled learning environments	Ministry of Education leads review of ICT needs analysis across Christchurch; Invest in staff training to deliver ICT enabled learning	High speed broadband internet; Computer based training media
	The capital value of school infrastructure has reduced adversely affecting its net benefit to Christchurch	Improve school infrastructure standard in light of earthquakes	Review school build standard; Design new buildings to latest earthquake build standards; Strengthen current buildings to meet latest/appropriate building standards	

3.5 Key Service Requirement and Programme Scope

The earthquake response in Greater Christchurch provides an opportunity for the Ministry to take a holistic view around how education is provided and the contribution that the assets make. The framework for decision making, and the underlying objective of the business case, is to use the rebuilding process (as a result of the earthquakes) as an opportunity to deliver an improved school network that contributes to education performance.

The scope of the UPBC looks to address education assets across Greater Christchurch. Greater Christchurch comprises of 115 schools in Christchurch and areas of the Selwyn and Waimakariri districts (namely Rolleston and Kaiapoi). All schools have been affected to varying extents by the Canterbury earthquakes.

The scale of the earthquake damage has been significant, not only in terms of damage to the school network, but on the communities which feed into the network. This has resulted in schools which have been:

- Wholly destroyed and the land is not viable for reconstruction;
- Largely destroyed but the land is viable for reconstruction, however the long term demand no longer supports a school in that location; and
- Damaged and are repairable, but where the local residential catchment areas have been significantly damaged and the need for a school in the existing location is not required.

The need to substantially rebuild the school network comes at a time when there are radical changes in the way a school network is expected to perform. This relates to issues of:

- Changing demographics which impacts on the location of assets;
- Poor school design and maintenance which has resulted in a high proportion of the school network assets not performing as intended; and
- Changes in the way education is delivered within the classroom, as a result of both the impact of information technology but also more inclusive teaching practices.

The result is that the Ministry recognises it has the opportunity and responsibility to establish new infrastructure and methodologies for delivering education across Greater Christchurch. Furthermore, there is an appetite within the community to utilise new frameworks and initiatives for education, and an interest on how the lessons from these initiatives can be applied to the national school network.

3.5.1 Establishing key service requirements

The list below provides a summary of the key service requirements. The first section of the table addresses education related requirements and the second section of the table addresses property aspects.

Key service Requirement	
Education	
Education provision as a network	School location has in the past usually been governed by proximity to communities; however, communities are now less defined by location and more defined by interest and background. While public transport is necessary and appropriate where communities are isolated, the primary objective now is to place schools where they will meet local demand, regardless of past or existing school locations or transport links.
Inclusive schools improving the wellbeing and outcomes for learners, especially those with special needs	In fully inclusive schools, children and young people with special education needs are engaged and achieving through being present, participating and learning. The Ministry's interest is on the impact of ongoing wellbeing issues on the educational outcomes for the community. LCCs provide an opportunity to incorporate evidenced based strategies to assist communities rebuild resilience and look toward renewal.
Supporting the workforce	All Christchurch schools will be affected, either by rebuilding work, roll changes, merging, closing or re-capitation through the programme. The school workforce is an integral part of our schools and school leaders and high quality teachers and support staff are critical to the programme's success. Professional development needs to be in-depth, sustained and in context.
Digital strategy for learning	Seeking to drive internet access as part of the improved network, especially into areas where improved education performance is sought.

Transitions are managed and career guidance is accessible	The largest risk of learners being left behind is during the transition between early child education and primary and the subsequent move between primary and secondary education. Demographic specific solutions are required to address transitions and career guidance.
Governance and management structures that promote student engagement	Governance and management will be important when addressing and improving student engagement, possibly at a network level and not on a school by school basis. The network will become 'learner centric'.
Linkage to other schools in delivery of network	The school offering may need to be adapted to respond to particular demands in particular locations. Schools may offer alternative courses (such as technical courses) or cater for particular markets (single sex and intermediate offerings). Further, the education system will respond as a network and reflect the benefits of a variety of different delivery mechanisms.
Partnership and understanding of potential links to the community	Strategic implementation of links with the community. Infrastructure that is jointly used by the community or link to private sector providers.
Ensure that identity, language and culture of learners are valued	Demographic specific solutions to promote cultural awareness.
Quality teaching and leadership is supported	Teaching and leadership will be important in re-establishing the network and implementing different teaching methods and greater linkages with the community.
Ability to redefine roles of schools	The school offering may need to be adapted to respond to particular demands in particular locations. Schools may offer alternative courses (such as technical courses) or cater for particular markets (single sex and intermediate offerings).
Property	
Modern, flexible and inclusive learning environments which can either be relocated or investment minimised until demand is established	Flexible teaching styles can impact on the achievement levels in some specific targeted social economic cohorts. Aim to actively promote this configuration of teaching spaces in areas where improved education outcomes are required. The pattern of demand is likely to develop over the next decade. An optimised network will be dependent on the ability to respond to changing demands. Ability to respond to rapid population shifts whilst still providing integrated schools.
Demand analysis which links to other schools and considers the network	Current processes are based around individual school activities and only partially considers neighbouring schools. The preferred model of development is to develop facilities as part of a school network solution considering not only location but the interests and backgrounds of the communities.
Remediation programme which appropriately remediates and upgrades buildings	Focus not only on repair but long term sustainability and asset performance.
Innovative procurement process which incorporate whole of life	Asset specification and selection shall be inherent in the procurement process and shall not present a future maintenance liability. The scale of the rebuild lends itself to innovative procurement process.

Defining potential business scope

A more fundamental issue is how the network of schools can improve access and choice for students, support equity in education provision and be rationalised to reduce duplication. The potential business scope considers the Ministry's appetite for different aspects of rationalisation and the potential trade-offs between initiatives.

The service deliverables have been categorised into different groups and aligned with the strategic interventions outlined in the Investment Logic Map (ILM). The table below focuses on the property aspects of the ILM and builds on the Key Service Requirements.

Strategic Intervention	Business Requirement	Service Level	Core	Desirable	Out of Scope
Develop a Learning Community Cluster Plan (LCCP) for each cluster	Optimised school network	Sufficient capacity for choice within the network.	●		
		Surplus capacity providing range of options for all students.		●	
		Choices of both courses and schools including bi-lingual and special schools.		●	
	Network that responds to shifts	Flexible class rooms and the ability to develop assets quickly.	●		
	Schools located close to students	80% of students located within 3km school for low decile secondary schools.		●	
		Diverse and equitable teaching options available in all locations.		●	

For clarification, this uPBC focuses only on the property aspects of the programme. This includes all new buildings and facilities (furniture, carparking, landscaping etc) but excludes core education aspects (such as teacher development, computers, resources etc).

3.6 Benefits, Risks, Constraints and Dependencies

3.6.1 Identifying expected benefits

The expected benefits link to measureable student performance and engagement with the community, and will largely derive from improvements to property enabling improvements in education delivery. From a property perspective, the investment results in a significant transformation of the property network.

Based on a $1.137bn investment the key improvements to the property portfolio are:

- Transitioning from 2,518 existing teaching spaces to 2,643 teaching spaces;
- Matching the network to the demand for education;
- Creation of new and repaired teaching spaces that meet modern Ministry standards for quality learning environments;
- Development of new schools designed for modern teaching and learning;
- All design and construction works influenced by the new LCC framework.

Over the course of the Programme:

These figures include the proposed Woolston redevelopment. This is conditional of the Woolston and Phillipstown merger proposal.

- 13 new school construction projects;
- 10 schools will be rebuilt as complete new schools;
- 34 schools will undergo major redevelopment (greater than $5million); and
- 58 schools will undergo moderate redevelopment.

In line with the quality standards outlined in section 3.3.4 'The Ministry's Property Portfolio' all new and repaired teaching spaces will meet modern Ministry standards. A summary is presented in the table below.

Renewal Action	Number of teaching spaces	Teaching space (net m^2)	Quality Standards
Repaired teaching spaces	1,382	208,321	• Will comply with the Ministry's weather tightness standards • Will comply with Core MLE standards, including the DQLS requirements
New teaching spaces Replaced Additional	1,261 758 503	162,498 88,787 73,711	• Will comply with the Ministry's weather tightness standards • Will comply with 100% of the National Building Code Will comply with the Advanced MLE standard

The following graphs demonstrate the proportion of the network that will be new or repaired over the course of the Programme.
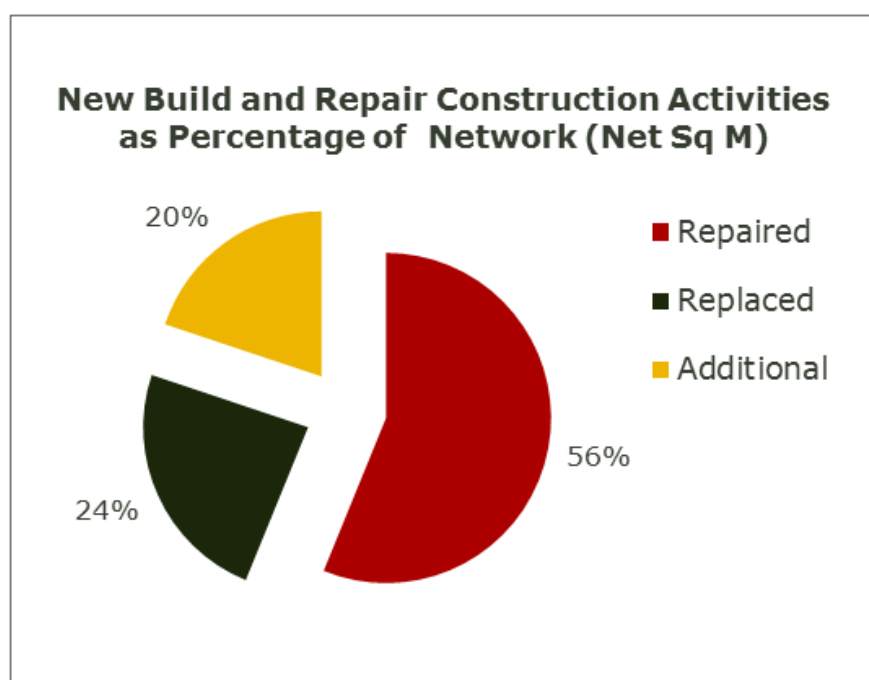
While there is a financial priority for this programme, it comes secondary to the driver for value through effective and efficient education delivery (capacity for choice). Given the realisation of benefits is most likely to take place beyond completion of the capital investment and many may not be realised until after the final property project in the programme is finished, it is likely that the Ministry will be measuring the outcomes relating directly to these benefits progressively over the life of the programme.

The following table identifies the broader GCERP education benefits. Further, refer to Appendix K for the Critical Success Factors.

GCERP Education Benefits
Equity and access to education • Learners (including priority) achieve best possible outcomes • More parents in work or study • Longer retention of learners in schools • More choice of education provision for learners • Reduced traffic congestion and less travel time for learners
Community of education providers effectively and efficiently matched to community needs • Increased ECE participation • Optimised Network • Increased number of young people acquiring skills and qualifications • Providers have an informed understanding of the demographic profile of the LCC and are better able to meet their local student achievement needs
Greater ownership of education by the community • Communities identify with their schools: good local schools have a positive impact on how people feel about their neighbourhood • Improved sector/leader capability • Improved student engagement • Public confidence in the school environment
Schools provide greater social, economic and cultural value to Christchurch • Educational institutions support the transmission of language and culture and the development of personal identity • Education is a major source of economic activity and employment in greater Christchurch • The education system provides the skills and knowledge needed for the development of greater Christchurch • The network is a thriving, well-resourced, culturally responsive collective of ECE services, schools, and tertiary providers that will work in collaboration with families, whanāu, and the community

3.6.2 Identifying the main risks in achieving the benefits

There are a number of significant inherent risks due to project scale and dependencies. The challenge is ensuring the identified benefits accrue from the Government's significant investment in school facilities. The following table highlights key risks in realising the benefits outlined above:

	Risk	Mitigation strategy
1	Educational benefits not being realised.	A benefits realisation plan has been developed which will help evaluate whether the identified benefits have been realised at programme and project level – this includes on-going evaluation of benefits as programme progresses.
2	Schools, communities do not support proposed changes and or disagree with timeframes.	A stakeholder engagement strategy and communications plan has been developed which includes explaining rationale behind decisions. Key messages include highlighting opportunities that exist to bring about positive changes in region. These plans will continue to be developed and refined during the programme lifecycle.
3	Not all LCC fully understand purpose of the LCC approach.	Clear and regular communications about process and benefits are being undertaken.
4	Programme does not meet schools'/communities' expectations in terms of innovation and opportunities for new ways of doing things.	Significant consultation already undertaken. Property plans will be based on educational visions. A robust change management strategy developed and investment in professional development will be made.

The Property specific risks are covered in detail in the Commercial Case (Risk Assessment).

3.6.3 Optimism bias

There are a number of areas of potential optimism bias, many of which are identified in the risk management process. The optimism bias is most likely to manifest in over optimism around the improvements in education outcomes and the ability to deliver this programme in the stated timeframes. Education delivery is highly variable and dependent on the quality of management and quality of teaching more than physical environments. The nature of schools is that they are highly successful at adapting to constraints and continuing to deliver education. The optimism bias may therefore overstate the gains in delivery, although potentially understate the additional demands the current situation is placing on school staff and management.

There is significant evidence that the quality of the school environment is not a major determining factor in the way parents select schools. They are more commonly based on a range of other activities including decile level and comparative success rates in NCEA. In fact, there may be a stronger preference for older schools, despite typically older infrastructure. Parent preference does not provide a good indicator of education outcomes, however it does indicate issues such as community engagement.

The Ministry has set an aggressive target timeframe to deliver this programme. To deliver the programme to the timeframes will require a range of factors to align, including the private sectors ability to deliver, managing stakeholders and responsive decision making and approvals. It is likely that there will be delays in delivering some elements of the programme.

3.6.4 Identifying and managing constraints

The constraints are derived from the scale of the project, which has high financial impacts on the Ministry and a significant impact on the industry's capacity to respond.

1. Financial constraints: The Ministry faces funding constraints in the current economic climate which are compounded by the fiscal requirements of other public sector rebuilding in the Canterbury region. Undertaking the project in part could compromise its delivery, especially where there are different options within the network that are dependent on each other.

2. Resource constraints: Resource capacity may be the major constraint both within the Ministry and across the private sector. While there are significant resources available in the current market, this situation is likely to change and the rebuild of Greater Christchurch combined with any upturn in the economy will further constrain resources. The issue is further compounded by the specialised nature of some of the rebuild works including increased construction standards and rebuilding existing compared to new builds. It is also likely that the number of firms who could orchestrate an integrated regional programme is small, and they may well be over committed during the Canterbury rebuild.

3.6.5 Identifying dependencies

The renewal of the school network has a wide range of dependencies.

1. Private sector buy-in: Significant private sector buy-in will be required to deliver an integrated and coordinated rebuild programme. The extent to which the Ministry partners with the private sector will also depend on the private sector buy-in. There is a risk that the private sector will approach the rebuild on a cost-plus basis where they are interested in simplifying their role and using low cost labour in a resource constrained market.

2. Partnerships with Boards of Trustees: The current framework for asset development is dependent on a process of agreement with the BoTs. The models for the renewal shall consider short-cutting the process of design, specification and tendering whilst carefully managing implications for subsequent maintenance funding. The process is therefore heavily dependent on the ability to form a viable negotiation process with the BoTs which maximises the advantages or the redevelopment, while minimising the costs.

3. Engagement with communities: The Ministry is currently developing tools and processes to engage with the community which will be critical in both planning and implementing any renewal process. There is a real risk that with so much disruption within the community, the engagement is not effective or community leaders are not championing the process. The process of engagement is critical to ensure the benefits are identified and carried forward and understood by the community.

4. Understanding of Council, Central Government and infrastructure intentions: There is a very real need to link any strategies to planning processes undertaken by other Government agencies. The scale of the process provides many opportunities for linkages to be missed including: centralised procurement; local government (with definition of communities); central government (with roading and facility planning); and major utilities (who may be providing changes to the network).

4 Economic Case

The Economic Case is largely taken from the iPBC and updated where appropriate. This has not included a fundamental review of the costs, rather a review of the logic and decisions reached so as to inform the uPBC (for completeness). A copy of the iPBC is included in Appendix A for reference.

4.1 Critical Success Factors

This section establishes Critical Success Factors which will be used to assess the programme options. The focus is to identify the elements which are crucial to the delivery of the propgramme.

The risk when assessing the options for education renewal is to focus solely on property issues. However, the eventual solutions are likely to incorporate a mix of people and building initiatives to meet the investment objectives.

It is important to ensure that the evaluation of options is derived from a focus on the assessment of the problems, the expected benefits and the strategic interventions. The benefits are seen largely around an investment which improves the quality, effectiveness and efficiency of the school network.

The Ministry has identified the following critical success factors.

Table 1: Critical Success Factors

Critical Success Factors
Value for money, holistic and whole of life decision making
Flexible and responsive to changing requirements
Linkages to the community
Market capability and capacity
Future proof and deliver quality in design

The relationships between the benefits and the strategic interventions are shown in Figure 1 and are linked to the Critical Success Factors. A discussion of the Critical Success Factors and how they can be assessed is included in Appendix K.
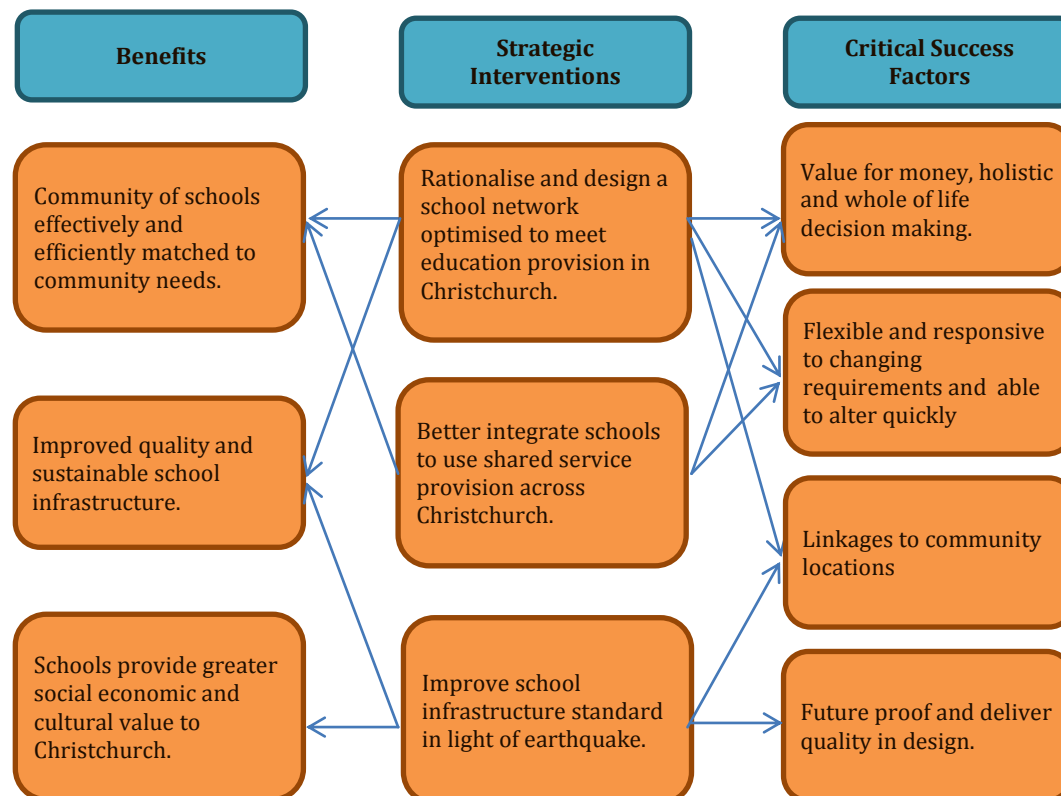
Figure 1: Links between Benefits, Strategic Interventions and Critical Success Factors

4.2 Identifying Programme Options

Five investment approaches that vary in scale and scope have been considered. These are:

- Do Minimum: The minimum cost to respond to defective buildings so they are safe to occupy.
- Status Quo: Costs faced by the Ministry prior to the earthquakes.
- Repair All Damage: Return the network to its state prior to the earthquake. Supply does not match demand.
- Major Investment with Minor Rationalisation: Rationalisation is considered on a building by building basis. Does not take a coordinated approach to capacity across the network.
- Major Investment with Major Rationalisation: Rationalisation is considered at a network level resulting in building and school rationalisation. A rationalised network allows for investment in new schools, rebuilds and expansions.

In August 2012 Cabinet decided that the Major Investment with Major Rationalisation was the preferred way forward.

This has formed the starting point for the scale, scope and location assessment of options for the uPBC. This allows impractical solutions to be ruled out and to focus on further defining the scale, scope and location on a cluster by cluster basis.

4.3 Scale, scope and location

The scale, scope and location options are largely dictated by the current asset base. The possible scale, scope and location options are:
- Do minimum.
- Needs based (supply and demand including rationalisation).

- Remediate all damage.
- Respond to all damaged assets in schools that are currently occupied

Service solution

The scale of the network renewal allows different approaches to be taken to deliver education across the Christchurch network. Community consultation feedback has acknowledged the need to provide solutions that meet the needs of the learners; one solution does not fit all. A range of people and property options are possible for delivery of the investment objectives. These are summarized in the table below.

Table 2: Summary of service solutions

Option for delivery	Rationalise and design school network optimised to meet education provision	Better integrate schools to use shared facilities provision across Greater Christchurch	Lead the design of flexible and sustainable ICT enabled learning network	Improve school infrastructure
Dual shift schooling	✓	✓		
Split sites	✓	✓		
Cluster wide student engagement strategies	✓			
Governance and management review	✓			
Closing schools	✓			
Merging schools	✓			
Rebuild or repairing on existing site	✓			✓
Rebuild on a new site	✓			✓
Incentivise schools to better utilise assets	✓			
Consolidate and share specialist facilities	✓	✓		
ICT provision	✓		✓	✓

With reference to the table above, the following definitions are provided for clarity:

- **Dual Shift Schooling:** Same school on same site operating a morning and an afternoon school to facilitate teaching and learning for a larger number of learners while requiring lesser facilities. Dual Shift Schooling emerged from innovative solutions implemented as emergency responses to the earthquakes.
- **Split sites:** One school entity operates on more than one site to allow for maximum use of facilities and consolidated governance, leadership and management.

Service delivery

Service delivery addresses how the work should be designed and commissioned and addresses the linkages between evaluating the options, designing the solution and procuring the work. The options are:

Programme Management:
- Centrally based programme management of Greater Christchurch.
- National programme management of all Ministry programmes.
- Locally based programme management delivered by Ministry staff.
- Locally based programme management delivered by private contractors.

Project Delivery:

- Local Ministry project delivery.

- Local, private project delivery.

- Local delivery of minor projects by Ministry staff and private delivery of major projects.

Procurement:

- Single Line Accountability Model (traditional new schools approach).

- Head Contract (Traditional Lump Sum approach).

- Design and Construct.

- Managing Contractor (MC).

- Public Private Partnerships (PPP).

Evaluation of the procurement options was undertaken separately from the assessment of programme options and different criteria were used. The issues were more about defining the best prices and level of risk transfer, rather than determining which work is required. The detailed analysis is included in Appendix G of the iPBC.

Implementation

Implementation considers the timing and staging of the service solutions. The options are:

- Prioritised and staged.

- Individual projects.

- Grouped/packaged projects.

- All at once- "Big-bang".

- Remediate prior to requirement.

- Remediate as required.

- Defer remediation due to dependencies (other works, population shifts or community consultation and feedback on options.)

Funding

The alternative funding options considered were:

- **Insurance:** Funds are available to fund the investment from insurance payouts due to earthquake damage.
- **Crown:** Crown funding is an option to cover the investment. However, given the scale of the Greater Christchurch rebuild, it is acknowledge that funding may be constrained.
- **Private:** Private funding and financing may be an option where assets are shared or alternative procurement methodologies (for example Public Private Partnerships) are adopted.
- **Depreciation and Capital Charge:** Treasury currently funds the depreciation and capital charge of Ministry assets at the respective rates of 6% and 8% of the book value. The Ministry gives each Board of Trustees a capital funding budget to use over a five year period (5YA).

Base Case

Two 'Base Case' options were adopted as reference points to determine relative value for money. This approach considers the cost (weather tightness, maintenance and earthquake prone) faced by the Ministry prior to the earthquakes and not just the remediation of earthquake damage.

Do Minimum: The minimum cost to respond to defective buildings (weather tightness, programmed maintenance, seismic strengthening and earthquake damage). It is a property response and does not look to address the education delivery. Property will be remediated to a point where it is safe to occupy. At a network level, supply exceeds demand allowing irreparable buildings to be decommissioned and students relocated to alternative education facilities. The result of the Do-Minimum option is a network that is usable but not necessary ideal for education delivery or located to match the demands of learners.

Status Quo: Prior to the earthquakes the Ministry was facing a requirement for significant investment in its Greater Christchurch assets. Compounding challenges of weather tightness, programme maintenance and seismic strengthening needed to be addressed. The Status Quo base case option looks at the cost faced by the Ministry prior to the earthquakes to repair all of its damaged assets. Unlike the Education Renewal brought about by the earthquakes, the Status Quo base case option is a property solution and does not address education delivery and does not match supply with demand.

Assessing the Programme Options

The process of assessing the programme options aligns with the Programme Business Case Guidelines. The possible programme options were assessed against the Investment Objectives that were identified as part of the Investment Logic Mapping process and the Critical Success Factors. A detailed assessment is provided in Appendix H of the iPBC contained in Appendix A. The approach taken to assess the options is based on a 'Yes', 'No' and 'Partial' scoring system whereby:

- **Yes:** the criteria is fully met for all situations.

- **Partial:** the criteria are fully met in some situations, whereas not at all in others.

- **No:** the criteria are not met in any situations.

Based on these assessment criteria, the mix of project options taken forward predominantly consists of 'Yes' with some 'Partials' but do not have any 'No's'.

Based on the analysis undertaken in the iPBC, the following indicative Costs and Benefits are outlined for the options. The costs and benefit totals have not been updated as they still reflect the quantum of the options and therefore provide a realistic basis on which each option can be considered. There have been a number of changes that reflect individual school decisions made by Cabinet in the period since the iPBC was produced that are not incorporated into the assessment however they do not change the fundamental nature of the assessment.

Table 3: Summary of indicative costs and benefits

Option	Scope	Cost	Benefits
Option 1: Do minimum (Base Case)	• Limit the investment by only completing health and safety related works. • Buildings are habitable and able to be used to deliver education. • At a network scale there is sufficient capacity so there is no provision for expansions of existing schools or rebuilds where schools are irreparable. • New schools will be provided to serve large scale shifts in population.	$470-520mil	-$190-210mil
Option 2: Status Quo (Base Case)	• Complete the works that were required prior to the earthquakes. • Includes earthquake prone, weather tightness and programmed maintenance. • Property response and not a renewal of the education network.	$610-670mil	-$100-110mil
Option 3: Repair	• Return the network to its state prior to the earthquake.	$810-900mil	-$90-100mil

All Damage (Value for money assessment)	• There is no scope for rationalisation or expansions to meet shifting demands. • New schools may be built on new sites due to large scale population shifts.		
Option 4: Major Investment with Minor Rationalisation (Possible)	• Rationalisation on a building by building basis. • Does not allow for a network approach that allows for school rationalisation. • There will be no rationalisation in schools where only minor repairs are required. • The scope of the major investment includes all minor and major repairs and rebuilds following rationalisation. • New schools will be built to service population shifts, to replace irreparable schools and new classrooms provided in response to roll growth.	$1.22-1.35bn	$130-140mil
Option 5: Major Investment with Major Rationalisation (Preferred Option)	• Rationalisation that considers roll decline and roll size prior to completing repairs or rebuilds. • A network approach by looking at the capacity and level of damage of neighbouring schools when considering the opportunity to rationalise the number of schools. • Option to amalgamate two schools to service a local demand as well as rationalising assets by sharing specialist facilities. • Major rebuild includes new schools on both new and existing sites as well as expansions to existing schools to meet increased demands.	$900mil-1bn	$130-140mil

5 Commercial Case

5.1 Procurement Strategy and Service Requirements

The delivery of the rebuilding process in a cost effective manner will require strong partnerships with the private sector. However, delivery of the programme within the cost constraints will be difficult. It is expected that as other rebuild work comes on line in Greater Christchurch that there are going to be significant resource constraints. This will ultimately result in escalation issues and may impact the ability of the Ministry to transfer some risks to the private sector.

For this reason, standardised solutions are likely to be highly cost effective, as the work can be undertaken by a wider range of contracting firms. This would imply a greater use of relocatables and factory-built buildings to provide cost effective solutions.

It will be important that the construction industry (from design through to construction) is engaged. One of the likely issues will be the attractiveness of working with the Ministry. The overarching issue will be to achieve competition and value whilst making the work attractive so that appropriate resources are allocated in a cost effective manner.

The Ministry is committed to cross Government co-ordination in its efforts to implement this programme. As such, the Ministry considers itself to be an active member in the co-ordination and participation of all cross agency initiatives including with CERA and MBIE. Further detail and opportunities are contained in the section that follows.

4.1.1 Programme procurement objectives

The objectives of the procurement strategy aim to deliver on Government priorities and the desired impacts in the Ministry's Statement of Intent. The GCERP Procurement Strategy will:

- Deliver value for money over the whole of life requirements for buildings;
- Demonstrate integrity and transparency ensuring full and fair opportunities for all eligible suppliers;
- Promote open and effective competition;
- Align with broader cross Government initiatives and contribute positively to the broader rebuild of Christchurch;
- Improve internal and market business capability; and
- Be responsive to education demands and opportunities.

4.1.2 Review of the Programme Business Case

The IPBC identified the most appropriate strategic approaches based on the broad scope of works. This UPBC elaborates on these strategic approaches by focusing on the delivery models, approach to the market and contract terms.

4.1.3 Service Requirements

The decision to adopt a particular form of procurement has been and will continue to be guided by a range of issues such as a particular model's fitness to manage the risks inherent in the project, the programme and the scope, historic practice, ability to capitalise on the efficiency due to the large body of work and market capacity to name a few.

The updated Service Requirements for the programme are:

- Demolition: the removal of buildings from site and reinstatement as required. This particularly applies to schools that are being closed.
- Repair: the works required to bring existing school buildings up to minimum standard.
- Rebuild: demolition and reconstruction of an existing asset in the current location.
- New Build: construction of an asset in a location where there was no asset previously located (eg roll growth).
- New School: the construction of a new school either due to relocation of existing or to provide network capacity.
- Professional Services: services required by the Ministry to both plan and deliver the programme.
- Maintenance: on-going facilities maintenance services from day to day operation to building maintenance.

Refer to Appendix C for a detailed discussion of the above.

4.1.4 Identifying the risks - procurement

The risk assessment aims to identify the procurement risks to the Ministry and to the programme that will need to be avoided, managed or transferred in order for the procurement strategy to be considered appropriately. There are a number of generic risks that are not specific to the Service Requirements but there are also Service Requirement specific risks. Strategic risks are at a programme level whereas tactical risks pertain to specific schools or scopes of work. The following table documents the assessed risks at this stage of the Programme.

The risks presented below are a sub-set of the risks for the broader Programme. These are the procurement related risks only.

Strategic Risk	Description	L	C	Avoided, Managed or Transferred
Value for money over the whole of life is not delivered.	Traditional procurement approach does not provide value for money.	M	H	Avoided
	Poor quality design and delivery increases the whole of life cost. Network could face future quality failures.	M	H	Managed
Procurement process is not transparent and excludes eligible suppliers.	Does not comply with the Governments procurement rules. Media and public scrutiny including legal reviews.	L	H	Avoided
	The procurement approach is not consistent between engagements. Market attractiveness is reduced.	H	L	Avoided
Open and effective competition is not achieved.	The market is not incentivised to tender competitively and the Ministry does not achieve value for money.	L	H	Managed
Market availability and internal resources constrain the progress of the programme	The market does not see the Ministry as an attractive client (scope or risk transfer) and does not have enough parties interested to drive competitive pricing.	L	H	Managed
	Competitive market prevents new entrants and reduces future resource availability.	M	M	Managed
Unable to respond to education demands and opportunities.	The relationship is adversarial with no common objectives, reducing flexibility. Increased expenses and impact to operations.	H	L	Managed
	Regimented procurement approach means it is difficult to respond to emergency or priority works.	L	M	Managed
Tactical Risk	Description	L	C	Avoided, Managed or Transferred
Time	Late delivery impacts on the schools operations. (Demolition, repair and rebuild).	H	M	Managed
	Other programme activities (demolition, transportables and new builds) delay the commencement of rebuild or repair works.	M	M	Managed
Cost	Documented scope is inaccurate.	L	H	Managed
	The Ministry does not capitalise on the residual value of assets for demolition (scope of recovery) resulting in reduced VfM and poor public perception. (Demolition only)	H	M	Avoided
Quality (including operational impact)	Works impact on the schools operations in order to meet programme. (Demolition, repair and rebuild).	H	M	Managed
	Works are awarded based on price and not capability or project specific drivers. 'Best for project' suppliers are not selected resulting in poor quality delivery.	M	H	Managed

4.2 Key Procurement Strategies

A key factor in evaluating value for money outcomes from building and infrastructure investments is the procurement strategy. Procurement strategy decisions made at the beginning of an asset investment process will affect asset performance, service delivery, cost and value for money throughout asset whole of life. Sound procurement decisions involve a comprehensive examination of a range of procurement models to determine the approach that is best suited for each project. This ensures that opportunities for achieving increased value for money and improved infrastructure investment outcomes are readily identified and capitalised.

There are many forms of procurement available to potentially deliver this programme of works. The decision to adopt a particular form of procurement will be guided by a range of issues such as a particular model's fitness to manage the risks inherent in the capital delivery, historic practice, ability to capitalise on the efficiency due to the large body of work and market capacity to name a few.

The Ministry's recently approved Category Strategy (Procurement) relies on the Ministry's own commercial capability to manage and provide advice to the Ministry (and Schools) on which resourcing model suits which scenario.

The Solution Topology
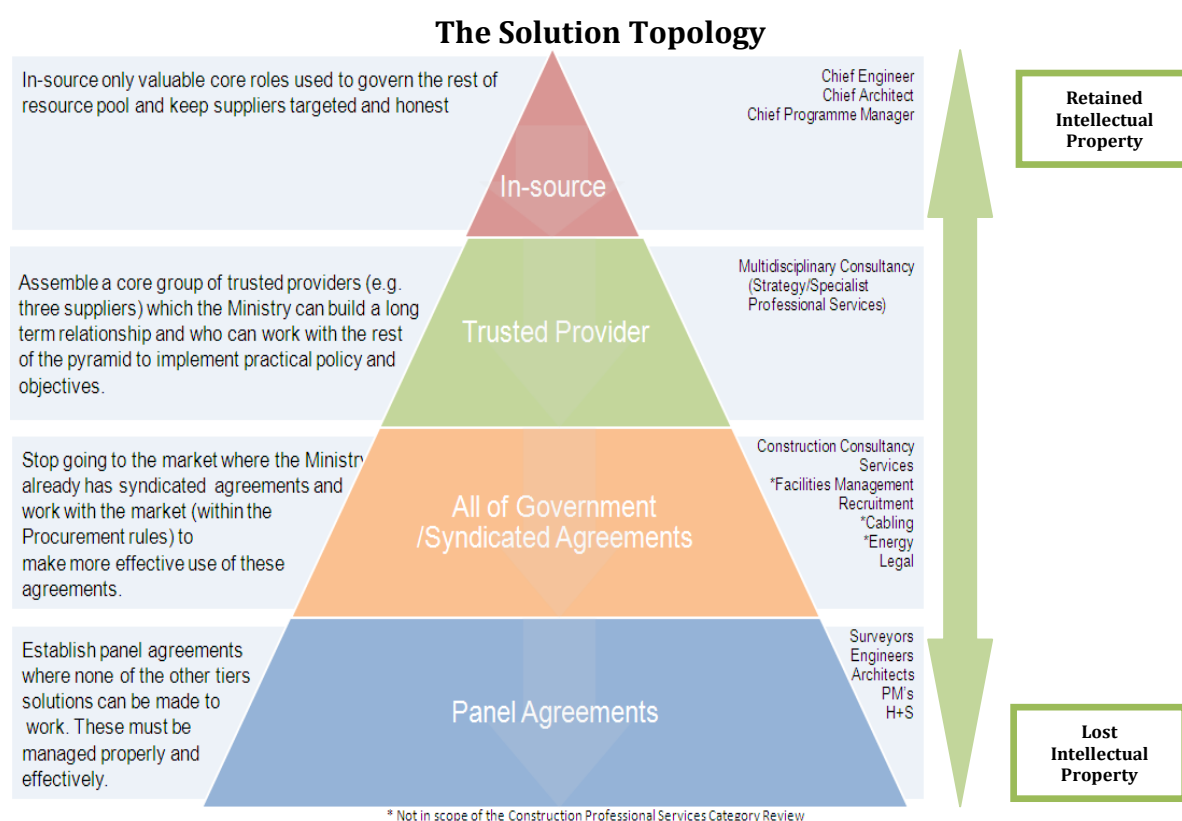
The Ministry also has the overriding right (unless they have committed spend under All of Government Agreement) to go to open tender to secure requirements.

The following is a summary of the Key Procurement Strategies Options Analysis. A detailed analysis of the procurement options is provided in Appendix D.

Table: Key Procurement Strategies Options Analysis

Service	Procurement Approach	Applicability	Scope
Professional Services	**Panel Arrangement**	A panel arrangement is appropriate where there are a number of suppliers who can provide a service and where there is an on-going demand for the service. This is a final option where Trusted Provider and Government Syndication is not possible. It allows for varying procurement methodologies to be used without the need to go to market for individual projects. It provides fast and streamlined access to providers whilst maintaining competitive tension.	• Professional services across the Programme
	Traditional Project by Project	Traditional project-by-project procurement is appropriate where works are required to progress ahead of the establishment of the professional services panels or where one-off specialist services are required.	• Professional services for early or specialist works
Construction	**Head Contractor**	Use of a Head Contractor is appropriate where: • Long lead-in times, programme experience in the type of works or certainty/simplicity of scope allow the design to be completed prior to engaging the contractor. • Rebuild area is easily separated from school operations.	• Demolition • Minor and major remediation • Rebuilds • New schools • Temporary accommodation
	Managing Contractor	Use of a Managing Contractor is appropriate where: • Works are required in an operational environment and input on methodology and sequencing is important. • Wuncertainty of scope or short lead-in times do not allow for detailed and accurate design documentation.	• Major remediation • Rebuilds • New schools • Temporary accommodation
	Design and Construct	The success of Design and Construct projects depends on the quality of the specification of requirements. Given the varied nature of the repair works, Design and Construct is best used where standard specifications can be used or the cost and time associated with developing project specific specifications can be justified.	• Major remediation • Rebuilds • New schools • Temporary accommodation
Facilities Maintenance	**Maintenance Help Desk**	Logging of school maintenance requirements with a maintenance help desk as they arise is most applicable where the maintenance requirements are unknown or only loosely defined early on.	• Reactionary maintenance for existing schools
	Group Contracts	The use of group contracts is most applicable where the scope of works can be documented in detail well in advance of being required. The use of service specification based group contracts further requires certainty in the current asset condition to be effective.	• Cyclical/planned maintenance for existing schools • FM services for new schools
Public Private Partnerships • Professional Services • Construction • Facilities Management		Public Private Partnerships (PPP) are most appropriate for new schools where the scope and service specification can be clearly defined.	• New schools • Temporary accommodation

4.3 Cross Government Co-ordination

The Ministry recognises that the Programme will be undertaken in the context of a multi Agency approach to the broader re-build. As such the Ministry is committed to ensuring that it aligns with other initiatives. Key actions undertaken to date include:

- Published a Notice of Intent for the private sector to understand the Ministry's requirements at a high level
- Regular meetings with MBIE to discuss programme requirements and advise of procurement intentions
- Active participation in the Canterbury Procurement Forum
- Discussions with Housing NZ regarding a syndicated panel for demolition
- Sourced some services from the existing Corrections Panel for Professional Service

As initiatives are developed (eg the Professional Services discussions with MBIE) the Ministry will be an active participant.

4.4 Bundling

The Ministry has historically delivered projects on a school by school basis. The size of the proposed programme enables different strategies to be considered. Whilst the business as usual process is available (school by school), this will generate significant procurement and management costs and make securing appropriate resources difficult. The opportunity exists to bundle projects. This provides a significant opportunity to engage with the entire cross section of the market providers (from small to large – recognising that the majority of the suppliers to the Ministry are in the small to medium category).

The Ministry has assessed in detail the opportunities for horizontal and vertical bundling.

Vertical bundling ensures schools are bundled to achieve scale by type (eg minor works) or by clusters (various locations). The advantages of vertical bundling are:

- Achieving scale
- Lowering procurement and transaction costs
- Better resource allocations and supply chain efficiencies

The disadvantages of bundling are:

- Availability/suitability of small contractors can be reduced (due to contract size)
- Delivery risk is restrained to a smaller number of contractors and therefore the Ministry needs to manage the associated risks
- Demand for large Contractor capabilities is likely to be constrained for a number of years of the programme

To manage the risks, the Ministry will also bundle horizontally. This will ensure that the small to medium companies receive opportunities for constant work over a number of years. The Ministry's approach has been to identify projects (typically repair) projects where a single contractor can be engaged for multiple years as the projects are programmed on a continuous basis.

The Ministry recognises that this uPBC presents an initial view on procurement and that the approach will be adapted as pressure builds on suppliers, competing demands and therefore the potential for rising inflation.

4.4.1 Bundling Strategy

The following items were considered as part of determining the bundling strategy.

Priority / Programme

The most important consideration for bundling of works is their priority / programme constraints. In the case of early works, programme constraints may mean that bundling is not an appropriate solution.

The bundling of works by programme considered the concentration of work and the value being delivered at any one time. Bundles spread over a longer period can be delivered by smaller construction firms, whereas a bundle of a similar value over a shorter period may limit delivery to larger construction firms.

Urgency and lead-in times will affect the delivery model (procurement model) selected for each bundle, therefore it is considered appropriate that works within each bundle should have similar priority and programme requirements.

Scope

The various scopes (service requirements have been re-stated below):

- New Schools;
- New Builds;
- Rebuilds;
- Repairs;
- Demolition;
- Maintenance and operations contracts.

In terms of construction, other scope factors influence the suitability of work to be bundled. These factors include:

- Operational versus non-operational sites, and
- The rebuilding of an entire school versus the partial rebuilding of a school.

Where demolition work is required to enable the rest of the works onsite, the demolition will be bundled with the works proposed for that site (as part of the contract and therefore a strategy to manage risk). However where demolition is required independently of the works (no dependencies), then the demolition will be procured separately and thus can be bundled with other demolition works.

Location / Cluster

Where possible all schools within a cluster will be bundled together. This will allow schools and clusters certainty over their programme and completion dates as a whole as opposed to on an individual basis. This is not considered to be a significant issue (geographic spread) as the locations of the schools are quite close in the broader sense.

Bundle Sizes

The Ministry is aware of the potential for resource constraints in the Christchurch market. It is therefore important to bundle the works so that it appeals to a large range of contractors. This means creating bundles in sizes appropriate for 1st tier as well as 2nd and 3rd tier contractors. It should be considered that, as time progresses, contractors in both categories will develop and the size of works they are able to take on will increase.

Small bundles of low priority works will also be considered in order to provide flexibility to the Ministry in procuring these works as and when the opportunity arises. Further discussion on vertical and horizontal bundling was provided in Section 4.2.

4.4.2 Alternate Bundling Considerations

Whilst the majority of the bundles will be determined based on the criteria from 4.2.1 (above), there are some particular bundling opportunities outside of the lump sum or managing contractor bundles. These are assessed below and the following descriptors have been used when identifying/classifying these bundles:

Descriptor	Definition
Early Works and exceptions	There are some schools that have commenced (Pegasus, Halswell and Transportables). Not bundled. These projects have commenced and have been procured.
PPP	New Schools/Rebuilds on new sites wheredeadlines can be met if delivered by PPP. Earliest Primary completion date is Term 1 2016, earliest Secondary completion is the start of 2017.
New Schools	New Schools that are required too early to be included in PPP bundle.

Early Works and Exceptions

In some cases works at particular schools or clusters have already begun. At the time of uPBC development the following projects were identified as already commenced:

- Halswell (commenced)
- Pegasus (commenced)
- Transportables (new and relocated at a range of schools)

In some cases Early Works at particular schools or clusters may need to proceed ahead of the programme implementation due to time constraints. The following projects have been identified as requiring the implementation of Early Works:

- Lyttelton Main School
- North New Brighton
- West Rolleston
- Marshland
- Woolston

Public Private Partnerships (PPP)

Whilst PPPs are technically a procurement approach they have been considered below as a particular bundle.

PPP is considered as most applicable for New Schools or complete Re-builds on new sites. Thus only schools of these scopes were considered for bundling into a PPP.

Based on the Ministry's experience with the Hobsonville Point Schools PPP, the model is most likely to be a traditional service accommodation project. That is the private sector consortium designs, constructs, finances and maintains the facilities for a 25 year period (post construction). The likely maintenance services would include building management, grounds, security, pest control, janitorial and general management (including helpdesk) functions.

A PPP offers the potential to provide cost certainty for 25 years and fully integrate the design and construction process into the maintenance regime (with actual risk

transfer). A well designed and implemented design and construction process (including with bundling) does not achieve the risk transfer into the maintenance phase and also does not achieve cost certainty.

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Information has been withheld to maintain the constitutional convention protecting the confidentiality of advice tendered by officials. s9(2)(f)(iv)

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4.4.3 Changes to Bundles

There are a number of factors that may result in changes to the bundles (including PPP bundles). These include:

- New information: Decisions are yet to be made for some schools, including special schools and schools currently in extended consultation including the Secondary School network. When decisions for these schools are made, including scope and programme, the bundling will be reviewed.
- Priority / programme: The priority or programme of schools may change and if so the bundling should be reviewed to ensure its suitability.
- Scope: Decisions have yet to be made regarding buildings marked for repair that may be re-built instead. This change in scope may change the suitability of the current bundles.
- Market response: As the early works begin and the broader Christchurch construction works commence the Ministry will gain an understanding of the market's appetite for the work and ability to bid for it. As a result some bundles may be split or combined to suit the market response.

When making changes to the bundles, the considerations of the bundling strategy should be followed. Each project will be reviewed in the context of the programme and bundling confirmed prior to going to market.

The Ministry recognises that the changes to bundles will need to be minimised (completely when changes are implemented post procurement).

4.4.4 Procurement Approach

The Ministry has assessed the various procurement models against the Service Requirements. Refer to Appendix E for the analysis.

A summary of the Procurement Model per Service Requirement is presented below.

Service Requirement	Preferred Option	Alternative
Demolition	Head Contract	Managing Contractor (GMP):
Repair	Head Contract	Managing Contractor (GMP)
Rebuild	Head Contract	Managing Contractor (GMP)
New Build	Head Contract	Managing Contractor (GMP)
New Schools	Head Contract	PPP: large bundles of projects and no time constraints. Managing Contractor: large bundles of work and time constraints.
Professional Services	Panel Arrangements	Minor Conventional: early projects only where the panel is yet to be established (including pilot projects).

The preferred method is for the Ministry to achieve price certainty prior to awarding construction contracts and therefore the Head Contract procurement model is the preference. However, the Ministry recognises that this outcome can not be achieved in all instances (including where there is insufficient time to prepare designs, where there is significant uncertainty in the scope (eg some repairs) or when market demand is insufficient to achieve competition. A Managing Contractor (Guaranteed Maximum Price) model provides appropriate flexibility to appoint a Main Contractor whilst finalising designs, to address scope uncertainties and access appropriate supply chains.

Therefore there will be a range of bundles (horizontal and vertical) with a range of procurement models. The Ministry considers this to be the most appropriate approach and sensible in the context of the programme.

Public Private Partnerships (PPP)

The following indicative programme for setting up a PPP and delivering a school through this delivery model was used to determine the earliest possible opening date for a primary and secondary school delivered via PPP. This is based on a PPP specific business case commencing in July 2013. The dates are set out in the table below.

Item	Duration	Completion Date
PPP Business Case complete and approved.	4 months	December 2013
EBoT / BoT engagement and specification development.	3 months	April 2014
EoI released to market	2 months	Jan 2014
RfP released to market	6 months	April 2014
Financial Close	4 months	December 2014
Construction - Primary Schools	12 months	Term 1 2016
- Secondary Schools	18-24 months	Term 1 2017

Bidding for a PPP is expensive and higher risk for the private sector. Given the large amount of work in Christchurch being delivered by traditional delivery methods, there is the risk that the market will not see a PPP as an attractive project to bid. The business case for the PPPs will be required to consider a range of factors but must focus on ensuring that the bid costs are minimised in the context of the attractiveness of the deal. This is a focus on ensuring that the size of the project justifies the level of private sector investment in the opportunity.

There are a range of issues that will require further consideration should this procurement model be adopted. The issues include:

- Ensuring that there is market interest. This is in the context of other projects that may be delivered using PPP and the total volume of available construction work. If contractors are able to source "easier" work then there may not be the desire to invest in the PPP process. The deal size will be a very important factor on this issue to ensure that value for money can be achieved.
- Ensuring competitive tension. The procurement process needs to maximise the competition elements so as to ensure that there is a higher potential for strong competition when bidding.
- Deal size will be important in the context of the broader re-build exercise.
- General process improvements – there is an expectation that the Interactive Tendering Process (ITP) will be improved and this will assist to lower bid costs.
- The availability of relevant insurances for the private sector will need to be assessed.
- Geotechnical risk will need to be specifically addressed.
- Legal issues such as force majeure will need to be addressed in the context of the broader industry issues and risk transfer.

Bundle Summary
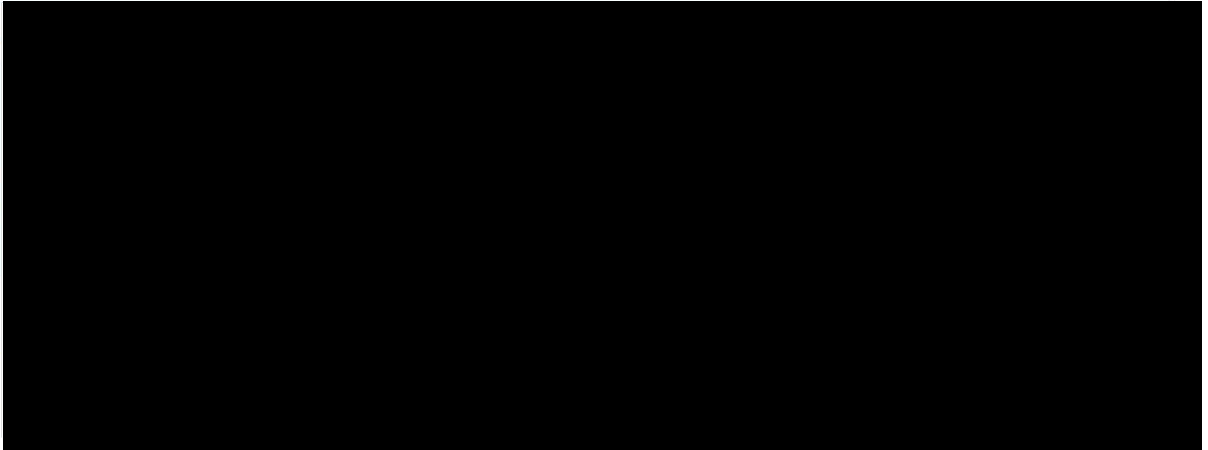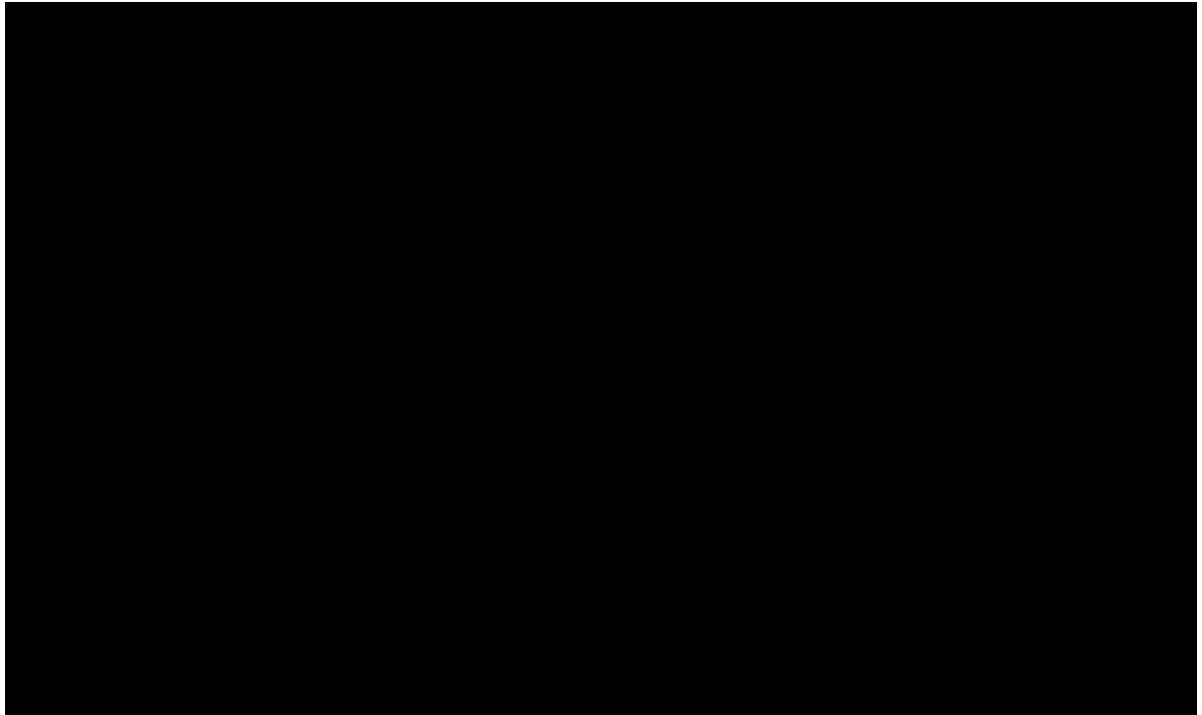
4.4.5 Existing Procurement Activities

For clarity, the Ministry has commenced some of the activities required to deliver the programme. The key procurement activities undertaken to date include:

- Design and Construction of Halswell and Pegasus schools
- Design and Construction of a number of Transportable Buildings for role growth
- Established a Master Planning Panel
- Established a Minor Works Project Management Panel

- Established a Project Management Panel (for all works other than Minor Works)
- Procured Design Services from the Corrections Panel
- PPP Standard Form Contract

4.5 Assessment of the Best Way to Approach the Market

The best way to approach the market has been assessed for each procurement model and considers the tender procedures and the evaluation of tenders. The Ministry recognises that this may change if and when broader cross agency opportunities (eg Professional Services or Minor Works Construction Services) are established and the Ministry will adapt its approach accordingly.

Whilst the discussions below are based on the Ministry's current thinking for each Procurement exercise; the Ministry will prepare a Procurement Paper that finalises the specific procurement detail for each procurement activity.

4.5.1 Notice of Intent (NoI)

The Ministry relies on the private sector to deliver the Professional Services and Construction Services to ensure that the programme is a success. It is therefore vital that the private sector is provided with information that enables it to mobilise and make the required investments to win and deliver the opportunities.

To provide this information, the Ministry will release a NoI with the aim of ensuring that the market understands:

- The volume and type of work involved in the programme, and
- The method by which the Ministry will purchase the services

The NoI will provide the sector with the opportunity to respond and provide comments that the Ministry can use to inform the procurement approaches as the programme develops.

4.5.2 Syndicated Procurement

Notwithstanding the discussion presented below, the Ministry will engage with any whole of government or cross agency initiatives that assist with delivering efficiencies to the broader re-build. In this context, the Ministry is participating in discussions regarding:

- A syndicated panel for demolition with Housing NZ
- Suppliers already on the existing Corrections Panel for Professional Services
- Broader Professional Services offerings with MBIE
- The establishment of a Minor Construction Works Panel
- Broader Education Focus group

The Ministry is committed to fully participate in any centralised / co-ordinated programme management functions that look to identify and exploit opportunities for the government.

4.5.3 Tender Procedures

The tender procedures are established to ensure the process demonstrates integrity and transparency whilst promoting competition.

Open versus closed process

The default option shall be for an open process to meet Government Sourcing requirements (fair and transparent process) and to increase competition. The open stage can be limited via prequalification.

Exceptions to the mandatory rules within the recently released Government Procurement Guidelines allow a closed tender process in the following situations (refer to guidelines for exhaustive list):

- In cases where no tenders or no suitable tenders were received for previous engagements. This may be due to complex methodologies.
- If the scope of the initial contract increases by less than 50%.
- Where time restricts the ability to open tender (this will only apply to the first group of priority works as any later projects have sufficient time for forward planning).
- Must maintain a written record of justification for using closed tender processes. The table below summarises the Delivery Model and the procurement process (Open or Closed).

Delivery Model	Open	Closed
Head Contractor	**Preferred.**	Using existing panels of contractors or where a multi-stage tender approach is taken.
Managing Contractor	**Preferred.**	Using existing panels of contractors or where a multi-stage tender approach is taken.
PPP	First stage.	Second stage.
Panel Arrangement	**Required** (formation of panel).	When awarding work off panel (but open to panel members).
Minor Conventional	**Required.**	When using existing panels.

Single vs Multistage

The table below summarises the Delivery Model and whether it is a Single or Mulit-Stage procurement process.

	Single	Multi-stage
Head Contractor	Methodology is highly specialised and only a small number of contractors are expected to tender.	**Preferred.** When used in conjunction with an open tender approach as a form of prequalification to assist with RfT reviews.
Managing Contractor	Fast track the procurement process for early works. Where a closed process is appropriate.	

PPP	No exceptions.	**Required.**
Panel Arrangement	When awarding work off panel.	**Preferred.**
Minor Conventional	Services are highly specialised. Where a closed process is appropriate.	**Preferred.** When used in conjunction with an open tender approach as a form of prequalification to assist with RfP reviews.

Tender Documentation and Release

Where a two-stage, open tender approach is adopted the documentation will consist of an EOI then and RFT/RFP.

Where a one-stage or closed tender approach is adopted the documentation will consist of a RFT/RFP.

All open tender projects shall be advertised on the Government Electronic Tenders Service website. (GETS)

Scope of Tenders

The following sections provide a discussion on the scope of the different Service Requirements.

Construction

Includes demolition, repairs, rebuilds, new builds and new schools.

The scope of the tender packages will align with the bundles developed, i.e. all construction works within one bundle will be awarded to one contractor (unless there is no suitable contractor).

Professional Services

Includes master planning and design services.

The professional services market is made up of a number of service providers of different sizes and capacity to deliver the work. Each bundle of schools will have one professional services EOI/RFP with sub-bundles for professional services. Service providers will have the opportunity to bid for one, some or all of the sub-bundles depending on their capacity to deliver.

4.5.4   Evaluation of tenders

Evaluation methodology

The following evaluation methodologies have been shortlisted as being the most suitable to manage the Ministry's risk in the selection of contractors and service providers.

Weighted Attribute	Target Cost
Can be used for all Delivery Models.	Only applicable for PPP procurement.
Weight of the criteria will differ with projects.	Requires detailed specification of requirements.
Used to evaluate EOI's where price is an unweighted criterion.	Use for RfP evaluation.
Recommend a maximum of 5 criteria with no criteria having less than 10%.	

[content redacted]

4.5.5 Approvals and Delegations

Reporting

The programme team will complete an initial evaluation of the tender/proposal submissions and provide a report identifying the strengths, weaknesses and risks associated with each submission and scores against pre-agreed criteria.

Due diligence

The programme team report shall also include a due diligence assessment which may include:

- Reference checks;
- Companies Office checks;
- Credit checks;
- Analysis of audited accounts;
- Production of appropriate and valid insurance certificates;
- Compliance certificates and accreditations; and
- Police checks or security clearances.

Evaluation Panel

An evaluation panel will be established to fulfil quality assurance functions with regards to the procurement of construction and professional services. The evaluation panel will make their own assessment of the submissions by either reading the submissions or based on summary information provided by the programme team. The Evaluation Panel will be required to gain consensus on decisions. A panel moderation approach will be adopted to review the initial individual scores and the recommendation of the programme team. There will be a minimum of three (3) panel members for each evaluation.

4.5.6 Timeframes

The Ministry is committed to maximising the opportunities for private sector participation. The Government Rules of Sourcing (2013) are mandatory rules for procurement which the Ministry must adhere too. The GCERP will adopt the following process and minimum timeframes when engaging with the market (this applies to Lump Sum and Managing Contractor):

Stage	Duration
Release of Expression of Interest (EOI) for response	20 days (minimum). Will vary with project scope and complexity.
Evaluation of EOI submissions including reporting to Evaluation Panel	≈ 10days. Will vary with the number of responses.
Release RFP for response	25 days (minimum). Will vary with the scale of works and the delivery model (HC requires longer than MC)
Evaluation of RFP including reporting to Evaluation Panel	≈ 15days (maximum). Will vary with the number of responses.
Approval by Evaluation Panel	≈ 10days (maximum to coincide with fortnightly meetings)
Post tender award notification	10days

The Ministry will adjust these timelines to reflect the complexity of some procurement activities. Please note that the above timeframes do not apply for projects procured using PPP.
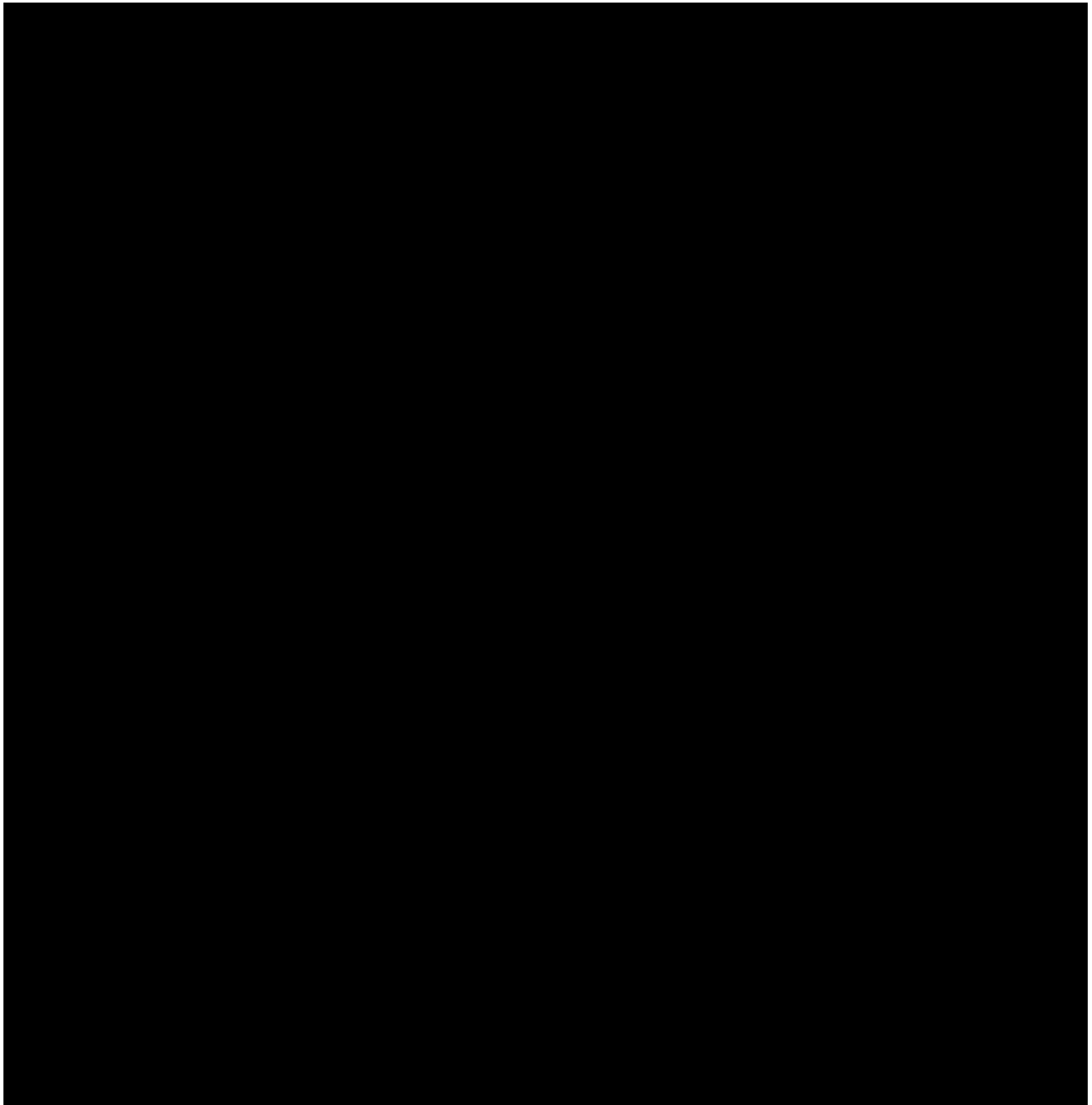
The Ministry will fulfil the requirements for post-award information and supplier debriefing.

4.6   Risk Allocation

The risk allocation for the procurement risks identified in section 5.1.4 can be allocated based on the preferred procurement options. We will adopt a principles based approach to optimising risk allocation, as follows:

- Allocate the risk to the party best able to control or manage the risk.
- Where neither party is best able to control or manage the risk, it should be allocated to the party best able to absorb the consequences of the risk.
- Where the cost of a risk's impact is such that a contractor would be unable or not willing to bear the consequences of the risk, then the transfer of such a risk is likely to impede the ability to competitively engage with the market, and the risk should be retained by the Ministry.

Where risks have been identified as being 'avoided' no risk allocation is required as the strategic approach to procurement addresses the risk. The following table reflects the outcomes of the analysis.

4.7   Contractual and Other Issues

The contract terms and additional clauses are important aspects of the procurement strategy as they help manage retained risk. However, overly adversarial or laborious terms can lead to higher costs or reduce market attractiveness. The contract terms and additional clauses below aim to strike a balance between risk management and market attractiveness.

4.7.1   Contract terms

The Ministry traditionally uses one or more of the following contract templates for engagements:

- IPENZ Short Form Agreement For Consultant Engagement;
- IPENZ/ACENZ Conditions of Contract for Consultancy Services (CCCS);
- NZIA Agreement for Architects Services (AAS); or
- NZS 3910 Standard Conditions of Contract for Building and Civil Engineering Construction.

The Ministry has standard amendments and special conditions to these contracts. Standardised contracts will reduce the contract administration and negotiation requirements of the programme, lowering transaction costs. The Ministry is currently (via the National Procurement Team) establishing finalised standard Contract Terms. Once completed, these will be utilised for this Programme.

4.7.2 Incentives and penalties

Incentives and penalties can be considered as options to help meet programme deadlines.

Liquidated Damages

If included, the amount for liquidated damages must be reasonable and consider the actual or anticipated cost to the Ministry of not meeting completion deadlines. The losses incurred by the Ministry for late completion are likely to be small where accommodation provision has already been made for students. However in the cases where the Ministry would be required to make additional provision for temporary accommodation, bus services or operational costs on a site that is marked for closure, then liquidated damages are an option to incentivise and cover costs.

It should be noted though that Contractors price liquidated damages into their contract price as a 'risk premium'. If the Contractor finishes on time then they are effectively paid a performance bonus. The other alternative is a Contractor will bid a project knowing that they cannot meet the deadlines but will make an allowance for the liquidated damages in order to cover their costs.

In conclusion, liquidated damages are not a good option for incentivising performance and competitive pricing and should be included only in exceptional circumstances when identified in the procurement plan.

Bonus for Early Completion

In some cases the benefits of having earlier than programmed Practical Completion are sufficient to consider incentivising early completion. This will challenge the contractors to consider their methodology and to beat construction deadlines. Awarding a bonus is in line with the collaborative approach of a Managing Contractor where the rewards of a successful project are shared. This should only be considered where the Ministry has firm deadlines that are assessed as being difficult for the contractor to meet. It is unlikely that these will be used as part of this Programme.

Future award of work

The scale and duration of the programme gives the Ministry the option to incentivise delivery through future award of work. This option applies to both professional services and contractors. Quantitative and qualitative assessments of past performance could be used in the assessment of future tenders and proposals. This would rely on a consistent and transparent assessment approach in order to comply with fair tender process.

The other option is to bundle and stage works where progression onto future stages would be dependent on the previous performance. This could be an option to manage the Ministry's delivery risk when bundling larger packages of work.

Poor performance would see the subsequent stages being opened for competitive tender.

Performance based payments

For large bundles of work being delivered by Managing Contractor, a portion of the monthly management fee could be performance based. This could be used to incentivise the contractor to not only deliver on time but to manage the disruption to operations as well. Most appropriate on operational sites where repairs or rebuilds are occurring.

Mechanism	Application
Liquidated Damages	Exception circumstances only. Justification to be provided in Procurement Plan.
Bonus for Early Completion	Ministry has a firm deadline which is deemed to be difficult to meet.
Future Award of Work	Evaluate performance at project completion for all consultants and contractors to inform future tender evaluations. Stage larger bundles of work so future stages are only awarded based on the satisfactory performance of previous stages.
Performance Based Payments	Large scale Managing Contractor projects on operational sites.

4.7.3 Site access and interface protocols

There will be cases on operational sites where the access and interface protocols between construction activities and operational activities or Ministry appointed contractors need to be defined. The following is a recommendation of the access protocols that should be included on all operational sites. For the purpose of the below discussion, Ministry appointed contractors are termed 'third party contractors'.

Under NZS3910, Clause 2.6 the Ministry shall be considered a Local Authority when work is being conducted on Operational Sites.

Health and Safety

The Ministry of Education is a signatory to the Christchurch Rebuild Safety Charter. The requirements within the Charter will direct the Ministry's approach to Health and Safety. Notwithstanding that existing H&S Legislation will be the primary source of H&S definition.

The main contractor(s) shall be responsible for the Health and Safety of the work site including access control. All third party contractors must comply with site specific safety requirements including induction procedures.

All third party contractors' works areas will be considered to be separate (a work site within a work site). This means the third party contractor will:

- delineate and secure their site to ensure entry is restricted including preventing the movement of workers, materials and equipment;
- comply with the main contractors requirements when crossing their site (with reference to Inductions);
- have their own Health and Safety Plan and Procedures in place on their site.

The requirement for a separated site will be agreed on a case by case basis between the Ministry and the main contractor. The contractor is responsible for Health and Safety within their designated areas however the Ministry recognises its requirements as a Prime Contractor as far as the H&S Legislation is concerned.

The cooperation of all parties on site is important to ensure the sites operate without incident and the works progress on programme. With this in mind the following communication principals are proposed to be adopted:

- Visiting parties will adhere to the main contractors' Construction Management Plan; and

- Tasks will be coordinated as to not impact on the main contractor's programme. This requires sufficient warning to be provided by the Ministry and approval by the main contractor prior to tasks commencing.

All contracts are to include clear requirements in terms of Health and Safety expectations including the Ministry's intention to undertake due diligence during works.

5 Financial Case

The purpose of the financial case is to:

- set out the total cost of the Preferred option,
- identify the funding available to demonstrate its affordability and
- show the likely spend and funding profile over the life of the programme.

The initial Programme Business Case considered by Cabinet on 20 August 2012 approved a funding range between $0.825bn and $1.1bn over 10 years for the GCERP (Cabinet minute (12) 29/3A refers).

This Updated Programme Business Case seeks formal approval:

- **to invest** $1,137 million in the greater Christchurch Education network (the Network Property Investment) over 10 years to provide the property components of the GCERP in its entirety.
- **of $40m of new operating funding** over 10 years for operational resources to manage the delivery of the Network Property Investment.
- **of new capital funding** of between $480 and $580 million to support both the Network Property Investment and the operational resources needed to deliver that investment.

5.1 Components of the Network Property Investment

The Network Property Investment will see over 100 schools across more than 30 geographical clusters receive extensive property renewal from upgrades of existing facilities for 21st century learning environment standards, to complete redevelopments and brand new schools. At the same time surplus buildings will be rationalised and vacant land sold.

The cost of the programme has been determined using current dollar value estimates of repair costs and standard rates of construction for rebuilds and new schools.

The determination of this investment value has involved extensive appraisals of the original damage sustained from the earthquakes as well as comprehensive condition assessments examining the current state of building stock and supporting infrastructure. These assessments looked specifically at future maintenance needs, weather tightness issues, and ongoing earthquake resilience.

Overlaying the assessment work has been a block by block review of all buildings within the network to determine the best approach to each asset; either rationalise, repair and upgrade, or completely rebuild. See Appendix F for the school by school cost information.

The main component parts of the programme and their associated cost are set out in the table below.

Table: Programme Investment Components

Activity	Description	Investment
Master Planning	The development of Cluster and School Property plans.	$5m
Relocatables	Temporary accommodation to support capacity during mergers and staged construction	$8m
Land Acquisition	Purchases for new sites	$25m
Design & Documentation	Detailed design and local government consents	$36m
Construction	Repairs and upgrades, rebuilds, and new school developments, including project management fees	$882m
Demolition	Removal of surplus and obsolete building stock	$15m
Furniture and Equipment	New furniture and equipment to support the investment in new building and infrastructure	$25m
Contingency	Standard project contingency to cover scope changes and price variations. Also provides flexibility for innovation in the cluster approach to education provision.	$141m
		$1,137m

Not all of the network property investment can be categorised as capital spend. A portion of the investment will need to be allocated against the Ministry's departmental operating budget. This is dictated by the need to comply with New Zealand Generally Accepted Accounting Practice (GAAP).

It is estimated that $40 million of the network property investment will be recognised for accounting purposes as Departmental Operating expenditure over the 10 year programme.

5.2 Cost of Delivering the Network Property Investment

To deliver the network property investment, the Ministry has created a dedicated property team within the GCERP. This team includes a project delivery work stream consisting primarily of Case Managers who will liaise closely with schools to deliver individual school projects. The Case Managers will be supported by technical consultants, procurement advisors and a small programme support office and finance function.

The cost of resourcing this team is estimated at $34 million over 10 years. These core programme costs exclude some initial operational costs that the Ministry will incur in 2013/14 that are not part of the renewal process. These include the requirement to complete Detailed Engineering Evaluations on all school buildings in the region, ongoing minor repairs and accounting losses on demolition works.

A further $6m will be needed to fund these non-renewal programme aspects.

Budget 2013 has made a provision of $6 million p.a. for the programme (Cabinet minute (13) 12/6(7) refers). This Updated Programme Business Case confirms that operational funding requirement and seeks to re-phase it over the life of the programme.

5.3 Changes since the Initial Programme Business Case

The value of the network property investment has changed since the initial Programme Business Case set out the preferred renewal option in August 2012. A further $154 million (excluding fees) has been added to the investment total. This change has been driven by five main factors:

- Scope changes arising from the public consultation process around school closures and mergers
- Updated demographic information with new school, roll growth and distribution implications
- More detailed condition assessment data, particularly weather tightness and infrastructure estimates
- Granulated block by block review informing rationalisation, repair or rebuild decisions
- Consideration of furniture and equipment implications of network investment

The table below breaks down the total impact of these changes.

Table: Impact of Changes from August 2012

Change	Investment Implications
Proposed Closures/Mergers Remaining open	$24m
New Schools added to Scope	$56m
Repairs now Rebuilds	$36m
Updates to Assessment Data	$58m
Block by Block Review	-$39m
Furniture and Equipment	$19m
	$154m

Information Sources

The original Greater Christchurch Education Renewal Programme Business Case was based on cost estimates for four core programmes – Condition Assessment (10 year estimate), Earthquake Damage, Earthquake Resilience and Weathertightness. Each of these programmes had their own basis of assessment, from National Survey to detailed assessments.

Core Programmes

Over time the Ministry has continued to refine the information sources. Reviews and updates have been carried out for the earthquake damage assessments, including infrastructure renewal, earthquake resilience and weathertight remediation. This has improved the quality of the information available to the Ministry. The table below provides an Overview of Changes to the Core Programmes.

Core Programme	Basis of Update
Condition Assessment	No material change
Earthquake Damage	The results of earthquake structural assessments for the Ministry's insurance claim have been incorporated into the Earthquake Damage estimates and where possible costs duplicated with other programmes has been identified. An assessment of the under-ground infrastructure upgrade cost has been completed and incorporated into the cost base.
Earthquake Resilience	A review of the structural component of the programme has been completed reflecting a combination of changes to the categorisation of timber buildings clad/partially clad in brick or block to timber framed buildings and minor changes to remediation rates.
Weathertightness	The Weathertight programme estimates have been updated where destructive testing has been completed. The net overall impact on the remainder of buildings based on these changes has been assessed, but is not considered material to the overall programme budget.

Additional Assessments

The Ministry has completed a detailed Modern Learning Environment (MLE) assessment at a school block level and has had supporting estimates for remedial work prepared by independent quantity surveyors. The cost estimate to provide for Design Quality Learning Standards (DQLS) has been incorporated into the updated investment programme budget.

Further, to provide a more informed investment programme budget a block by block assessment of economic viability of repair has been completed to both inform property planning and ensure repair costs are as accurate as possible. Where buildings are identified for replacement the School Property Guide entitlements have been used to inform the building costs within the investment programme budget. This is based on current entitlements.

Additional foundation design and construction allowance for TC2 and TC3 equivalent land has been added and estimates will be updated once detailed geotechnical reports and design has been completed.

Following the Greater Christchurch Education Renewal Programme announcements in September 2012 and subsequent decisions announced by the Minister, the investment programme budget has been updated to replace whole school repair costs with complete rebuild costs where necessary.

5.4 Funding the Network Property Investment and its Delivery

As previously indicated (Cabinet minute (12)29/3A refers) funding for the Network Property Investment will come from a mix of sources including reprioritised baseline funding, insurance recoveries, and new funding injection.

5.4.1 Reprioritised Baseline ($407m)

The Ministry receives approximately $440 million per annum in baseline funding which is based on the depreciation of its assets. Approximately half of this amount is allocated to individual schools and is used to maintain and extend the life of property assets. The balance is retained by the Ministry and is used to fund works under a variety of programmes such as building replacements and special education.

Depreciation baseline funding has always been viewed as a consolidated fund for the purpose of reinvestment in the Ministry's asset portfolio. It has never previously been broken down and isolated for the exclusive reinvestment in the regional assets that generated it.

The Canterbury Earthquakes are an exceptional case. Currently all business as usual capital funding of GCERP schools has been frozen, aside from essential repairs or emergency health and safety works. The Ministry therefore views it as appropriate to identify the baseline funding generated by those assets covered by the GCERP and ring fence that money to fund the programme. The Ministry has identified the total value of this ring fenced depreciation baseline funding to be $407 million.

5.4.2 Insurance Proceeds ($150-$250m)

The insurance claim for the damage resulting from the earthquakes is in the process of being settled. The Ministry has agreed with Treasury that any money received via way of this claim will be used to fund the GCERP. It is currently estimated that the claim will be settled in the coming months for between $150 and $250 million. The final amount would be paid to the Ministry in the 2013/14 financial year.

5.4.3 New Funding Injection ($480m-$580m)

Dependent on the final outcome of the Insurance settlement, new funding will be required to cover the balance of the 10 year programme. In a worst case insurance scenario this new funding would total $580 million.

5.4.5 Escalation

It is recognized that there will be cost pressures on all organizations procuring construction and professional services in Christchurch over the coming years. At this stage, the Ministry is not able to accurately forecast the likely level of escalation. Depending on various sources, estimated levels vary between 5 and 20%.

The Ministry does not expect that the first two years of the programme will be significantly impacted by the potential for escalation. In 2013 and 2014 the Ministry will have procured approximately $200m of construction services. In this period, the Ministry will have adequate capacity to accommodate escalation (if any) from contingency (refer below).

5.4.6 Contingency

The Ministry recognizes the need for contingency. This is required at a project and programme level.

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5.5 Spend and Funding Profile

5.5.1 Network Property Investment

The Network Property Investment is profiled on the basis of the proposed underlying work programme. The Programme covers two broad phases of work.

The first covers the Master Planning of Learning Community Clusters to develop Cluster and School Property Plans. Cluster and School Property Plans support the final investment decision to be made at each school. It is anticipated that Master Planning will be completed by December 2015.

The second phase will be the delivery of that investment through Design and Construction which will continue until March 2023. Further detail on the programme phasing is provided in the Management Case.

The table below sets out a base cash flow forecast for the Network Property Investment. This base forecast uses industry standard s-curve analysis to model the spend profile for construction projects. Appendix F includes the supporting information for the financial costing model. The table below also provides a breakdown of when

new funding might be required across the 10 year programme in relation to the spend profile.

The timing needs for new funding is largely dependent on the outcome of the Insurance claim. In the worst case scenario new funding would be required in 2015/16, or under a best case scenario, in 2016/2017.

Both scenarios reflect cash flow requirements based on traditional procurement methods. However, some aspects of the renewal programme may be delivered by Public Private Partnerships (PPP). Under a PPP model an asset is only recognised on delivery of the school and payments are made through an on going unitary charge over a set period (e.g. 25 years). The use of a PPP procurement approach is subject to a separate Business Case.

If PPP's were to proceed the cash flow profile for those schools delivered under this method will be substantially altered and could further push back the need for new funding. It also raises the possibility of funding being required beyond the 10 year programme life span, to service the ongoing unitary payments that continue after the GCERP has completed.

Given the uncertainty around the timing of funding requirements we suggest that as part of Budget 2014 a multi-year contingency is established for the total value of the maximum new funding required. This would then be drawn down by the Ministry in an annual cycle via approval of Cabinet or delegated Ministers.

Graph: Base Cash Flows

Network Property Investment - Base Cashflow
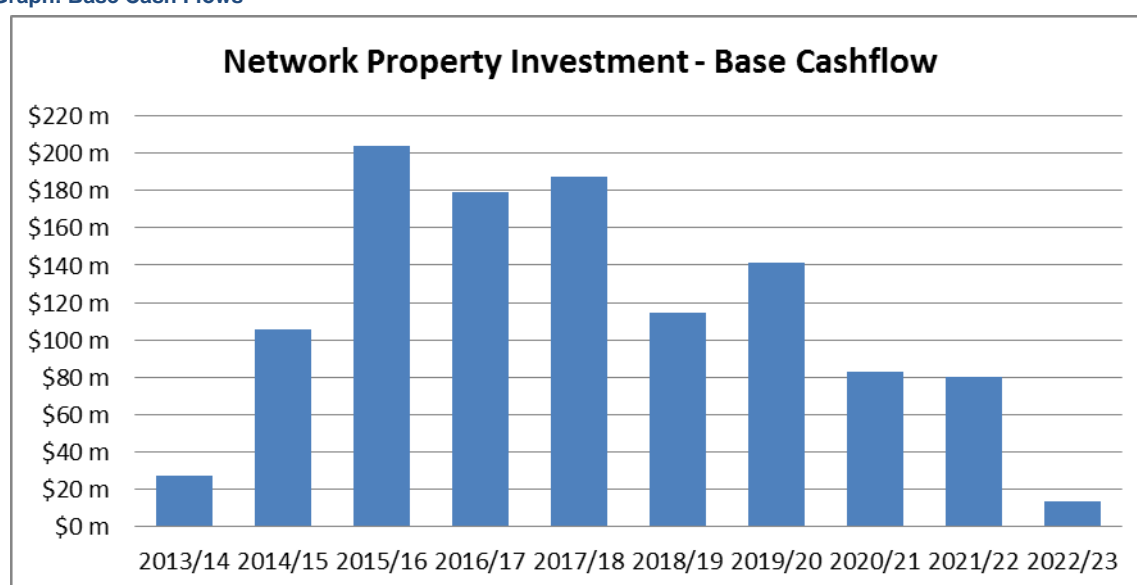
Table: Base Cash Flow and Best/Worst Case Funding Profile

$ Millions	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
Network Property Investment											
Capital	24.21	104.11	198.71	174.36	184.45	107.44	133.27	78.83	77.78	13.48	**1,096.64**
Operating	3.36	1.37	4.83	4.99	3.17	7.19	8.40	3.96	2.33	0.29	**39.87**
Total Investment	**27.57**	**105.47**	**203.53**	**179.36**	**187.62**	**114.62**	**141.66**	**82.79**	**80.11**	**13.77**	**1,136.51**
Funding Sources - Best Insurance Case											
Reprioritised Baseline	-27.57	-41.08	-41.08	-52.27	-44.25	-48.27	-49.48	-45.04	-43.41	-13.77	-406.22
Insurance Proceeds		-64.39	-162.45	-23.16							-250.00
New Funding				-103.93	-143.37	-66.35	-92.18	-37.75	-36.7	0	-480.28
Total Funding	**-27.57**	**-105.47**	**-203.53**	**-179.36**	**-187.62**	**-114.62**	**-141.66**	**-82.79**	**-80.11**	**-13.77**	**-1,136.51**
Funding Sources - Worst Insurance Case											
Reprioritised Baseline	-27.57	-41.08	-47.27	-46.08	-44.25	-48.27	-49.48	-45.04	-43.41	-13.77	-406.22
Insurance Proceeds		-64.39	-85.61								-150.00
New Funding			-70.65	-133.28	-143.37	-66.35	-92.18	-37.75	-36.7	0	-580.28
Total Funding	**-27.57**	**-105.47**	**-203.53**	**-179.36**	**-187.62**	**-114.62**	**-141.66**	**-82.79**	**-80.11**	**-13.77**	**-1,136.51**

5.6 Capital Charge Implications of the Network Property Investment

The Network Property Investment will increase the current book value and economic life of the Ministry's building stock in the greater Christchurch region. This has implications for the value of the capital charge Treasury imposes on the Ministry[6]. While this in itself does not form part of the whole of life cost of the Network Property Investment, it does have an impact on the Ministry's financial position.

The book value of the Ministry's assets in the greater Christchurch region, have been substantially reduced since the Earthquakes to reflect their damage and reduced economic life. As at 30 June 2013 the book value of the schools covered by this Updated Programme Business Case was $527 million.

This devaluation has subsequently reduced the value of the capital charge which is set at 8% of total net assets. By funding the Network Property Investment the value of the capital charge imposed on the Ministry will gradually increase over the ten year programme in line with the increasing net book value of the portfolio.

The Capital Charge implications of the Network Property Investment are set out in the table below.

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[6] The capital charge represents a charge on the net assets employed by the Ministry and is calculated bi-annually. The charge acts as a proxy for the opportunity cost of the Government's investment in assets and ensures that prices for goods and services produced by government departments reflect full production costs; allows comparison of the costs of output production with those of other producers (whether in the public or private sector); and creates an incentive for departments to make proper use of working capital and to dispose of surplus fixed assets.

Table: Capital Charge Impact over 10 Year Programme

$ Millions	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Value of Assets	**526.5**	**529.2**	**584.0**	**699.2**	**795.6**	**896.2**	**944.0**	**1,007.4**	**1,033.7**	**1,058.7**
Capital Investment	24.2	104.1	198.7	174.4	184.4	107.4	133.3	78.8	77.8	13.5
Est Value of Assets Replaced	8.0	34.4	65.6	57.5	60.9	35.5	44.0	26.0	25.7	4.4
Net Investment	16.2	69.8	133.1	116.8	123.6	72.0	89.3	52.8	52.1	9.0
Annual Depreciation	-13.6	-15.0	-17.9	-20.4	-23.0	-24.2	-25.8	-26.5	-27.1	-26.7
Total Book Value of Assets	**529.2**	**584.0**	**699.2**	**795.6**	**896.2**	**944.0**	**1,007.4**	**1,033.7**	**1,058.7**	**1,041.1**
Capital Charge 8%	**42.3**	**46.7**	**55.9**	**63.6**	**71.7**	**75.5**	**80.6**	**82.7**	**84.7**	**83.3**

6 Management Case

6.1 Programme Management Strategy, Framework and Plans

6.1.1 Programme Management Strategy

This section sets out the Ministry's programme management approach, available resources, governance structure and identifies the roles and responsibilities of each programme team and its key members.

The proposed investment comprises of a portfolio of projects (both capital and operational) for improved education delivery across the greater Christchurch region.

The relevant programme management arrangements are as follows:

- The programme is being managed using principles from Managing Successful Programmes (MSP) methodology.
- The Programme Brief sets out the programme parameters to ensure that a successful programme is delivered.
- The programme consists of two main streams of delivery. These are Education Renewal and Property. These will be managed independently and coordinated at Governance and Operational levels.
- The programme will be managed and delivered from the regional Christchurch Office with a National Office governance role.
- Improved education delivery is the driver for the programme. Change management and property/infrastructure will respond to education requirements and be two means to deliver the programme.

Programme functions will be integrated at both management and delivery levels to ensure successful programme delivery.

6.1.2 Programme framework

A series of projects will be established to deliver the programme. Projects will be managed using the PRINCE2 project management methodology within the MSP overarching requirements.

The relevant project management arrangements are proposed to be as follows:

- Projects will be the outcome of the consultation process to determine the preferred options.
- The scope of the projects will be developed based on the most appropriate procurement approach (grouped based on scale, scope, location or timing).
- The Ministry will have internal project management capability (Case Managers) to manage the delivery of the projects.
- The Ministry will control the key decision making on all property projects – specifically decisions on building size, materials and whole of life implications.

6.2 Property's Response to the Cluster Approach

The schools infrastructure programme will be supported by the Learning Community Clusters (LCC) which will take collective ownership for education delivery and student achievement within a defined geographic region. In many cases the programme of investment in school infrastructure will deliver ICT-enabled environments, support shared facilities and assist the development of schools as community hubs for health and social services.

A schools involvement in the programme will commence with the Ministry working with the school to undertake some initial planning work, called visioning for design. We expect this work to commence approximately three months prior to a school commencing design (entering a wave). This work will be used to inform the property plan for the school. The Ministry, in partnership with the school, will appoint an architect to develop the property plan which includes a high level options analysis for the school site.

One of the key aspects that will feed into the "Vision for Design" process will be the outcomes from the LCCP process. Specifically, the requirements for shared facilities (across schools within a cluster) or for community facilities (from engagement with the community) will form a key basis. The key aspects of the LCCP including the engagement with the community is driven by the Renewal Programme (and property will support this aspect, but not lead).

In responding to the outcomes, there are likely to be a number of benefits and design aspects that can be included at minimal cost. These include:

- Space for health services
- Space for other social services
- Locating Halls, Libraries or other identified spaces at boundary locations such that the community can access them without impacting functionality within the school (or the safety of the school students)
- Pools (only where appropriate)

The Ministry has a number of examples where it has successfully engaged with the community to include items such as the above. The Ministry is limited by budget constraints in terms of providing items (scope) over and above its current funding allocations. This is the key constraint that limits additional requests being incorporated.

Once the preferred option for the school is agreed by the school and the Ministry, detailed design will commence (in line with the requirements of the preferred procurement model for that school). Schools will need to nominate a person or persons to attend a number of design meetings and to be able to make decisions on solutions that respond to the schools vision for design.

The Ministry expects schools to commit time to work with the Ministry from the time the school enters the programme until their building works are complete. This is in accordance with standard practice and this requirement has already been communicated to the schools.

The process is shown below:

Vision for Design (3-4 months)

Is a process to translate the schools vision (School Charter) into what that might mean for the schools property solution.

The property solution must support the schools vision for teaching and learning

The Ministry will facilitate this process with the school.

Property plan (2 months)

Brings together the vision for design and LCCP vision with the overall property strategy into a long term plan for the school.

Similar to a schools 10YPP

Provides high level site plan options for the school.

Detailed Design (4-8 months)

The Ministry and school in partnership will appoint an architect.

Develops the detailed design for the school based on the preferred site option identified in the property plan.

Construction (9-15 months)

Timing will depend on the extent of the work required at the school.

The Ministry will work with school boards to ensure that disruption of day to day learning during the construction process is kept to a minimum.

If necessary, re-locatable buildings will be used to provide alternative teaching and staff space.

Time

Led by the Property Team

Cross check – ensure property plan and detailed design are driven by vision for design and LCCP

LCCP will help inform the vision for design at each school

Learning Community Cluster Plan (LCCP)

Confirm detailed design is aligned with LCCP

Post occupancy evaluation

Led by the Education Renewal Team

Education Renewal – change management, professional development, education initiatives and innovation

6.3 Phasing and Sequencing of Projects

To establish a programme of works the following steps were taken:

1. Understand capital investment priorities
2. Develop a criteria and scoring matrix
3. Evaluation

6.3.1 Investment priorities

The Ministry identified four key priorities for capital investment within the programme as follows:

Priority 1	Committed dates for mergers, new schools and dependencies arising from closures.
Priority 2	Responding to population changes, roll growth and capacity requirements.
Priority 3	Based on the Ministry's assessment and the opportunity for improvement. The majority of the schools within the capital programme are placed in priority 3.
Priority 4	Allocation of schools for procurement and effectiveness in delivery.

6.3.2 Developing a criteria and scoring matrix

The criteria were developed based on the priorities above and the overall programme objectives. The criteria and scoring are as follows:

Criteria	Score
1. Is the school part of a closure or merger decision with a announced date?	If yes, score 200
2. To what extent is a building project required at the school to provide additional capacity to meet roll growth demand over the next 1-4 years?	Score between 10 and 70 (70 being urgent need)
3. To what extent could a building project at the school provide opportunities for developing closer relationships with business and other community organisations that would result in positive benefits for students?	Score between 1 – 7 (1 being no significant opportunities, 7 being significant opportunities)
4. To what extent does the current building environment limit opportunities for more learner centred teaching?	Score between 1 – 7 (1 being no significant limitation, 7 being significant limitation)
5. To what extent does the current building environment limit positive outcomes for priority learners?	Score between 1 – 7 (1 being no significant limitation, 7 being significant limitation)
6. To what extent is a building project necessary at the school to address the following issues: • Poor ventilation • Poor heating • Poor lighting • Poor acoustics	Score between 1 – 7 (1 being no significant issues, 7 being significant issues)
7. To what extent does the current school building limit available Information and Communication Technology (ICT)? For example, does the school have sufficient access to ICT to enable your school to deliver the schools vision for teaching and learning?	Score between 1 – 7 (1 being no significant limitation, 7 being significant limitation)
8. To what extent is a building project necessary at the school to provide an appropriate layout for the school, for example consider the suitability of the configuration and size of all spaces in the school?	Score between 1 – 7 (1 being no significant limitation, 7 being significant limitation)
9. To what extent does the school currently depend on a large percentage of re-locatable/prefabricated buildings?	Score between 1 – 7 (1 being low, 7 being high)
10. To what extent is a building project necessary at the school to ensure the school is physically accessible?	Score between 1 – 7 (1 being no significant issues, 7 being significant issues)

Schools were also asked to provide a response to the following question:

"Do you think that a longer time frame for completing your building works may give your school, community and cluster a better chance to consider the best options for future learners?" For example, a longer time frame may:

- Provide your school with an opportunity to learn lessons from other schools. This could mean less disruption during construction, better design and a better overall solution for your school.
- Allow your school to develop your vision. The clearer your vision the better the final design solution.
- Allow your school to better plan and schedule the significant amount of time expected from your staff to engage and support the delivery of these major projects.

Schools were asked to provide a year in which they would prefer to enter the capital investment programme.

6.3.3 Evaluation

This stage involved two steps:

A. Internal evaluation whereby members of the Ministry team evaluated each school against the criteria. The property team consulted with ODA's, Senior Advisors and network colleagues during the evaluation.
B. Each school was sent a self evaluation to complete. All schools, except two completed the self evaluation.

The two scores derived from the two evaluations above were combined to determine an overall score for each school. The overall score was used as the basis of the final ranking. Some adjustments were made based on the following:

- When schools stated they would prefer to enter the capital investment programme
- In some cases removing the roll growth scores from some schools who had stated they had urgent roll growth when our network team disagreed based on their data.
- To achieve greater procurement and building efficiencies (for example, Burnside Primary School and Cobham should be in the same wave to realise their vision of shared facilities.

Generally schools evaluated themselves highly compared to the internal evaluation. Most schools stated that they had some roll growth. Once the scores were combined and moderation applied, the rankings became more realistic.

Project Schedule

Based on the methodology above each school has been allocated into a wave for investment. The wave represents the year in which the school will enter the capital investment programme (design commences). However the Ministry will engage with each school prior to the formal commencement of design.

The waves have been split into A and B which reflects a timing difference of 6 months to enter the programme. For example, A's will enter the programme in February of that specific year and B's will enter in July of that year. This will ensure the Ministry has capacity and funding to deliver in a given wave and aligns to the proposed procurement approaches.

The final timing requirements will be confirmed as part of the consultation planning for engagement with the schools.

The Ministry has worked backwards from required completion dates to ensure that the individual projects can be delivered. The following figure provides a summary of the completion dates by project type. Refer to Appendix H for the programme associated with each school. This is the key driver for commencing the process.

Programme Summary
Completion of Construction Works

	Year	Total	2014	2015	2016	2017	2018	2019	2020	2021	2022
Primary and Intermediate Schools	New School Sites:	9	1		2	2			1		3
	Completely Rebuilt Schools:	8	1	2	1	3	1				
	Major Redevelopments:	22*		1	4	5		4	3	3	1
	Moderate Redevelopments:	51		2	8	8	5	8	9	8	3
	All Scopes:	90	2	5	15	18	6	12	13	11	7
Secondary Schools	New School Sites:	4				2	2				
	Completely Rebuilt Schools:	2			1		1				
	Major Redevelopments:	12*				2	2		5	1	1
	Moderate Redevelopments:	2*					1				
	All Scopes:	20			1	5	5		5	1	1
All Schools	New School Sites#:	13	1		2	4	2		1		3
	Completely Rebuilt Schools:	10	1	2	2	4	1				
	Major Redevelopments:	34*		1	4	7	2	4	8	4	2
	Moderate Redevelopments:	53*		2	8	8	6	8	9	8	3
	All Scopes:	110	2	5	16	23	11	12	18	12	8

Notes:
* Totals include schools without completion dates: Redcliffs, Kaiapoi High Karanga Mai TPU, Linwood Kimihia Parents College
# New School Sites include: Aranui Campus, Banks Avenue, Belfast West/Ouruhia, Halswell West, Lincoln Second Site, Marshland, Pegasus, Rangiora West, Rolleston Secondary, West Rolleston, Wigram/Sockburn, Avonside Girls, Shirley Boys.
Tables do not include Special Schools: Allenvale Special School & Res. Centre, Ferndale School, Halswell Residential College, Van Asch Deaf Education, Waitaha Learning Centre

The figure below shows the completion dates for all schools in the programme.

Planned Construction Completion Dates

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
Q1	**KEY** New Schools Sites Completely Rebuilt Schools Major Redevelopments Moderate Redevelopments		Marshland West Rolleston North New Brighton Avonhead Cashmere Primary Addington Rolleston	Aranui Campus Rolleston Secondary Spreydon* Hornby High Kaiapoi Borough Kaiapoi North Woodend		Hoon Hay Mairehau Primary Queenspark Duvauchelle Okains Bay Parkview	Casebrook Int Kirkwood Int Thorrington Ilam St Albans	Belfast Christchurch South Int Isleworth Northcote Roydvale TKKM O Te Whanau Tahi	Chisnallwood Int Clearview Primary Harewood Templeton
Q2	**Pegasus**			Banks Avenue	Avonside Girls' Shirley Boys' Linwood College Waimairi		Christchurch Boys' High Christchurch Girls' High		Belfast West/ Ouruhia Halswell West
Q3		Lyttelton Main Woolston/ Phillipstown # Shirley Primary	Unlimited Discovery Bromley Gilberthorpe Hornby Primary	St Martins Bamford Opawa	Oaklands Diamond Harbour Governors Bay Heathcote Valley Somerfield	Westburn Merrin Russley	Linwood North Mt Pleasant Riccarton Rowley Avenue Sumner Wairakei	Paparoa St Breens Int Burnham Elmwood Normal	
Q4	**Halswell**	Windsor Papanui	Beckenham South New Brighton Waltham Christchurch East Wharenui	Wigram/Sockburn Burnside Primary South Hornby** Cobham Int Cotswold Kaiapoi High Mairehau High Bishopdale Linwood Avenue Little River Redwood Shirley Int	Hillmorton High Akaroa Area • Note: Moving to Manning Intermediate site ** Note: Moving to Branston Intermediate Site	Heaton Normal Int West Spreydon Yaldhurst Model	Rangiora West Cashmere High Hagley Community College Papanui High TKKM O Waitaha	Fendalton Open Air Riccarton High	Lincoln Second Site Burnside High

Note: Pending Final Decisions

Note: Further consultation is underway with Phillipstown School following the judicial review.

Based on the Programme, the Ministry will be able to report on its progress in achieving the requirements of the schedule. The Ministry is developing a progress monitoring regime that will provide early indicators as to the progress of the programme.

The structure of the monitoring regime will be based on clearly defined milestones. These are the key tasks that readily define progress and are clearly measureable. These include:

- Master Planning commencement
- Master Planning complete
- Design commencement
- Design complete
- Contractors appointed
- Works completion

Changes to the Programme
The Ministry expects that there will be a number of changes to the sequence of the programme over the life of the programme. The short-term dates (up to Term 1 2017) are largely driven by Ministry committed dates. There is more flexibility in the years after 2017 in terms of making amendments to accommodate changes.

In developing the programme (and subsequent procurement strategy) the Ministry has balanced the requirement to complete schools with the markets' ability to deliver the services. Bringing schools forward in the programme (early completion dates) can be achieved however the risks of failure (time, cost or quality) will increase significantly.

Additionally, delaying schools is likely to lower the risk of failure for the programme.

Pre-Programme Activities

In the immediate response to the earthquakes, the Ministry completed repair works or provided temporary accommodation to ensure that all schools remained operational and provided a safe and secure environment for students.

The Ministry will continue to support schools in maintaining their facilities until the proposed programme of works is complete. The Ministry recognises that for those schools in the later part of the programme it will be necessary to continue to maintain these schools through minor capital works. The Ministry has developed a minor capital process which is set out in the table below (over the page).

In addition to these minor works, there will be schools that have facilities and needs that differ to their proposed location in the programme. The Ministry will maintain a flexible approach to addressing these opportunities. These may include demolition, roll growth or upgrades to standard blocks. These will be identified by the schools and discussed with the Ministry.

```
School completes Request for Minor Works form (send to
chchrenewal.property@minedu.govt.nz)
        ↓
Ministry property representative visits school, discuss with school and   →   Assessment against
undertake assessment                                                           criteria
        ↓                                                                        ↓
Ministry recommendation made based on assessment   ←────────────────────────────
        ↓
Internal Ministry Approval process
        ↓
Recommendation discussed with school
        ↓                              ↓
Proceed with works              Do not proceed
        ↓                              ↓
SPA will work with school to     Property representative will discuss
carry out works                  decision and options with school
```

The Ministry will assess each school request on an individual basis. The criteria that will be used for this assessment will include (but is not limited to) the following:

- Is the building work required to address H&S issues?
- Is the building work general painting and maintenance?
- Is the building work required to meet new roll growth?
- Will the building work impact what the school can do when they enter the programme?
- Is the building work required for accessibility reasons?
- Is the building work minor in value (less than $250,000)?

To respond to this requirement, the Ministry has established a Project Management Panel for Minor Works. The key reason for establishing this panel is to ensure that the

works are co-ordinated centrally and funded via the Ministry (as direct funding to the schools is on hold). In addition, there are likely to be projects where standard school teaching blocks could be redeveloped or where there are school specific initiatives. The Ministry will assess these opportunities as part of the above process. The Ministry is seeking to be flexible in responding to sensible opportunities outside of the defined programme.

The Minor Works will be funded from existing business as usual maintenance provisions. The exact nature of the likely minor works is not known. The Ministry has addressed existing H&S issues so issues will be school specific. The process defined above is intended to manage the risks associated with schools requesting large volumes of minor works.

Disposal of Sites

There are a number of sites that have and will become surplus to education requirements as part of the programme (via school merger and closures). The Ministry is aware of the negative implications (such as vandalism) that result from vacant closed schools. The Ministry will be seeking alternative uses for each surplus site and expects that there will be some community demand for these assets based on initial feedback.

The ministry will be taking a proactive approach to demolishing/removing buildings and structures that have some condition related issues (poorly maintained, leaky, suffering from earthquake damages) or considered to have low alternative use options. This will reduce issues such as vandalism and future maintenance costs and make for more timely progress through the Public Works Act disposal process property more saleable.

6.4   Governance Arrangements

The governance arrangement for this programme are summarised in the following chart.
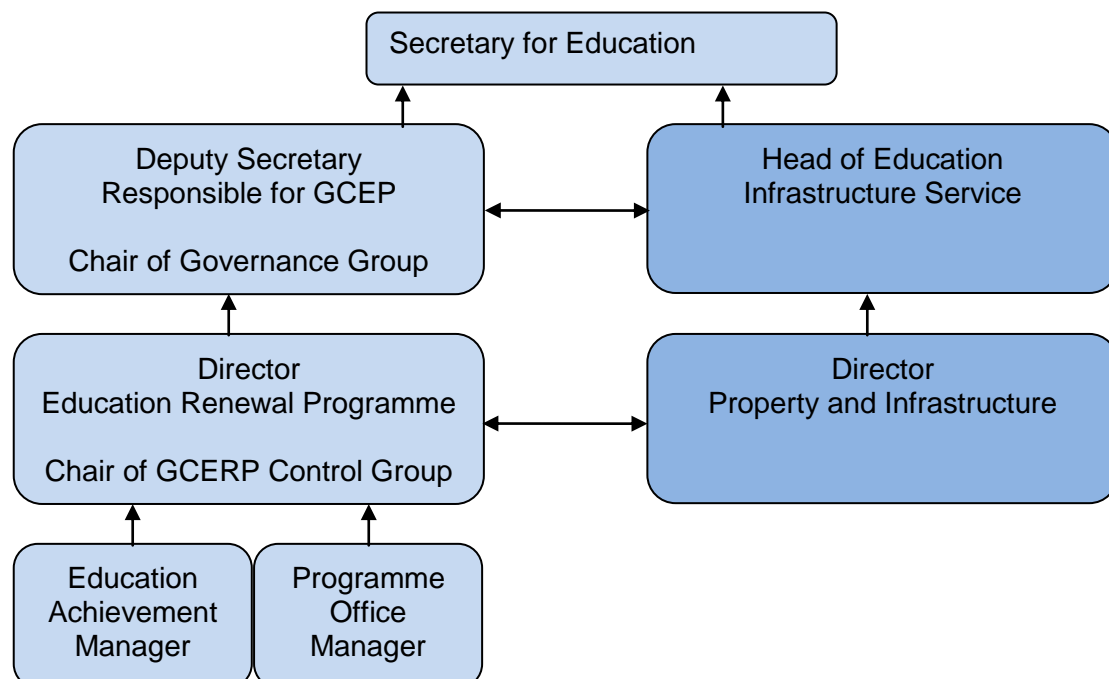
The above chart also demonstrates the authority structure of the programme, where the positions are filled by the following people:

- Deputy Secretary responsible for GCERP: Katrina Casey
- Head of Education Infrastructure Service: Kim Shannon
- Director Education Renewal Programme: Coralanne Childs
- Director Property and Infrastructure: ███████████
- Programme Office Manager: ████████
- Education Achievement Manager: TBC

For clarification, the Line Management responsibility for Property is from the Director Property and Infrastructure to the Head of Education Infrastructure Service. Property functions are a service to the Education Renewal Programme. This reflects the structure that the Ministry implements across the country.

The role of the GCERP Governance Group is to provide oversight of the programme, including:

- Defining the acceptable risk profile and risk thresholds for the programmes and its projects

- Ensuring the programme delivers within its agreed parameters (e.g. cost, organisational impact and rate/scale adoption, expected/actual benefit realization.
- Resolving strategic and directional issues between projects, which need the input and agreement of the senior stakeholders to ensure the progress of the programmes.
- Ensuring the integrity of the benefits profiles and realization plan and ensuring there is no double counting of benefits.
- Providing assurance for operational stability and effectiveness through the programme delivery cycle.
- Providing advice and guidance to the programme and projects.

Programme Control Group

Central to successful programme delivery is a governance framework involving the function of a properly constituted Programme Control Group (PCG). Terms of reference for the PCG will include a delegation of authority to make decisions regarding budget/cost control, time and scope with flexibility to be able to escalate issues as appropriate to the GCERP Governance Board.

Various programme team representatives will present information/status reports for the information of the PCG. The PCG reports directly to the Deputy Secretary, Regional Operations as portfolio holder for GCERP. Line management is maintained for Property to the Head of Education Infrastructure Services. Membership of the Programme Control Group is set out in the following table:

Name	Role
Katrina Casey (Chair)	Senior Responsible Officer
Coralanne Child	Director Greater Christchurch Education Renewal Programme
████████████	Director Property and Infrastructure
████████████ ▬	Programme Office Manager

For clarity, the Ministry's Infrastructure Board oversees all of the Ministry's infrastructure projects and has an advisory (not decision making) capacity.

6.4.1 Infrastructure delivery

The structure to deliver the infrastructure is shown in the diagram below:
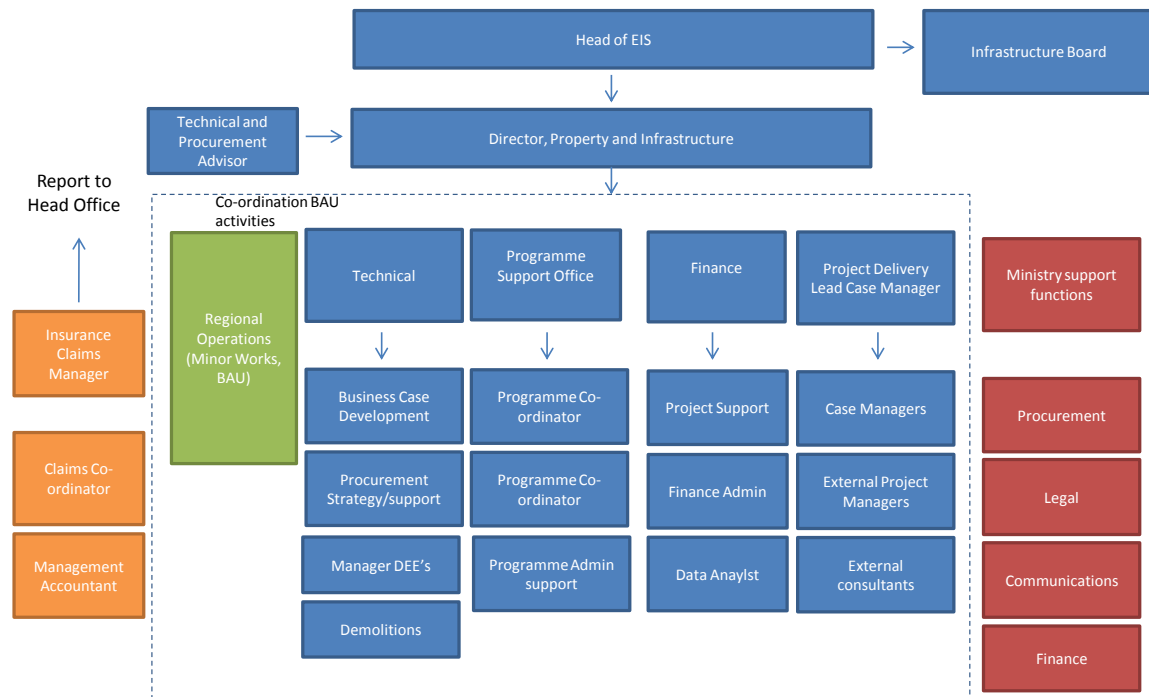
Infrastructure projects are delivered at school level. The Case Managers will manage each project using PRINCE2 methodology where appropriate. Case Managers will be supported by a range of external technical consultants for the actual deliver of the projects. National office is supplying the project management support to the Case Managers to manage their project management practices.

Information flow between the Ministry and the schools / stakeholders is covered by the Stakeholder Engagement Plans.

In order to meet the demands of the programme over the next two years a number of additional resources that need to be engaged over and above the current resource level. These are as follows:

Role	Timing
Operations Manager	Oct 2013
Case Managers x 4	Sep-Oct 2013

Role	Timing
Programme Coordinator	TBC
Policy analyst/writer	July/Aug 2013
Ministerial Writer	July/Aug 2013
Health & Safety Manager	July/Aug 2013
Procurement Support and Contracts Management	Sep/Oct 2013

At this stage, the above roles have not been filled pending approval of the funding (for this uPBC).

Advisors

The Ministry has established a range of outside (non-Ministry) advisors to assist with the delivery of the programme. The figure below shows the current approach.
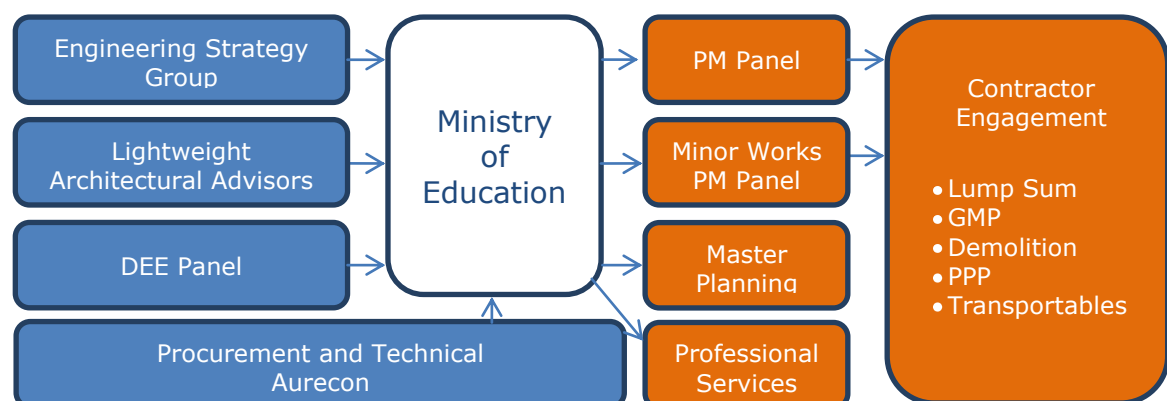
The key aspects that the Ministry is seeking from the private sector advisors are:

- The ESG provides specialist structural advice on earthquake related issues. This group has already been instrumental in achieving significant savings by considering market leading approaches to structural solutions. The destructive testing is a great example.

- Lightweight Architectural Advisors. This is the pre-dominate design solution for school buildings. This group will be instrumental in ensuring consistency and quality across the portfolio, taking a design review and policy role.

- DEE Panel. This existing panel is undertaking the review of the entire Ministry portfolio. Data and advice from this panel is co-ordinated with the ESG and

greatly assists in the Ministry's understanding of its portfolio and the actions required

- Procurement and Technical. Aurecon have provided the majority of the procurement advice to the Ministry for the duration of the programme and in preparing this uPBC. The advice extends into the preparation of procurement documentation and specifically scopes of work and outcomes that enables the Ministry to be confident that there is appropriate project documentation and thinking underpinning the programme. Aurecon will continue to provide resources as the programme develops.

Cross Agency Governance

As mentioned previously in this uPBC, the Ministry is engaged with CERA and MBIE in terms of co-ordinating the programme. As the Government's approach to centralised procurement and resourcing evolves, the Ministry expects to be a key party participating in relevant Reference and Governance Groups.

6.5 Probity Plan

As a custodian of public funds, it is clearly vital that a fair and transparent process is developed by the Ministry and followed throughout the procurement. Accordingly, the programme team are developing a probity plan for the procurement phase, which will be tailored to the nature of this programme and for each project.

Given the scope of this programme it is envisaged that the probity role will be undertaken by an independent probity practitioner at key points of the process. A separate probity plan will be established for a PPP procurement if that is pursued.

6.6   Stakeholder Engagement and Communications

The Ministry has identified and understood its key stakeholders within the programme. It is recognised that it is important to understand who the key supporters of change are and to initially assess overall support and resistance to change. The stakeholder and communication strategy has been developed to:

- Define all stakeholders for the programme;
- Understand the extent to which each stakeholder group is likely to be impacted;
- Assess the extent to which each stakeholder group has influence over the programme (either through official decision making channels or informal influencers); and
- Define the high level approach for engaging each stakeholder group to build buy-in to the programme and therefore buy-in to change.

We have made an assessment of groups of who will be affected by the change (ie those who will have to work or behave differently) and those who might have an impact on change (ie have the power to influence or affect the borough's ability to implement change).

Stakeholders will be re-assessed throughout the life of the programme to review the potential impacts and highlight alterations in buy-in.

At the heart of the Change Management Strategy is effective communication and consultation to ensure key stakeholders are in support of, well informed of and begin to take some ownership of the project. A communications plan was developed based on the outcome of the stakeholder engagement strategy. The stakeholder engagement strategy and communications plans are in Appendices J and K.

In developing the above plans, extensive stakeholder mapping workshops and planning sessions were undertaken. This process informs the risks and therefore the adopted planning approach for the LCCs and each school project.

The processes outlined as part of developing the LCCs put the communities at the heart of the programme. It is their feedback and buy in that finalises decision making. The Ministry has prepared an announcement Communications Strategy that will be implemented (subject to Cabinet approval).

6.7   Links to the Education Renewal Programme

The ultimate success of GCERP will require the Ministry to deliver both the Education Renewal and the supporting property functions. The following sections are largely the responsibility of the Education Renewal Team and are provided here for completeness and to demonstrate alignment.

The educational change components of the programme are covered by a separate internal business case which will contain more detail on the sections that follow.

6.8 Change Management Strategy, Framework and Plans

Change management is essential to the immediate and ongoing realisation of project and portfolio benefits. Accordingly the Deputy Secretary responsible for GCERP will own and lead the implementation of the change management plan and monitor its implementation once it is developed.

The change management plan, under development, will set out the organisational, structural, behavioural and cultural changes that are required to deliver the education drivers and the full set of project benefits.

The key areas for change management are:
- Implementation of strong linkages between education policy, vision and use of the facilities;
- Amended roles of the Ministry and the BoT in the development of specifications;
- Amended roles of the Ministry and the BoT in the design process; and
- Amended roles of the Ministry and the BoT in the management of the school facilities.

The delivery of the education service is not modified in any way by the proposed delivery strategy for this programme.

The Project Team will ensure that all school staff members are offered appropriate training support on use of the administration and building management systems to maximise the efficiency benefits to school management.

6.9 Benefits Realisation Strategy

The objectives of the Benefits Management Strategy are:

- Ensures the programme is effective and is aligned with the corporate strategy;
- Prioritises and focuses on the 'right set' of benefits;
- Acknowledges both positive and negative effects;
- Identifies, plans, validates, measures and reviews benefits; and
- Aligns with the transformational flow process.

6.9.1 Measuring Benefits

The measurement of the benefits will occur during two stages of the programme. Firstly, during management of the tranches the benefits can be measured by programme performance (i.e cost, time or work completed to date). The second period for benefits measurement will be after closing the programme where educational benefits are sought.

- During implementation: Measurement methods and processes throughout programme delivery will be based on regularly reported programme performance measures in order to measure identified benefits. The realisation of benefits at project level will be rolled up to programme level to level out any discrepancies in the data.
- Following completion: Measurement of educational benefit is often delayed and realisation may also be too late to influence programme success. It is also difficult to pin measured educational benefits onto their contributing factors. Where possible, measured benefits from earlier tranches will be used to inform and change implementation approaches in later tranches. Where measured

benefits are realised too late to inform this programme, the information will still be recorded in order to inform future decision making by the Ministry.

A 'Lessons Learnt' Register is being created to record lessons learned from the experiences of this programme. The Programme Director will manage and control this Register. All programme participants/representatives of the respective programme groups are encouraged to forward their comments to the Programme Director at any time for incorporation in the Register.

6.10 Risk Management Planning

The strategy, framework and plan for dealing with the management of risk are as follows. A detailed risk management strategy can be found in Appendix J.

6.10.1 Risk Management Process

The Risk Management Process follows the general steps of Identify, Analyse, Evaluate, Treat and Monitor and Review.
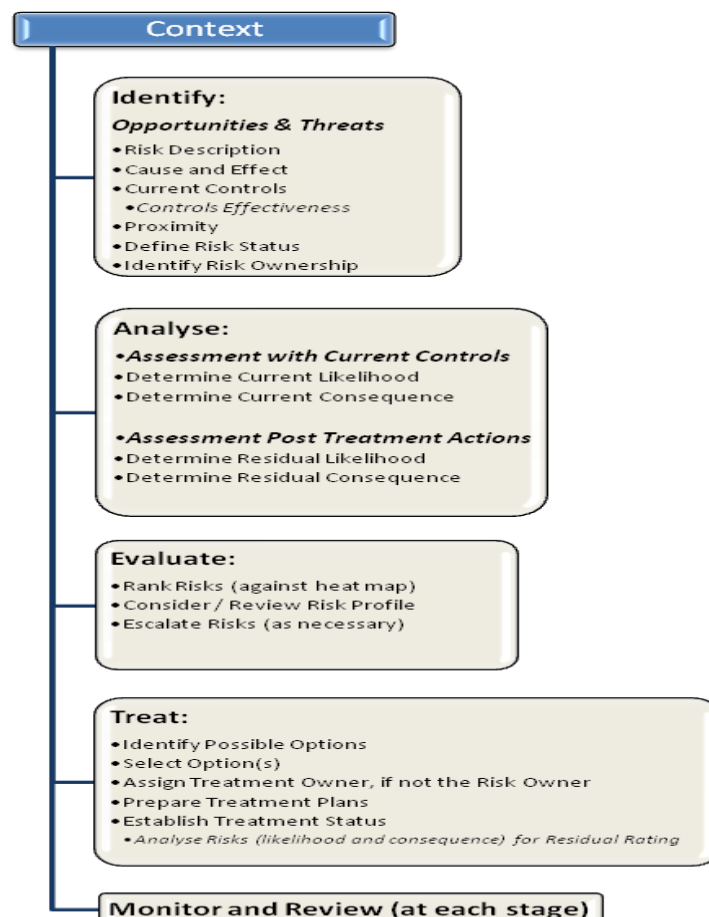
6.10.2 Identification of the risks

The identification of risk is not a one-off exercise but an ongoing process which will take place throughout the programme. Whilst some risks will be relevant to the entire programme (i.e. resources, timescales), others will relate specifically to different phases of the programme (i.e. failure to gain approval for key documents). There will be a number of ways in which risks will be identified:

- Formal Risk Workshops.
- External Advisor Risk Workshops.
- On-going workstream / programme team meetings.
- The Programme Board.

6.10.3 Logging risks

All risks will be recorded on the Risk Register and the Risk Treatment Plan, however only those risks identified as being 'High' or Very High' require a Significant Risk Report to be completed.

6.10.4 Key programme risks

The register lists all the identified risks and the results of their analysis and evaluation. Information on the status of the risk is also included. The risk register is intended to be continuously updated and reviewed throughout the course of a project. The table below outlines the key programme risks and their mitigation strategies.

	Risk	Mitigation strategy
1	Cabinet does not approve the Updated Programme Business Case.	We have developed a robust business case which demonstrates educational and economic benefits to proceed. A rejection of this business case would require a significant change in strategy with associated communications requirements. A strategy has not been developed should this uPBC not be approved.
2	Excessive cost escalation and time overruns within scoped projects due to resource constraints in local market.	Market sounding has been undertaken and a Notice of Intent has been issued. Further market testing will be undertaken to inform the market of our timetable. Procurement strategy considers market capacity.

Christchurch cost escalation will be absorbed through contingency in the initial years. We will monitor the market and may need to revisit some plans later in the programme or seek additional funding. |
3	Final school locations do not match network requirements (demand) due to changing demographics.	Decision making is based on best available information at the present time – it is recognised that this may change due to uncertain/unstable demographic changes across region. We will continue to monitor and revise the programme if required.
4	The Educational benefits of the renewal programme are not realised.	A benefits realisation plan has been developed which will help evaluate whether the identified benefits have been realised at programme and project and programme level – this includes ongoing evaluation of benefits as programme progresses.
6	Not all LCCs fully understand purpose of the LCC approach.	Clear and regular communications about process and benefits are being undertaken.
7	Lack of progress due to further earthquake disruption.	Mitigation and planning for possible further disasters. Capable team in place to respond effectively to minimise disruption to learners.
8	Programme does not meet schools/communities expectations in terms of innovation and opportunities for new ways of doing things.	Significant consultation already undertaken. Property plans will be based on educational visions. A robust change management strategy developed and investment in professional development will be made.

6.11 Quality Assurance

A standard programme wide approach to quality control will be implemented on all projects through independent review at key touch points as well as constant monitoring by the Project Sponsor, Project Owner and Programme Board.

Reviews will occur on a regular basis to ensure that the programme and project education vision is maintained throughout the project documentation and to institute necessary challenge and guidance.

The Ministry is conscious of achieving a quality outcome and will develop a Quality Management Plan. The key aspects of the Quality Management Plan will include:

- Requirements for independent review of technical deliverables (for example, the Ministry intends to establish an Architectural Review process)
- The use of other independent technical experts when required
- Centralised preparation of key procurement documentation
- Clear sign-off requirements including the demonstration of Ministry standards

6.12 Post-Project Evaluation Planning

The Ministry undertakes a post-occupancy review at the completion of each property project which aims to capture the satisfaction of a range of stakeholders in the project including the users of the building. The review involves assessing a school once it has been built and the building has been in use for a period of time. The purpose of the review is to enable the school to assess their experience of managing a property project at their school; whether they are satisfied with the completed project in terms of its functionality of purpose; the comfort and standard of accommodation; whether they believe they have received value for money, and whether they would do anything differently in future.

The Ministry will conduct post-occupancy reviews for all projects. Post-occupancy reviews will be held three times a year to allow review within six months of project completion. The detail of the post occupancy review will vary depending on the scale of works.

The Ministry will also conduct a post implementation review to evaluate whether the project has delivered the benefits identified in the benefits realisation plan. Post implementation review will occur in accordance with the Benefits Realisation Plan.

Information has been deleted to maintain the effective conduct of public affairs through the free and frank expression of opinions. s9(2)(g)(i) Information has been deleted to protect information which is subject to an obligation of confidence and making available the information would be likely to otherwise damage the public interest. s9(2)(ba)(ii)

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Appendix A

This interim business case is available on the Ministry's shaping education website.

Combined Programme
Primary and Intermediate schools

	School	Type	Cluster
1	Halswell School	Primary	Halswell
2	Pegasus School	Primary	Woodend
3	Lyttelton Main School	Primary	Lyttelton
4	North New Brighton School	Primary	Brighton
5	Woolston School (Pending final decisions)	Primary	Woolston
6	Windsor School	Primary	Parklands
7	Redcliffs School	Primary	Bays
8	Addington School	Primary	Cashmere
9	Papanui School	Primary	Papanui / Redwood
10	Shirley Primary School	Primary	Shirley
11	Cashmere Primary School	Primary	Cashmere
12	Rolleston School	Primary	Rolleston
13	Avonhead School	Primary	North West
14	West Rolleston School	Primary	Rolleston
15	Marshland School	Primary	Parklands
16	Waltham School	Primary	Opawaho
17	Beckenham School	Primary	Opawaho
18	Bromley School	Primary	Linwood
19	Gilberthorpe School	Primary	Hornby
20	Spreydon School	Primary	Halswell
21	Hornby Primary School	Primary	Hornby
22	Christchurch East School	Primary	Central City
23	Wharenui School	Primary	Riccarton
24	Cobham Intermediate	Intermediate	Burnside
25	Burnside Primary School	Primary	Burnside
26	Kaiapoi Borough School	Primary	Kaiapoi
27	Kaiapoi North School	Primary	Kaiapoi
28	St Martins School	Primary	Opawaho
29	Cotswold School	Primary	Papanui / Redwood
30	Bamford School	Primary	Woolston
31	Bishopdale School	Primary	Papanui / Redwood
32	Sockburn/Wigram School	Primary	Hornby
33	Linwood Avenue School	Primary	Linwood
34	Opawa School	Primary	Opawaho
35	Oaklands School	Primary	Halswell
36	Little River School	Primary	Akaroa
37	Redwood School	Primary	Papanui / Redwood
38	Waimairi School	Primary	Burnside
39	Somerfield School	Primary	Cashmere
40	Yaldhurst Model School	Primary	Hornby
41	Heathcote Valley School	Primary	Bays
42	Mairehau Primary School	Primary	Mairehau
43	Casebrook Intermediate	Intermediate	Papanui / Redwood
44	Rangiora West School	Primary	Rangiora
45	Duvauchelle School	Primary	Akaroa
46	Diamond Harbour School	Primary	Lyttelton Harbour
47	Governors Bay School	Primary	Lyttelton Harbour
48	Okains Bay School	Primary	Akaroa
49	Queenspark School	Primary	Parklands
50	Parkview School	Primary	Parklands
51	Russley School	Primary	North West
52	Hoon Hay School	Primary	Halswell
53	Merrin School	Primary	North West
54	Heaton Normal Intermediate	Intermediate	Elmwood
55	West Spreydon School	Primary	Cashmere
56	Kirkwood Intermediate	Intermediate	Riccarton
57	Lincoln Second Site	Primary	Lincoln
58	Ilam School	Primary	Riccarton
59	St Albans School	Primary	St Albans
60	Thorrington School	Primary	Cashmere
61	Wairakei School	Primary	Hereora
62	Westburn School	Primary	North West
63	Linwood North School	Primary	Linwood
64	Mt Pleasant School	Primary	Bays
65	Sumner School	Primary	Bays
66	Riccarton School	Primary	Upper Riccarton
67	Roydvale School	Primary	Hereora
68	Belfast School	Primary	Belfast
69	Isleworth School	Primary	Hereora
70	Halswell West School	Primary	Halswell
71	Shirley Intermediate	Intermediate	Shirley
72	Northcote School	Primary	Papanui / Redwood
73	TKKM O Waitaha	Maori Medium	Opawaho
74	Burnham School	Primary	Rolleston
75	South Hornby (Branston) School	Primary	Hornby
76	South New Brighton School	Primary	Brighton
77	TKKM O Te Whanau Tahi	Maori Medium	Halswell
78	Banks Avenue School	Primary	Shirley

Combined Programme
Primary and Intermediate schools

School	Type	Cluster
79 Rowley Avenue School	Primary	Halswell
80 Christchurch South Intermediate	Intermediate	Cashmere
81 Fendalton Open Air School	Primary	Burnside
82 Elmwood Normal School	Primary	Elmwood
83 Paparoa St School	Primary	St Albans
84 Breens Intermediate	Intermediate	Hereora
85 Woodend School	Primary	Woodend
86 Belfast West / Ouruhia School	Primary	Belfast
87 Chisnallwood Intermediate	Intermediate	Aranui
88 Harewood School	Primary	Hereora
89 Templeton School	Primary	Hornby
90 Clearview Primary	Primary	Rolleston

Combined Programme
Secondary and special schools

School	Type
91 Akaroa Area School	Secondary
92 Aranui Campus (Year 1 - 13)	Secondary
93 Cashmere High School	Secondary
94 Unlimited / Discovery Year 1-13	Secondary
95 Hagley Community College	Secondary
96 Hillmorton High School	Secondary
97 Hornby High School	Secondary
98 Kaiapoi High School	Secondary
99 Avonside Girls' High School	Secondary
100 Linwood College	Secondary
101 Mairehau High School	Secondary
102 Papanui High School	Secondary
103 Christchurch Boys' High School	Secondary
104 Christchurch Girls' High School	Secondary
105 Rolleston Secondary	Secondary
106 Burnside High School	Secondary
107 Shirley Boys' High School	Secondary
108 Riccarton High School	Secondary
109 Kaiapoi High - Karanga Mai TPU	TPU
110 Linwood - Kimihia Parents College	TPU

Special schools

111 Allenvale Special School & Res. Cent	Special
112 Ferndale School	Special
113 Halswell Residential College	Special
114 Van Asch Deaf Education	Special
115 Waitaha Learning Centre	Special

Closed or closing schools

Closing schools

#	School	Type	Location
1	Le Bons Bay School	Primary	Akaroa
2	Aranui School	Primary	Aranui
3	Avondale School	Primary	Aranui
4	Wainoni School	Primary	Aranui
5	Central New Brighton School	Primary	Brighton
6	Freeville School	Primary	Brighton
7	Phillipstown School (Pending Final decisi	Primary	Central City
8	Manning Intermediate	Intermediate	Halswell
9	Branston Intermediate	Intermediate	Hornby
10	Sockburn School	Primary - site close	Hornby
11	Greenpark School	Primary	Lincoln
12	Linwood Intermediate	Intermediate	Linwood
13	Lyttelton West School	Primary	Lyttelton
14	Glenmoor School	Primary	Mairehau
15	Burwood School	Primary	Parklands
16	Kendal School	Primary	Roydvale
17	Hammersley Park School	Primary	Shirley
18	Richmond School	Primary	Shirley
19	Aranui High School	Secondary	Aranui
20	Unlimited Paenga Tawhiti	Secondary	Central City

Note: Further consultation is underway with Phillipstown School following the judicial review.

APPENDIX C Procurement Strategy Service Requirements

The updated Service Requirements for the programme are:

- Demolition: the removal of buildings from site and reinstatement as required. This particularly applies to schools that are being closed.

- Repair: the works required to bring existing school buildings up to minimum standard.

- Rebuild: demolition and reconstruction of an existing asset in the current location.

- New Build: construction of an asset in a location where there was no asset previously located (eg roll growth).

- New School: the construction of a new school either due to relocation of existing or to provide network capacity.

- Professional Services: services required by the Ministry to both plan and deliver the programme.

- Maintenance: on-going facilities maintenance services from day to day operation to building maintenance.

A further discussion on each of the Service Requirements is presented below.

Demolition

The scope of demolition works can be broadly defined as the removal of buildings from sites in the following situations:

- Decommissioning of closed school sites.

- Destruction of buildings that are no longer required (rationalisation).

- Destruction of buildings that are unsafe to occupy or are not feasible to repair. This may result in a rebuild or a new build.

In addition to demolition of buildings, demolition works may include the following features:

- Recovery and relocation of materials and assets that can be used on another site (including the relocation of suitable buildings).

- Reinstatement of the site as required.

The implementation for school closures is relatively straight forward (compared to the demolition of individual buildings) as the sites will not be operational when works commence. Once the decision has been made to proceed with demolition, the scope of the works can be well defined (if required). The extent of recovery of materials will be site specific.

There will be varying levels of certainty of the need for demolition. For example, where a school is being closed, the need for demolition is definitive and the date is known well in advanced. On the other hand, buildings that are projected to be demolished due to population decline/building rationalisation may not eventuate if projected populations are not realised.

The procurement of the demolition may vary depending on if it is part of a larger scope of works and is required in order for repairs or rebuilds to proceed. For example, where a new building can be constructed prior to the demolition of an old building then the scope of development and demolition can be easily separated. However, where in the case of a rebuild there are more programme dependencies as temporary accommodation may be required before demolition and construction can commence and the scope of the demolition is not as easily separated.

Demolition works are required at 109 schools.

Repairs

The scope of repair works can be broadly defined as the works required to bring all existing school buildings up to minimum standard. Where minimum standard addresses priorities 1, 2 and 3 of the Ten Year Property Plan (10YPP) and the Five Year Agreement (5YA) funding:

- Priority One: Health and Safety.

- Priority Two: Essential Infrastructure – includes works in response to weather tightness requirements, earthquake prone buildings and earthquake damage.

- Priority Three: Modern Learning Environment - Core MLE standards only.

Repair works will take place on operational school sites and this will result in some disruption to the delivery of education. On each site the work will be spread over multiple buildings and from site to site the scope will vary. There is potential for other works – demolition, rebuild, new build – to be occurring concurrently. The nature of repair works means the scope is not easily defined however over time the Ministry will better understand the scope, time and cost of repairs.

Repair works are required at 71 schools.

Rebuilds and New Builds

The scope of rebuild works can be broadly defined as the demolition and reconstruction of existing assets in its current location. Where a building is not feasible to repair and a new building cannot be built elsewhere on the site then a rebuild is required which involves:

- Temporary accommodation (if there is not sufficient capacity on the site to house learners elsewhere);

- Demolition of existing assets. May include a recovery/recycling component.

- The construction of an asset in the location where the old building was located.

Rebuilds are on operational school sites and, given the scale, are unlikely to be solely completed during holidays. The aim to standardise building design means the scope is easily defined and over time the Ministry will understand the actual cost to construct.

The scope of new build works can be broadly defined as the construction of an asset in a location where there was no asset previously located. This could be a new building for expansion or the replacement of an existing building that is not feasible to repair.

New builds will generally have the following features:

- No or minimal requirement for temporary accommodation as learners can be housed in existing damaged buildings in the interim period (buildings will be demolished following new build); and

- Limited interface with existing buildings (apart for site planning considerations).

Rebuilds and new builds will generally have the following features:

- New builds and rebuilds will meet Core, Moderate and Advanced MLE standards; and

- Standardised designs will be used to manage risk and reduce lead in times.

New builds and rebuilds are required at 16 schools.

New Schools

The scope of new schools can be broadly defined as the construction of a new school either due to relocation of existing or to provide network capacity. It does not include site acquisition which is managed by the Ministry's BAU process.

Features of new schools include:

- Green fields development;

- Contained site (not an operational environment);

- MLE to Core, Moderate and Advanced standards; and

- A range of programme deadlines.

10 new schools are planned.

Professional Services

The scope of professional services can be broadly defined as the services required by the Ministry to both plan and deliver the programme. Generally professional services will be one of the following:

- Master Planning service to plan the scope of the 10 year programme (required for all schools);

- Project Managers to manage the delivery and contract administration on behalf of the Ministry (where capacity is too much or where the delivery model is highly adversarial); and

- Design services where the Ministry is responsible for the design or where the Ministry needs to conduct an independent review of a design that is completed by others.

Although the specific scope of work may vary between schools and clusters, the general skills and expertise required will be consistent.

The required engagements will be largely programmed however there will be a need for reactive engagements to meet immediate requirements.

Maintenance and Operations Contracts

The scope of maintenance and operations contracts can be broadly defined as contracts for the maintenance or operation functions of all or parts of a facility for a set duration of time. The scope of the maintenance and operations contracts is variable and could include the following depending on the scope of work and the delivery model:

- Operational Services (e.g. utilities, waste, grounds keeping, pest control, cleaning, security and churn);

- Warranty and guarantee requirements (e.g. supplier material guarantees);

- Cyclical maintenance (e.g. painting);

- Preventative Maintenance (e.g. caretaker duties);

- Building Warrant of Fitness (BWOF) inspections and services;

- Additional Ministry systems to be inspected annually (e.g. drinking water supply, hand held fire fighting equipment, security system coverage and sawdust extract systems); and

- Other building and service inspections and checks including gas and electrical appliances and boilers.

Appendix D Procurement Options Detailed Analysis

Structure of the procurement analysis

The assessment of the procurement strategy has been completed in three sections which are structured to respond to the procurement objectives and focus on mitigating, managing or transferring the Ministry's risks. These sections being:

1. Assessment of the delivery models;

2. Assessment of the bundling approach; and

3. Assessment of the best way to approach the market.

The delivery models have been assessed against developed criteria in order to determine their ability to deliver on the procurement objectives and to address procurement risks. The criteria are summarised to be Programme, Competition, Client Control and Price.

The assessment of the best way to approach the market includes an analysis of the tendering procedures and evaluation methodology in order to address the risk of poor transparency and determines the bundling approach to respond to the value for money and market capacity risks.

1.1.1 Assessment of delivery models

Detailed assessments of the delivery models for each Service Requirement have been completed. Refer to Annexure A of this Appendix for the detailed assessments.

The delivery models were assessed against a set of criteria that were developed to respond to identified risks and procurement objectives. The criteria are:

- Programme: considers the ability to address dependencies, meet announced dates and minimise disruption by reducing the need for temporary accommodation.

- Competition: responds to market capacity and the changing availability of resources. Also considers the impact of the scale of works and cost of bidding on market competition.

- Client Control: ability for the Ministry to change priorities and programme requirements. Also the level of scope control and changes to minimise operational impacts.

- Price: considers the ability to achieve value for money by delivering low cost (managing risk premiums) as well as price certainty.

A summary of the detailed analysis is presented for each Service Requirement below.

Demolition

Head contractor should be used in the following situations:

- Vacated sites.

- Available time and access to investigate and define the scope of works.

- Standard methodology and little need for the contractor to innovate.

- Development progress is not dependent on the completion of demolition.

Managing contractor should be used in the following situations:

- Where demolition is required in an operational environment and input on methodology and sequencing in scope definition is important.

The scope of the demolition should be included in the scope of the redevelopment works where there are dependencies between temporary accommodation, demolition and rebuild.

The following table summarises which delivery model should be used in the procurement of demolition based on the status of the site and the associated works.

Closed school/merger	Head Contract.
Relocated to a new site	Head Contract.
Repair	Not applicable.
Rebuild	Included in the scope of the Rebuild contract.
New Build	Head contract if it can be completed during the school holidays and bundled across a number of schools that require demolition at the same time. Scope shall include reinstatement. Managing Contractor approach should be taken where time is critical or where school is operational and methodology input is critical.
New School	Head Contract (where site needs to be cleared for redevelopment).

Note: where a site has New Build and Rebuild works that are being completed concurrently, the option to group all work will need to be considered.

Repairs

Head contractor should be used in the following situations:

- Where long lead-in times, experience in repair works or certainty/simplicity of scope allow the works to be accurately detailed in the available time.

Managing contractor should be used in the following situations:

- Where repair is required in an operational environment and input on methodology and sequencing is important.

- Where uncertainty of scope or short lead-in times do not allow for detailed and accurate design documentation.

The scope of the repair should be included in the scope of the redevelopment works where there are dependencies between temporary accommodation, rebuild and new build.

Rebuilds and New Builds

Head contractor should be used in the following situations:

- Rebuild area is easily separated from school operations.

- Standardised designs are used or sufficient lead time is available to complete bespoke designs.

- Small to medium bundles of work.

- Certainty in scope of bundles.

Managing contractor should be used in the following situations:

- Large bundles of work.

- Complex operational environment.

- Bespoke design that needs to be completed in parallel with construction in order to meet deadlines.

- Uncertainty in the scope of bundles/programme of works.

Note: where a site has Repair, New Build and Rebuild works that are being completed concurrently, the option to group all work will need to be considered.

New Schools

Head contractor should be used in the following situations:

- Sufficient programme length to allow design to be completed prior to engaging the contractor.

- Price certainty and competitive pricing is required.

- Ministry requires a high level of control over the design.

- Smaller packages of work.

Managing contractor should be used in the following situations:

- Works need to be fast tracked in order to meet programme deadlines.

- Larger bundles of work.

- Lack of scope certainty so the Ministry needs the flexibility to make changes.

Public Private Partnerships should be used in the following situations:

- Large packages of work.

- Schools with similar programme periods.

- Programme is not constrained allowing a detailed evaluation process to be conducted.

Professional Services

Panel arrangement should be used in the following situations:

- Where there is sufficient time to wait in order to establish a panel using robust and transparent processes.

- Where the type of work is similar and repeated across a number of projects.

Minor Conventional should be used in the following situations:

- One off packages of work are required to progress prior to the establishment of a panel.

- Scope is well defined so can be competitively priced.

- To tap into existing site knowledge.

Note: in order for minor conventional procurement to progress for early works, the works must be a high priority with programme constraints.

Facilities Management

Group Contracts should be used in the following situations:

- Maintenance of New Schools (service specification based contracts).

- Group contracts to deliver cyclical/planned maintenance for existing schools.

A Maintenance Help Desk should be used to provide the following maintenance requirements:

- Reactionary maintenance for existing schools.
- Planned maintenance for existing schools that is not included in group contracts or the schools' main works.

Annexure A – Detailed Analysis

Demolition

Assessing the delivery models

Programme

Programme is important as in many cases demolition will need to proceed prior to redevelopment commencing. Demolition can commence prior to having detailed development scope.

Head Contractor	Managing Contractor
• Long lead-in time as you cannot engage contractors until demolition scope is fully defined (Ministry will need to engage additional professional services). • Programme is defined at point of engagement.	• Ability to fast track demolition (when bundled with other works) as there is an overlap between design and construction packages. • The risk of time is shared through a lump sum management fee so the contractor is incentivised to complete the demolition on time/as soon as possible.
Conclusion Suitable when there is no dependency between the demolition and development/reconstruction.	Conclusion Suitable when demolition must commence prior to all works being finalised.

Competition

The current market is well established given the wider response to the earthquakes. As the response transitions from demolition to repair and rebuild, there will be capacity in the demolition market which is conducive to competitive tendering.

If the extent of the programme of works is well communicated then the Ministry will be an attractive client due to the proposed pipeline of opportunities.

Head Contractor	Managing Contractor
• Market is established and have a competitive tendering approach. • Long term programme of works is attractive.	• Generally only larger contractors would be interested in the managing contract model (limiting competition) although it opens up the market to non demolition contractors to manage the process and engage smaller operators.
Conclusion Good approach to get competitive pricing.	Conclusion Suitable for large packages of work or where there are a number of smaller packages of work that individually would not be appealing to larger contractors.

Client Control

Although the Ministry may have a programme of schools, there is the need for flexibility when it comes to responding to works that had not previously been identified (short lead in times) and to delay works to address higher priorities.

Head Contractor	Managing Contractor
• Ministry has a high level of scope definition input (suitable where a high level of recovery is required). • Limited control over operational environment. • Programme is defined at point of engagement (with	• Ministry has input into process/outcomes including methodology.

little room for flexibility).	
Conclusion	Conclusion
Suitable for closed sites where dates are well defined and lead in times allow the Ministry to define the scope (including recovery).	Suitable for complex projects where scope is not well defined.

Price

The scope of the demolition will often be known prior to the detailed scope of the redevelopment so there is the opportunity to progress the demolition in isolation to the rebuilds.

Head Contractor	Managing Contractor
• The scope and timeframe are known at the time of tendering so there is little risk inflation in pricing. • The Ministry is open to significant expenses if they require any changes. • The contractor does not input into the deconstructability/operational aspects of scope. • Ability to bundle is low as all works would need to be defined in detail prior to awarding work which exposes the Ministry to scope changes and long lead in times.	• Structured so the contractor can provide input into demolition methodology and staging during scope definition. Remuneration model encourages alternatives. • Risk of costs and time as the Ministry will negotiate costs and timing. • Ability to bundle works that have different commencement dates.
Conclusion Suitable for closed sites or where demolition can happen over school holidays and the Minsitry has time to define the scope of the work in details. Not suitable for complex demolitions (either methodology or operations) where input into scope definition is required.	Conclusion Suitable where contractors input into methodology is important or packages of work are large.

Suitability of the delivery models

Head contractor should be used in the following situations:

- Vacated sites.

- Available time and access to investigate and define the scope of works.

- Standard methodology and little need for the contractor to innovate.

- Development progress is not dependant on the completion of demolition.

Managing contractor should be used in the following situations:

- Where demolition is required in an operational environment and input on methodology and sequencing in scope definition is important.

The scope of the demolition should be included in the scope of the redevelopment works where there are dependencies between temporary accommodation, demolition and rebuild.

The following table summarises which delivery model should be used in the procurement of demolition based on the status of the site and the associated works.

Closed school/merger	Head Contract.
Relocated to a new site	Head Contract.
Repair	Not applicable.
Rebuild	Included in the scope of the Rebuild contract.
New Build	Head contract if it can be completed during the school holidays and bundled across a number of schools that require demolition at the same time. Scope shall include reinstatement. Managing Contractor approach should be taken where time is critical or where school is operational and methodology input is critical.
New School	Head Contract (where site needs to be cleared for redevelopment).

Note: where a site has New Build and Rebuild works that are being completed concurrently, the option to group all work will need to be considered.

Repairs

Assessing the delivery models

Programme

Programme is important as learners will either be accommodated in temporary accommodation or elsewhere in the school. Disruption should be kept to a minimum by meeting programme so expectations of the school are met.

Head Contractor	Managing Contractor
• Where scope is known, Head Contractor offers certainty of delivery times. • The contractor is incentivised to meet deadlines. • Complete design is required prior to tender which leads to long lead-in times. • No flexibility in programme to address operational requirements.	• Ability to fast track repairs due to early contractor involvement and overlap between design and construction packages. • The risk of time is shared through a lump sum management fee so the contractor is incentivised to complete the repairs on time/as soon as possible. • Programme is not confirmed at time of tender.
Conclusion Suitable when scope, design and programme are well defined.	Conclusion Suitable when short lead-in times do not allow for the design to be finalised before tender or when the programme priorities may change.

Competition

The construction market is well established, however as the wider Christchurch rebuild commences construction resources are likely to be constrained. If the extent of the programme of works is well communicated then the industry will see the Ministry as an attractive client due to the proposed ten year pipeline of work. Minimising bid costs and management requirements will encourage the market to respond competitively.

Head Contractor	Managing Contractor
• Ease of tendering will encourage competition. • Risk of low to no profit for the contractor will discourage competition. • A range of scales of projects will attract different market segments (2nd tier contractors) and increase competition whilst spreading supply risk.	• The management commitment of a managing contractor model may not be attractive given the resource constraints in the market. • Only attractive if packages are large and complex, which limits the availability of contractors with sufficient capability to bid.

Conclusion	Conclusion
Suitable to attract 2nd tier contractors and develop the market.	Suitable only where work is packaged into large bundles so the benefit outweighs the effort required to manage it.

Client Control

The Ministry requires the flexibility to respond to changing priorities and operational requirements.

Head Contractor	Managing Contractor
• Ministry maintains control over the design however will also hold the risk for the design and design documentation. • Little flexibility to accommodate changes to scope, methodology or programme without paying a premium.	• Ministry maintains reasonable control over the design process while risk of the design and documentation are transferred to the contractor. • Ministry has flexibility to make changes to the schools included in bundles to meet operational requirements.
Conclusion Suitable when long lead-in times or repair works experience allows for certainty in design and the programme and priorities are well understood and unlikely to change.	Conclusion Suitable when scope and design are uncertain and when programme priorities are not yet fixed.

Price

The scope of repairs across schools will vary however with time scope, price and time certainty will be achieved.

Head Contractor	Managing Contractor
• Detailed design documentation at time of tender leads to a low risk premium. • Where scope is known high cost certainty can be achieved. • Changes or variations due to incomplete/inaccurate design will incur a high cost. • Additional contract management costs to manage adversarial relationship.	• Structured so the contractor can provide input in to repair methodology and design. • Risk to cost and time as the Ministry will negotiate these.
Conclusion Suitable when the Ministry is certain of the timing and therefore scope of bundles. Provides cost certainty.	Conclusion Suitable if the programme of works is not confirmed and the scope of bundles may change.

## Suitability of the delivery models

Head contractor should be used in the following situations:

- Where long lead-in times, experience in repair works or certainty/simplicity of scope allow the works to be accurately detailed in the available time.

Managing contractor should be used in the following situations:

- Where repair is required in an operational environment and input on methodology and sequencing is important.

- Where uncertainty of scope or short lead-in times do not allow for detailed and accurate design documentation.

The scope of the repair should be included in the scope of the redevelopment works where there are dependencies between temporary accommodation, rebuild and new build.

The following flow chart summarises how the most suitable delivery model will be determined for repair works once the programme and scope is known.
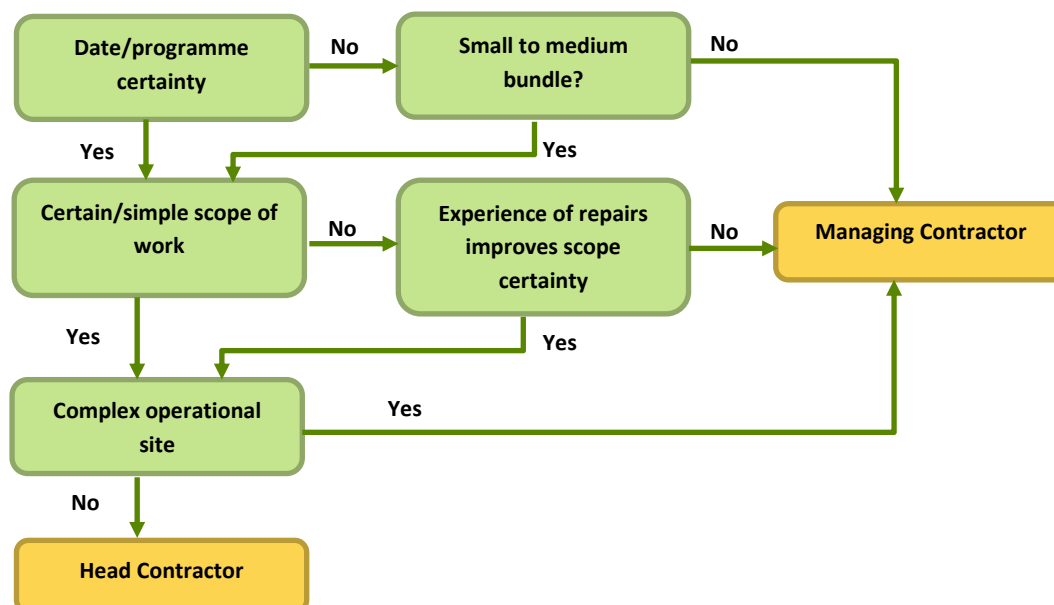
Note: where a site has Repair, New Build and Rebuild works that are being completed concurrently, the option to group all work will need to be considered.

Rebuilds and New Builds

Assessing the delivery models

Programme

Programme is important as learners will either be accommodated in temporary accommodation or elsewhere in the school. Disruption should be kept to a minimum by meeting programme and so expectations of the school are met.

Head Contractor	Managing Contractor
• Contractors are not engaged until scope is fully defined (Ministry will need to engage additional professional services). This is not an issue where standardised designs are used. • Programme is set at time of engagement and as long as the Ministry does not cause delays then the contractor can be incentivised/penalised to meet the deadlines. • No flexibility in programme to address operational requirements.	• Ability to fast track demolition as there is an overlap between design and construction packages. • The risk of time is shared through a lump sum management fee so the contractor is incentivised to complete the demolition on time/as soon as possible.
Conclusion Suitable when standardised designs are used so scope is defined and lead times can be reduced or where lead-in times are not an issue.	Conclusion Suitable when demolition must commence prior to all works being finalised.

Competition

The construction market is well established however as the wider Christchurch rebuild commences construction resources are likely to be constrained. If the extent of the programme of works is well communicated then the industry will see the Ministry as an attractive client to do work for. Minimising bid costs and management requirements will ensure the market responds competitively.

Head Contractor	Managing Contractor
• Market is established and will tender competitively. • Long term programme of works is attractive. • A range of scales of projects will attractive different market segments (2nd tier contractors) and increase competition whilst spreading supply risk.	• The management commitment of a managing contractor model may not be attractive given the resource constraints in the market. • Only attractive if packages are large and complex.
Conclusion Smaller bundles of work that can be completed by a larger number of contractors.	Conclusion Only where work is packaged into large bundles so the benefit outweighs the effort required to manage it.

Client Control

The Ministry requires the flexibility to respond to changing priorities and operational requirements.

Head Contractor	Managing Contractor
• Programme is defined at point of engagement (with little room for flexibility) which may be ok when standardised designs have been refined. • The Ministry are unable to make scope changes to bundles of work or methodology changes to address operational requirements without paying a premium.	• Ministry has flexibility to make changes to the schools included in bundles and to meet operational requirements.
Conclusion Suitable for high priority works where dates have been announced so changes to the scope of the bundle is unlikely. Otherwise smaller packages of work should be utilized to reduce the risk of requiring changes. Only on sites where rebuild works can be easily separated from operational areas.	Conclusion Managing contractor is suitable where bundles of schools are large and are being completed in complex operational environments.

Price

By standardising designs for rebuilds the scope across schools will be similar and with time price and time certainty will be achieved.

Head Contractor	Managing Contractor
• The scope and timeframe are known at the time of tendering so there is little risk pricing. Standardised designs would reduce the costs associated with professional services for design. • The Ministry is open to significant expenses if they require any changes during construction. • Lump sum contract so the Ministry has price certainty. By standardising design, overtime the Ministry will	• Structured so the contractor can provide input in to demolition methodology and staging during scope definition. Remuneration model encourages alternatives. However the use of standardised designs means the benefit is unlikely to be realised. • Risk to cost and time as the Ministry will negotiate costs and timing. • Ability to bundle works that have different construction

understand what the market rate is for a rebuild.	commencements.
• The contractor does not have input into design. However this does not mean a contractor could not contribute to the development of standardised designs.	
• Bundling would only be suitable when the demand and timing for rebuilds is confirmed. Cost of changes are high.	
Conclusion Suitable when the Ministry is certain of the timing and therefore scope of bundles. Provides cost certainty.	Conclusion Suitable if the programme of works is not confirmed so the scope of bundles may change.

Suitability of the delivery models

Head contractor should be used in the following situations:

- Rebuild area is easily separated from school operations.

- Standardised designs are used or sufficient lead time is available to complete bespoke designs.

- Small to medium bundles of work.

- Certainty in scope of bundles.

Managing contractor should be used in the following situations:

- Large bundles of work.

- Complex operational environment.

- Bespoke design that needs to be completed in parallel with construction in order to meet deadlines.

- Uncertainty in the scope of bundles/programme of works.

The following flow chart summarises how the most suitable delivery model will be determined for rebuild and new build works once the programme and scope is known.
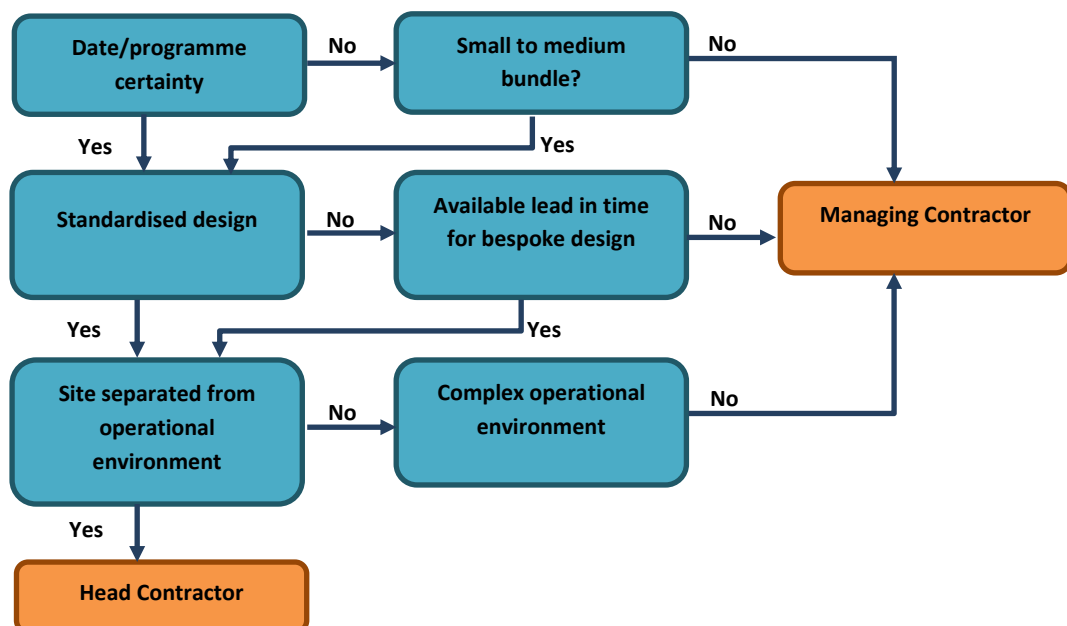
Note: where a site has Repair, New Build and Rebuild works that are being completed concurrently, the option to group all work will need to be considered.

New Schools

Assessing the delivery models

Programme

Programme requirements will largely be dependent on announced dates and the time it takes to construct and commission a school.

Head Contractor	Managing Contractor	PPP
• Longer lead-in time as you cannot engage contractors until scope is fully defined (Ministry will need to engage additional professional services). This is not an issue where standardised designs are used or the programme is not constrained.	• Ability to fast track as there is an overlap between design and construction packages. • The risk of time is shared through a lump sum management fee so the contractor is incentivised to complete on time/as soon as possible.	• Long lead in times to complete a detailed engagement process. • Contractors are incentivised to complete on time due to penalties.
Conclusion Suitable when lead-in times are sufficient so design can be completed prior to engaging the contract in order to achieve cost certainty.	Conclusion Suitable when a contractor needs to be engaged prior to design being complete.	Conclusion Suitable when there is sufficient lead in time to complete the EOI and RFP process as well as design development.

Competition

The construction market is well established however as the wider Christchurch rebuild commences construction resources are likely to be constrained. If the extent of the programme of works is well communicated then the industry will see the Ministry as an attractive client to do work for. Minimising bid costs and management requirements will ensure the market responds competitively.

Head Contractor	Managing Contractor	PPP
• Market is established and will tender competitively. • Long term programme of works is attractive. • A range of scales of projects will attractive different market segments (2nd tier contractors) and increase competition whilst spreading supply risk.	• The management commitment of a managing contractor model may not be attractive given the resource constraints in the market. • Only attractive if packages are large and complex. • Pricing competition is limited to a small component of work (P&G and margins only).	• Work is competitively priced, however competition is limited to 1st tier contractors who are in a position to front the high cost of bidding. • With the amount of work available in Christchurch, contractors may not be interested in participating in such an expensive tendering process.
Conclusion Smaller bundles of work that can be completed by a larger number of contractors.	Conclusion Only where work is packaged into large bundles so the benefit outweighs the effort required to manage it.	Conclusion Only suitable for large scale of works that would only attract 1st tier contracts and that will attract private equity.

Client Control

The Ministry requires the flexibility to respond to changing priorities and operational requirements.

Head Contractor	Managing Contractor	PPP
• The Ministry are unable to make scope changes without incurring significant costs however the design is completed prior to contractor engagement. The Ministry controls the design process.	• Ministry has flexibility to make changes to the schools included in bundles and to meet operational requirements.	• Client control is limited by the quality of the specifications and a contractual approach is taken.
Conclusion Suitable when the Ministry wants detailed input into design.	Conclusion Suitable when the Ministry wants input into design as well as the ability to make changes during construction.	Conclusion Limited control over the high level concept however control can be exerted during design development.

Price

Head Contractor	Managing Contractor	PPP
• The scope and timeframe are known at the time of tendering so there is little risk pricing. • Lump sum contract so the Ministry has price certainty. • Bundling would only be suitable when the demand and timing for rebuilds is confirmed. Cost of changes are high.	• Structured so the contractor can provide input in to methodology and staging during scope definition. Remuneration model encourages alternatives. • Risk of costs and time as the Ministry will negotiate costs and timing. • Ability to bundle works that have different construction commencements.	• Projects need to be bundled in order to achieve value for money. • Focus on reducing whole of life cost by transferring maintenance risk.
Conclusion Suitable when the Ministry is certain of the timing and therefore scope of bundles. Provides cost certainty.	Conclusion Suitable if the programme of works is not confirmed so the scope of bundles may change.	Conclusion Suitable for large packages of work that have a maintenance component.

Suitability of the delivery models

Head contractor should be used in the following situations:

- Sufficient programme length to allow design to be completed prior to engaging the contractor.

- Price certainty and competitive pricing is required.

- Ministry requires a high level of control over the design.

- Smaller packages of work.

Managing contractor should be used in the following situations:

- Works need to be fast tracked in order to meet programme deadlines.

- Larger bundles of work.

- Lack of scope certainty so the Ministry needs the flexibility to make changes.

Public Private Partnerships should be used in the following situations:

- Large packages of work.

- Schools with similar programme periods.

- Programme is not constrained allowing a detailed evaluation process to be conducted.

Professional Services

Assessing the delivery models

Programme

The programme requirements will vary based on the specific school. There will be situations (mainly early on in the programme) where works need to be fast-tracked in order to meet announced deadlines, however as the programme progresses the urgency will also decrease.

Minor Conventional	Panel Arrangement
• Scope needs to be defined otherwise lead in times are relatively short (depending on engagement approach). • Large amount of administration is required if it is to be implemented for a large number of projects.	• Lead in times to establish a panel can be prohibitive in the implementation of early works but once established it is an efficient way to engage services quickly.
Conclusion Suitable when one off packages of work need to be progressed in order to meet programme.	Conclusion Suitable when there is a high amount of repetition in the scope of work.

Competition

In order to achieve competitive pricing the scope of the works is required. The level of competition will be dependent on the markets capability and capacity.

Minor Conventional	Panel Arrangement
• Competition is achieved through the engagement approach. Scope is important in order to compare pricing.	• Competition is achieved through competitive bidding between panel members for larger engagements. The prospect of future works incentivises performance.
Conclusion Smaller bundles of work.	Conclusion Competitively tendered among panel members for large engagements. Communicate future programme of works to maintain a competitive tension and incentivise quality.

Price

Value for money can be achieved by either reducing the internal administration costs of the Ministry or by grouping projects to get economies of scale.

Minor Conventional	Panel Arrangement
• Does not capitalise on the scale of the programme. • Scope certainty is necessary in order to get price certainty.	• Over the life of the programme the procurement costs are reduced. • Ability to bundle responsively due to short lead in

• Where an existing organisation has extensive site knowledge (e.g. geotechnical) and going to an alternative consultant would mean significant rework.	times. • The panel builds knowledge of the project requirements and is able to implement lessons learnt.
Conclusion Best approach to achieve value for money for one off projects that need to be initiated prior to a panel being established. Defined scope of works is required.	Conclusion Best approach for achieving value for money over the life of the project.

Suitability of the delivery models

Panel arrangement should be used in the following situations:

- Where there is sufficient time to wait in order to establish a panel using robust and transparent processes.

- Where the type of work is similar and repeated across a number of projects.

Minor Conventional should be used in the following situations:

- One off packages of work are required to progress prior to the establishment of a panel.

- Scope is well defined so can be competitively priced.

- To tap into existing site knowledge.

Note: in order for minor conventional procurement to progress for early works, the works must be a high priority with programme constraints.

Facilities Management (FM)

Assessing the delivery models

Programme

The programme requirements for maintenance will vary based on the programming of the school's main works and the type of maintenance e.g. cyclical/planned vs reactionary.

Maintenance Help Desk	Group Contracts
• Lead in times can be short allowing the scheduling and procurement of maintenance works to be flexible and reactive, however a large amount of administration is required. • Maintenance requirements for each school can be scheduled in coordination with the school's main works. • Ability to bundle responsively in the case of short lead in times for reactive maintenance.	• Maintenance works for each school are managed and scheduled independent of the school's main works, reducing the potential for efficiency. • Better consistency of maintenance services for schools. Service Specification Based: • Lead in times to establish a service specification (the MoE does not currently have well documented maintenance standards) and undertake procurement and negotiations can be prohibitive in the implementation of maintenance works early on but once established it is an efficient way to engage services. Scope Based: • Requires scope to be well documented. Once

	established it is an efficient way to engage services.
Conclusion	Conclusion
Suitable when one off packages of work are need or when work cannot be planned for in advance.	Suitable when service requirement can be specified and lead in times are sufficient to allow for development of service specifications.
	Suitable when there is a high amount of repetition in the scope of work.

Competition

In order to achieve competitive pricing the scope of the works or a detailed service specification is required. The level of competition will be dependent on the market's capability and capacity.

Maintenance Help Desk	Group Contracts
• Competition is achieved through the engagement approach. Scope is important in order to compare pricing. • The prospect of future works incentivises performance. • Works can be bundled to appeal to a range of service providers.	• Competition is achieved through competitive bidding and negotiations for larger engagements. • May lead to smaller FM providers being squeezed out of the market.
Conclusion	Conclusion
Communicate future works to maintain a competitive tension and incentivise quality.	Competitively tendered for large engagements.

Price

Value for money can be achieved by either reducing the internal administration costs of the Ministry or by grouping projects to get economies of scale.

Maintenance Help Desk	Group Contracts
• The help desk builds knowledge of the works requirements and is able to implement lessons learnt. • Opportunity to capitalise on the scale of the programme drives better value for money. • High time and cost for the Ministry associated with operating the Help Desk.	• Opportunity to capitalise on the scale of the programme drives better value for money. • Additional costs associated with implementing group contracts make it BAU approach. Service Specification Based: • FM providers have not had input into the construction of facilities or their management to date, therefore the risk premium they place on servicing some schools will be high. • A well developed service specification is required to get competitive pricing and reduce the risk premium. • Risk associated with FM services can transferred to the provider. Scope Based: • A well developed maintenance scope applicable over a period of time is required to get competitive pricing.
Conclusion	Conclusion
Best approach to achieve value for money for unplanned maintenance. Inefficient approach for maintenance that can be planned in	Service specification based group contracts are suitable when high certainty in the current condition of school assets and a detailed service specification reduces the risk

advance.	premium.
Defined scope of works is required.	Group contracts can provide efficiencies over the programme where maintenance scope is consistent over a number of schools and can be defined early on.

Suitability of the delivery models

Group Contracts should be used in the following situations:

- Maintenance of New Schools (service specification based contracts).

- Group contracts to deliver cyclical/planned maintenance for existing schools.

A Maintenance Help Desk should be used to provide the following maintenance requirements:

- Reactionary maintenance for existing schools.
- Planned maintenance for existing schools that is not included in group contracts or the schools' main works.

Appendix E

This entire appendix has been deleted to prevent prejudice or disadvantage in relation to negotiations the Ministry of Education will have or is undertaking. s9(2)(j)

Appendix F

This entire appendix has been deleted to prevent prejudice or disadvantage in relation to negotiations the Ministry of Education will have or is undertaking. s9(2)(j)

Appendix G

This entire appendix has been deleted to prevent prejudice or disadvantage in relation to negotiations the Ministry of Education will have or is undertaking. s9(2)(j)

Programme Summary
Completion of Construction Works

Primary and Intermediate Schools

Year	Total	2014	2015	2016	2017	2018	2019	2020	2021	2022
New School Sites:	9	1		2	2			1		3
Completely Rebuilt Schools:	8	1	2	1	3	1				
Major Redevelopments:	22*		1	4	5		4	3	3	1
Moderate Redevelopments:	51		2	8	8	5	8	9	8	3
All Scopes:	90	2	5	15	18	6	12	13	11	7

Secondary Schools

Year	Total	2014	2015	2016	2017	2018	2019	2020	2021	2022
New School Sites:	4				2	2				
Completely Rebuilt Schools:	2			1	1					
Major Redevelopments:	12*				2	2		5	1	1
Moderate Redevelopments:	2*					1				
All Scopes:	20			1	5	5		5	1	1

All Schools

Year	Total	2014	2015	2016	2017	2018	2019	2020	2021	2022
New School Sites#:	13	1		2	4	2		1		3
Completely Rebuilt Schools:	10	1	2	2	4	1				
Major Redevelopments:	34*		1	4	7	2	4	8	4	2
Moderate Redevelopments:	53*		2	8	8	6	8	9	8	3
All Scopes:	110	2	5	16	23	11	12	18	12	8

Notes:

* Totals include schools without completion dates: Redcliffs, Kaiapoi High Karanga Mai TPU, Linwood Kimihia Parents College

New School Sites include: Aranui Campus, Banks Avenue, Belfast West/Ouruhia, Halswell West, Lincoln Second Site, Marshland, Pegasus, Rangiora West, Rolleston Secondary, West Rolleston, Wigram/Sockburn, Avonside Girls, Shirley Boys.

Tables do not include Special Schools: Allenvale Special School & Res. Centre, Ferndale School, Halswell Residential College, Van Asch Deaf Education, Waitaha Learning Centre

Planned Construction Completion Dates

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
Q1	**KEY** — New Schools Sites / Completely Rebuilt Schools / Major Redevelopments / Moderate Redevelopments		Marshland, West Rolleston, North New Brighton, Avonhead, Cashmere Primary, Addington, Rolleston	Aranui Campus, Rolleston Secondary, Spreydon*, Hornby High, Kaiapoi Borough, Kaiapoi North, Woodend		Hoon Hay, Mairehau Primary, Queenspark, Duvauchelle, Okains Bay, Parkview	Casebrook Int, Kirkwood Int, Thorrington, Ilam, St Albans	Belfast, Christchurch South Int, Isleworth, Northcote, Roydvale, TKKM O Te Whanau Tahi	Chisnallwood Int, Clearview Primary, Harewood, Templeton
Q2	Pegasus			Banks Avenue	Avonside Girls', Shirley Boys', Linwood College, Waimairi		Christchurch Boys' High, Christchurch Girls' High		Belfast West/ Ouruhia, Halswell West
Q3	Note: Further consultation is underway with Phillipstown School following the judicial review.	Lyttelton Main, Woolston/ Phillipstown #, Shirley Primary	Unlimited Discovery, Bromley, Gilberthorpe, Hornby Primary	St Martins, Bamford, Opawa	Oaklands, Diamond Harbour, Governors Bay, Heathcote Valley, Somerfield	Westburn, Merrin, Russley	Linwood North, Mt Pleasant, Riccarton, Rowley Avenue, Sumner, Wairakei	Paparoa St, Breens Int, Burnham, Elmwood Normal	
Q4	Halswell	Windsor, Papanui	Beckenham, South New Brighton, Waltham, Christchurch East, Wharenui	Wigram/Sockburn, Burnside Primary, South Hornby**, Cobham Int, Cotswold, Kaiapoi High, Mairehau High, Bishopdale, Linwood Avenue, Little River, Redwood, Shirley Int	Hillmorton High, Akaroa Area / • Note: Moving to Manning Intermediate site / ** Note: Moving to Branston Intermediate Site	Heaton Normal Int, West Spreydon, Yaldhurst Model	Rangiora West, Cashmere High, Hagley Community College, Papanui High, TKKM O Waitaha	Fendalton, Open Air, Riccarton High	Lincoln, Second Site, Burnside High

KEY:
- New Schools Sites
- Completely Rebuilt Schools
- Major Redevelopments
- Moderate Redevelopments

Note: Pending Final Decisions

GCERP Primary and Intermediate School Sites Programme (page 1)

Gantt chart of the GCERP Primary and Intermediate School Sites Programme (page 1), with project phases shown across years 2014–2022.

School	Timeline
Addington	
Avonhead	
Bamford	
Banks Avenue	
Beckenham	
Belfast	
Ouruhia/ Belfast West	
Bishopdale	
Breens Int	
Bromley	
Burnham	
Burnside Primary	
Casebrook Int	
Cashmere Primary	
Chisnallwood Int	
Christchurch East	
Christchurch South Int	
Clearview Primary	
Cobham Int	
Cotswold	
Diamond Harbour	
Duvauchelle	
Elmwood Normal	
Fendalton Open Air	
Gilberthorpe	
Governors Bay	
Halswell	
Halswell West	
Harewood	
Heathcote Valley	

Legend:
- Land Acquisition
- Property Plan
- Detailed Design

GCERP Primary and Intermediate School Sites Programme (page 2)

Gantt chart showing construction programme timelines for schools from 2014 to 2022. Legend: Land Acquisition (yellow), Property Plan (dark blue), Detailed Design (green), Construction (light blue).

Schools listed (top to bottom): Heaton Normal Int, Hoon Hay, Hornby Primary, Ilam, Isleworth, Kaiapoi Borough, Kaiapoi North, Kirkwood Int, Lincoln Second Site, Linwood Avenue, Linwood North, Little River, Lyttelton Main, Mairehau Primary, Marshland, Merrin, Mt Pleasant, North New Brighton, Northcote, Oaklands, Okains Bay, Opawa, Papanui, Paparoa St, Parkview, Pegasus, Queenspark, Rangiora West, Redcliffs (TBA), Redwood.

GCERP Primary and Intermediate School Sites Programme (page 3)

Chart rows (top to bottom): Riccarton, Rolleston, Rowley Avenue, Roydvale, Russley, Shirley Int, Shirley Primary, Somerfield, * * *South Hornby, South New Brighton, * * Spreydon, St Albans, St Martins, Sumner, Templeton, Thorrington, TKKM O Te Whanau Tahi, TKKM O Waitaha, Waimairi, Wairakei, Waltham, West Rolleston, West Spreydon, Westburn, Wharenui, Wigram, Windsor, Woodend, * Woolston, Yaldhurst Model

X-axis: 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022

Legend:
- Land Acquisition
- Property Plan
- Detailed Design
- Construction

*pending final decisions
* * Moving to Manning Intermediate site
* * * Moving to Branston Intermediate Site

GCERP Secondary School Sites Programme

Legend:
- Land Acquisition (yellow)
- Property Plan (red)
- Detailed Design (purple)
- Construction (teal)

School sites (top to bottom):
- Akaroa Area
- Aranui Campus
- Avonside Girls' High
- Burnside High
- Cashmere High
- Christchurch Boys' High
- Christchurch Girls' High
- Hagley Community College
- Hillmorton High
- Hornby High
- Kaiapoi High
- Linwood College
- Mairehau High
- Papanui High
- Riccarton High
- Rolleston Secondary
- Shirley Boys' High
- Unlimited Discovery

Timeline axis: 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023

MINISTRY OF EDUCATION
Te Tāhuhu o te Mātauranga

Greater Christchurch Education Renewal Programme (GCERP)

Stakeholder Engagement and Communications Strategy
GCERP (Property)

Document Number: PROP_012_13

Date First Issued: 3 March 2013

Document Control

The table below is a record of the document control:

Workstream/Project	GCERP (Property)		
Date	25/03/2013	Release	Draft
Owner	▮▮▮▮▮▮▮▮		
Author	▮▮▮▮▮▮▮		
Document Number	PROP_012_13		
Document Title	Stakeholder Engagement and Communications Strategy		

Names of employees below manager level are withheld to protect the privacy of natural persons. s9(2)(a)

Revision History

The table below is a record of the changes that have been made to this document:

Revision Date	Version	Summary of Changes	Author
25/03/2013	0.1	First Draft	▮▮▮▮▮▮▮
17/06/2013	0.2	Amendments added	▮▮▮▮▮▮▮
15/07/2013	0.3	Reformatted	▮▮▮▮▮

Names of employees below manager level are withheld to protect the privacy of natural persons. s9(2)(a)

Approvals

This document required the following approvals:

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Distribution

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Document Purpose

This purpose of this document is to outline the stakeholder engagement process.

Contents

1. Stakeholder Engagement Process

1.1. Desired outcomes

Desired outcomes are the overall aims of an engagement process. The desired outcomes of stakeholder engagement in GCERP is to ensure all stakeholders buy into the overall programme objectives and positively contribute to ensuring the programme benefits are achieved. To achieve this we must ensure stakeholders are involved at a level which is appropriate. See levels of participation below.

1.2. Levels of Participation

Before any expensive and lengthy engagement process is begun, it is important to have a good understanding, and indeed consider what level of participation is actually being sought. Participation can be broadly categorised into the following:

Note: A stakeholder can be defined as **any person**, or **group**, who has an **interest in the project** or could be **potentially affected by its delivery or outputs**.

Levels of Stakeholder Engagement	
Inform	To provide balanced and objective information to assist in understanding problems, alternatives, opportunities and/or solutions.
Consult	To obtain feedback for decision-makers on analysis, alternatives and/or decisions.
Involve	To work directly with Stakeholders throughout the process to ensure that concerns and aspirations are consistently understood and considered in decision making processes.
Collaborate	To partner with Stakeholders in each aspect of the decision including the development of alternatives and the identification of the preferred solution.
Empower	To place final decision-making in the hands of Stakeholders.

The overall aims of the Greater Christchurch Education Renewal Programme (GCERP) stakeholder engagement process and communication plan are aligned with the Ministry's strategic direction, which in turn is focused on ensuring the education system delivers on the Government's key goals – better public services that deliver improved outcomes for all New Zealanders, and stronger economic growth for New Zealand (see business case).

Note: The stakeholder engagement plan links the stakeholder engagement activities to the benefits as described in the benefits profile.

More specifically, in order to assist the programme in achieving the strategic outcomes, the GCERP Property stakeholder engagement process and communications plan aims to achieve:

- Improved working relationships
- An improved and shared understanding of the vision, outcomes, benefits, decisions and processes of the programme, including Learning Community Clusters (LCCs)
- Increasing buy-in and participation in the outcomes of the programme towards the optimal use of this opportunity to repair, restore and rebuild, but also to innovate and include communities in building an education system that will create better opportunities for all learners, but particularly for priority learners
- Improved communication channels to keep all stakeholders up to date with progress and to create opportunities for stakeholders to ask questions and become involved
- Promotion of a wider circle of responsibility for decisions and actions by promoting a whole of Government and whole of Ministry approach
- Early identification of potential issues, conflicts and benefits so that they can be dealt with early and collaboratively
- The best possible outcome in regard to innovation
- Formation of new formal partnerships and the creative maintenance of existing ones.
- Cost savings in the medium to long-term
- Promotion of local capacity building and learning (individual and organisational)
- Fostering of local support and goodwill
- Increased community cohesion and strengthened shared identity.

Stakeholder analysis, stakeholder assessment and communication plans (see appendix) includes details of how each stakeholder and the stakeholder engagement and communication plans relate back to the desired outcomes for the programme.

2. Stakeholder Engagement : Purpose, Scope & Context

The Purpose, Scope and Context of stakeholder engagement are interrelated factors, because they are defined to varying degrees by each other. In combination with stakeholder identification they constitute the scoping process from which the engagement plan and communications is formulated.

2.1. Purpose

Defining the purpose or reason for why the stakeholder engagement process should take place, is perhaps the single most important stage. A good purpose will be highly focused with clear aims, (originating from the Desired Outcomes) and objectives. A shared, common purpose is critical. The agreed purpose will provide a reference point throughout the stakeholder engagement process to ensure that the right mechanisms are in place to transform the process outputs into outcomes. A clear purpose gives everyone a clear understanding of what they are part of and the opportunity to make informed choices.

Broadly the purpose of this process is threefold:

- To regularly communicate information to all stakeholders at their different levels of requirement for information;
- To proactively engage with stakeholders in order to improve relationships towards an increased achievement of programme outcomes; and
- To identify and mitigate risks and issues proactively and as they happen.

The purpose of this Stakeholder Engagement process is to:

- Identify all GCERP Property stakeholders
- Include the Communications Team, National Office
- Clarify lines of communication with GCERP Education Renewal team
- Understand each stakeholder group in regard to impact/power, influence, interest and readiness to change.
- Describe stakeholders in regard to level of communication, level of engagement and risk to the programme.
- Assign key responsibilities for stakeholder engagement
- Network, share ideas and best practice
- Assist decision-making
- Inform and communicate key messages to secure stakeholder buy-in and support for the overall programme goals
- Understand local needs and wants
- Encourage local buy-in and ownership in projects and the programme
- Establish more open communication channels, gain trust and work on breaking down historic barriers.

2.2. Scope

The reason for defining the scope is to clarify exactly what the boundaries of this stakeholder exercise are – i.e. what can really be achieved in practice. Identifying the scope of a project helps to define an appropriate and achievable purpose.

The scope of this stakeholder strategy includes all stakeholders that have an interest and influence over the delivery of the property element of the programme.

2.3. Context

Understanding the wider context in which the stakeholder engagement process will take place is critical to ensuring:

- Links with other relevant organisations and related activities are recognised
- That the engagement process is responsive to participant needs and/or sensitivities by appreciating their wider role
- That the process will contribute to relevant and measurable progress.
- The context of this stakeholders engagement strategy considers the following factors:
- The interest, commitment and/or involvement of key decision-makers in the programme
- Internal and external stakeholders that have an interest in the programme
- Legal and policy parameters
- How this current participatory process fits into the relevant decision- making systems (e.g. timing, required documents, etc.)
- Other relevant past activities which may affect planned discussions, for example:
  - The earthquakes of 2010-2011 caused huge disruption and loss for the people of greater Christchurch: individuals, families, whanau and community. Generally the school portfolio responded well compared to other asset categories, however considerable investment is required to address network shortfalls. Land damage has resulted in large residential developments being untenable for reconstruction, which has changed the nature and pattern of urban development within greater Christchurch.
  - The Ministry's 'Directions for Education Renewal in Greater Christchurch' states that the GCERP is intended to "position greater Christchurch as a future leader in teaching and learning practice". The objective is to develop a new model of education delivery within the region that is structured around clusters of education providers who collaborate to seamlessly integrate education delivery across the learning continuum within a defined local area. This modern education network will take collective ownership for education delivery and student achievement within its defined geographic region. The network will be based around flexible models of education provision in ICT-enabled environments that empower teachers and learners to develop and implement new, more effective approaches to education delivery. Consultation on the Programme strategy and intent has been GCERP's focus over recent months.
  - A detailed assessment of both educational performance data and property investment data has highlighted a myriad of property and student achievement combinations. In many cases, repairing the earthquake damage and modernising the property is all that is needed to enable the introduction of new models for education provision. However, in other instances the quantum of change has required a total transformation of the network, which has included closing, merging and building new schools and early learning providers, and reconstructing a range of different facilities including shared community-based facilities in order to better match the demand for education services with supply.
  - It is critical to note that the GCERP is not limited solely to property remediation. Reconstruction of the education property portfolio in the greater Christchurch area will not, of itself, deliver the quantum lift in student achievement that the programme is seeking. The true benefits of the programme lie in the establishment and fostering of Learning Community Clusters (LCC).
  - A substantial commitment to promoting and supporting education renewal activities within the network will be required if greater Christchurch is to become a future leader in teaching and learning practice.   Creating, facilitating and

supporting the activities of the LCCs will be central to the success of the GCERP and achieving the necessary lift in student achievement.

- o The large scale investment brings opportunity to provide an improved education network that addresses the inequity in education outcomes between different demographic groups that existed prior to the earthquakes and address the mismatch between supply and demand across the network.

2.4. Stakeholder identification

Finding the right mix of participants, and ensuring that no group is inadvertently (or perhaps, intentionally) excluded, is essential to providing legitimacy and credibility to this engagement process.

During the Stakeholder Identification Workshop in March 2013 the following questions were asked in order to consider who qualifies for being a stakeholder:

- Will the person or their organisation be directly or indirectly affected by this programme?
- Does the person or their organisation hold a position from which they can influence the programme?
- Does the person or their organisation have an impact on the project's resources (material, personnel, funding)?
- Does the person or their organisation have any special skills or capabilities the programme will require?
- Does the person or their organisation potentially benefit from the programme or are they in a position to resist this change?

See Appendix A (Stakeholder engagement plan) for the list of stakeholders identified in this workshop. In the process of understanding stakeholders we will consider background information that includes the following:

- Which sectors of society are unlikely to participate, but whom would add value to the process if they did participate, and how best to reach and support their involvement
- Existing relationships between key participants (e.g. antagonism or political alliances), including these groups relationship with the consulting authority and/or relevant decision-makers
- Diversity of participation experience amongst the identified stakeholder groups. Those with more experience may have skills and confidence to dominate proceedings. The process may need to be designed to deal with these differences if they are significant (e.g. different sessions for different interests, with all brought together at the end).
- Cultural diversity of participants
- Any barriers to people working together e.g. gender
- It is equally wrong to exclude an individual or an organisation for being a known opponent of a given purpose or process. Indeed, there are often good reasons for keeping opponents "inside the tent": these can be the people who most need to be involved so that they gain some ownership of the process and perhaps become more likely to support the final outcome (or at least, less inclined to undermine it as they might have, had they been excluded).
- It is important to try to include all relevant stakeholders, and those who often get omitted are the hard to reach groups.
- Everyone does not have to be involved in everything. With good planning, and the agreement of participants, different people can be involved only in those parts of the process that are most relevant to them.

3. Engagement Plan

The stakeholder engagement plan can be found in Appendix A

3.1. Engagement process

The engagement process is set out in the stakeholder engagement plan and communications plan, see appendix A and B

3.2. Evaluation

The evaluation of the stakeholder engagement process is set out in Appendix C. The communications plan is assess using red, amber, green to demonstrate priorities and success in implementation. The stakeholder engagement plan assesses desired level of buy in versus actual. The aim is to ensure stakeholder buy-in for individual stakeholders is at the desired level at all times.

4. Communications plan

See appendix B for the communications plan

4.1. Ministry buy-in / response

Ministry support for this engagement process is essential for reasons that include the following:
- "added value" and greater sustainability for related projects and agendas
- better co-ordinated consultations
- establishing a clear audit trail of engagement to support the project
- there is a higher risk of project failure if engagement is not done

School infrastructure Group (SIG) support for this process is very high.

4.2. Key risks in this stakeholder engagement strategy

The key risks inherent in the stakeholder engagement strategy for the GCERP are:
- That GCERP education and GCERP property do not effectively align their stakeholder engagement processes
- That there is no or not enough institutional commitment to the stakeholder engagement process
- That the scope is not clear and that the stakeholder engagement process become part of "making promises" that cannot be delivered
- That the stakeholder engagement process is not seen as an ongoing process that includes activity and feedback logs and stakeholder audits
- That the stakeholder process is not appropriately resourced

Risks could result from the above include risk in regard to:
- Reputations. Everyone involved in participation is risking their reputation, whether in the design and delivery of the participatory exercise, the willingness to participate at all, and the willingness to abide by the results (if that is appropriate to the technique used)
- Resources. Participation costs money and takes time, including from skilled personnel
- Failure to deliver on promised outcomes. Even where the desired outcomes seem clearly defined from the start, decision-makers may refuse to accept the outcomes in the event, or unrealistic expectations may be raised and trust lost
- Political hijacking. Is the stakeholder engagement process being used to front personal or political agendas?
- Relationships. A poorly run process can damage relationships between all those involved. Although participation can increase social capital and build capacity if designed to do so, bad participation can damage relationships and undermine confidence.

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MINISTRY OF EDUCATION
Te Tāhuhu o te Mātauranga

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External Stakeholders

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Stakeholder Engagement and Communications Strategy
GCERP (Property)

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Stakeholder Engagement and Communications Strategy
GCERP (Property)

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Te Tāhuhu o te Mātauranga

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Appendix C   Stakeholder Engagement Process Evaluation Matrix

	Elements to include	1 Weak	2	3	4 Strong
Scoping Process	Clear evidence of purpose, scope, context, stakeholder identification and desired outcomes.				✔
Purpose	Clearly defined aims and objectives, agreed by all parties involved in commissioning it. Clear how the outputs will be used to ensure the desired **outcomes** are achieved.			✔	
Scope	Clear specific boundaries to the exercise. Level of engagement clearly defined. Elements identified that can or cannot be changed. Potential risks thoroughly identified & evaluated.				✔
Context	Wider issues detailed and communicated to participants early on, i.e historical, political, physical and cultural context of the issue. Links with past or present related activities, organisations or consultations, policy legal or decision-making parameters, timescale constraints, participants' characteristics and capabilities.		✔		
Stakeholder Identification	Transparent and documented stakeholder identification process using a contacts database and based on a coherent understanding of the purpose and the context of the process. Tries to include all appropriate stakeholders in relevant parts of the process, including hard-to-reach groups. Statutory consultees identified.				✔
Desired Outcomes	Clarity on exactly what is sought as a result of the engagement process, and consideration given to the most appropriate methods to achieve this.			✔	
Institutional buy-in	Key decision-makers in the organisation are fully informed and supportive of the engagement plan.			✔	
Engagement Plan	Based on the result of the scoping process & has the backing of institutional support. Clear details documented on all the main components of the Stakeholder Engagement process, including clear outline of organisational logistics & review schedule & evaluation of plan before engagement.		✔		
Methods	Different methodologies researched & selected to be appropriate to the issues and respective stakeholders. Careful planning for methods to be complementary and work together to make the overall process successful.			✔	

	Elements to include	1 Weak	2	3	4 Strong
Resources	Budget allocation sufficient to undertake an engagement process that will achieve desired outcomes. Clear roles and responsibilities detailed and time-lined for all involved in running the process. Those with appropriate skills allocated & if necessary trained to undertake specific tasks.		✓		
Time Schedule	Realistic time allocations, including that needed between events for work to be completed and to be taken to the next stage. Key dates, actions & decision deadlines detailed.			✓	
Outputs	Clear & tangible outputs agreed prior to engagement activity and aligned with specific methodologies to lead to the desired outcome of the engagement process. Intrinsic outputs secondary to achieving overall outcomes included.		✓		
Engagement Process	There is an iterative and flexible approach to managing the process that would help in responding to the unpredictable. This is informed through an ongoing review process.				✓
Review Process	The review process is iterative and structured to inform those involved in the engagement process (and others) with the information to judge whether or not the process is likely to be, or has been, a success, to manage risk and to make responsive amendments to the process. Contains qualitative and quantitative evaluation criteria.			✓	
Final Evaluation	Evaluates if the process achieved its desired outcomes through appropriate level and methods of engagement, involving appropriate outputs, stakeholders, and use of budget & staff resources, effective response to feedback. Includes log of lessons learnt for future engagements.				

PROGRAMME RISK MANAGEMENT STRATEGY

Greater Christchurch Education Renewal Programme (Property)

TABLE OF CONTENTS

RISK MANAGEMENT – KEY PERFORMANCE INDICATORS

The Programme will demonstrate effective risk management using the following KPIs:

- KPI 1 – percentage of risks with a selected treatment action plan (as required), within 1 month of risks being identified

- KPI 2 – percentage of risks being actively managed (as required) during a period

- KPI 3 – percentage of risks appropriately reviewed in a period

- KPI 4 – number of identified opportunities realised

These risk management performance indicators will be included in reports to the Infrastructure Board and Risk Committee and help demonstrate the effectiveness or otherwise of the Programme, its manager and the team.

1. INTRODUCTION

This document outlines the Risk Management Strategy for the Greater Christchurch Education Renewal Programme (Property). It defines the risk management process to be employed throughout the life of this programme. It is expected this will evolve over time.

The Senior Programme Director is responsible for reviewing and maintaining this Risk Management Strategy throughout the life of the work. The Senior Programme Director will ensure the risk process remains appropriate to deal with the level of risk faced and that it is consistent with the Schools Infrastructure Group Risk Management Policy and Framework.

2. PROGRAMME DESCRIPTION AND OBJECTIVES

To deliver a capital works programme focused on property infrastructure. The purpose of which, is to provide the capability for education BAU as part of the greater Christchurch Education Renewal Programme. This approach is education centric balancing the challenges of revitalising earthquake damaged schools, meeting demand and investing in innovation to improve educational performance.

This programme will help establish Christchurch as a leading and globally relevant educational community for the twenty-first century. This will deliver a key attraction for the city by providing a range of educational, economic and social benefits.

The programme considers the total duration for delivering property infrastructure over a ten year period commencing September 2010. Delivery of the programme of works is also a 10 year programme commencing mid-2013.

The Programme Business Case (outline) estimated the programme cost at between $0.825 billion and $1.100 billion over 10 years. The recognised cost of the programme is $1bn in current dollar terms.

The education property portfolio has a variable history of buildings quality due to; weather-tightness failure, earthquake susceptibility, maintenance and compliance with Modern

Learning Environment standards (MLE). The programme quality standards are:

- All new buildings and repairs (where weather-tightness failure has occurred) shall comply with the Ministry's weather tightness standards.
- The Ministry of Education's short-term goal is to ensure that all school buildings are at or above 34% NBS, and the medium-term goal is to ensure all buildings are at or above 67% NBS.
- Capital decisions will be determined based on the whole of life cost of the asset. Compliance with warranty and guarantee criteria for new builds and repairs will be managed to ensure their currency.
- All new builds shall comply with the Advanced MLE standard. Repairs and renovation will meet core MLE standards. This includes meeting DQLS requirements.
- SNUP ICT standards, plus requirements for a SNUP accredited supplier.
- All new building proposals shall be compared to high quality reference designs to reuse good design practices and POE's to learn and improve on those designs

3. RISK MANAGEMENT POLICY AND FRAMEWORK

The Senior Programme Director is accountable and responsible for managing risks - both opportunities and threats and for ensuring that other appropriate and accountable members of staff are part of this process. The Programme and its associated projects will ensure that:

- Robust risk identification processes are carried out as part of programme planning and delivery
- There is active debate and analysis of risk management information at all levels of the programme
- All relevant risks are treated and / or actioned, with appropriate owner, allocated resources and funding

Working within the Schools Infrastructure Group Risk Management Policy and Framework, the Senior Programme Director will ensure that:

- The programme monitors, evaluates and challenges the teams efforts in treating risks
- There is appropriate risk reporting, internally and externally in accordance with the Schools Infrastructure Group Risk Management Policy and Framework
- Risks are prioritised and escalated at the correct level for informed decision making in a timely manner

4. RISK APPROACH

In accordance with the Schools Infrastructure Group Risk Management Process, the risk management process will be to:

- Establish the context (key element noted below)
- Identify the risks - both opportunities and threats
- Analyse and estimate the level of risks
- Evaluate the risks
- Develop controls and treatments for risks that the programme wish to enhance or that are not accepted
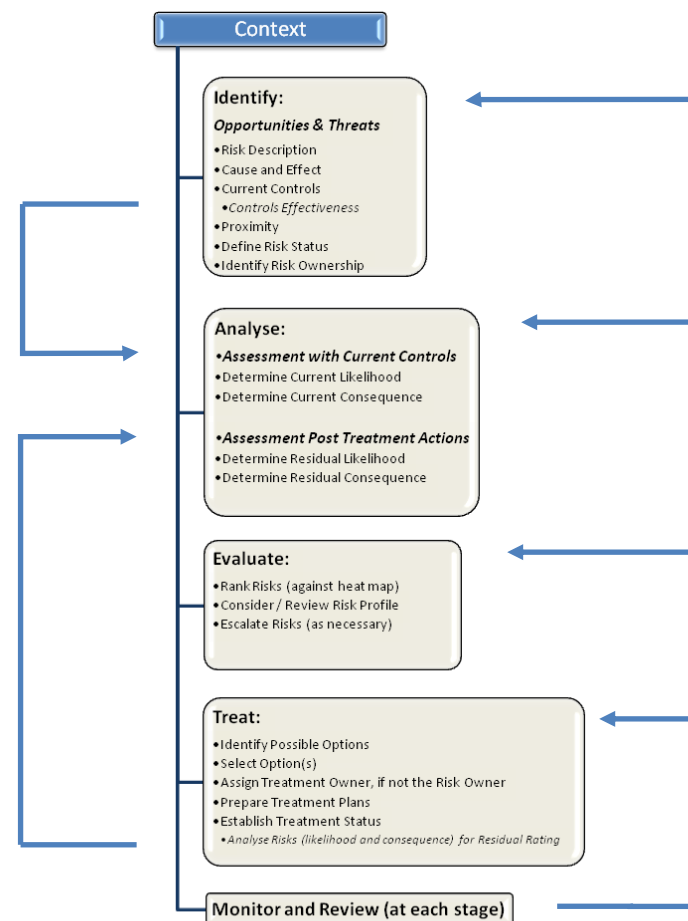- Monitor, review and communicate

Figure 1: Risk Management Step-Through Flowchart

PROGRAMME CONTEXT

Within this programme the context for risk management is defined by the New Zealand School Property Strategy 2011 – 2021 document and annual business plans. Further background context is provided in both the Programme Brief and Business Case documents.

RISK CONTEXT FOR THE EDUCATION RENEWAL PROGRAMME

To ensure the Christchurch Education Renewal Programme delivered by the Schools Infrastructure Group provides successful outcomes for New Zealand schools in an efficient and value for money manner that meets the legislative, policy and regulatory requirements of the Ministry of Education and the Vision and Strategic Goals of the New Zealand School Property Strategy 2011 – 21.

RISK ANALYSIS

Risk analysis involves the following steps:

- Identify and evaluate existing controls and their effectiveness
- Determine risk consequence
- Determine risk likelihood
- Determine risk level

This Programme will follow the SIG Risk Management Process in determining risk analysis.

However given the size and nature of the programme the consequence table used in analysis will be as follows:

CONSEQUENCE TABLE

Descriptor		Time	Cost	Public Confidence and Reputation	Stakeholder Interest	Deliverables Quality	SIG Objectives
Opportunity	Substantial	1 or more Year Early	>$5M saving	SIG held as a reference point for others National Media Coverage	Government Policy Change	Step-change seen in deliverables and quality	Exceeds SIG objectives
	Major	Months Early	$2M - $5M saving	SIG receives industry acknowledgement Sustained Regional Media Coverage	Ministerial Support	Major deliverable and quality improvements	Major contribution towards SIG objectives
	Medium	Weeks Early	$1M - $2M saving	Reputation of SIG enhanced Local / Regional Media Coverage	Governance Board Recognition	Moderate deliverable and quality enhancement	Moderate contribution towards SIG objectives
	Minor	Days Early	<$1M saving	Public Appreciation Local Media Coverage	Letter of Support	Some deliverable and quality enhancement	Minor contribution towards SIG objectives
Threat	Minor	Days Late	<$1M	Local Public Concern Local Media Coverage	Minor Complaint / Official Information Request	Deliverable and Quality can be met with minor work-around	Minimal impact on the achievement of SIG objectives
	Medium	Weeks Late	$1M - $10M	Limited damage to reputation Local / Regional Media Coverage	Ministerial Questions / 3rd Party Investigation	Deliverable and Quality can be met with work-around(s) required	Moderate impact on the achievement of SIG objectives
	Major	Months Late	$10M - $50M	Loss of Credibility of SIG Sustained Regional Media Coverage	Ministerial Inquiry	Deliverable and Quality will be compromised	Major impact on the achievement of SIG objectives
	Substantial	1 or more Year Late	>$50M	Significant public concern in SIG National Media Coverage	Commission of Inquiry	Deliverable and Quality do not meet SIG requirements	SIG Objectives unable to be achieved

Table 1: Consequence Table

RISK MONITORING AND REVIEW

Regular monitoring and review throughout the risk management process is necessary to:

- Ensure the currency of the information – the environment within which SIG operates is constantly changing; if risk information isn't current it may cause the SIG to make poor decisions that could have otherwise been avoided.
- Ensure the effectiveness and adequacy of the risk process
- Continuously evolve the level of risk maturity
- Continuously improve, adopting better risk management practices

Fortnightly and monthly meetings within the Programme team facilitated by the Senior Programme Director will discuss current top risks, ratings and mitigations along with top priority issues. Changes, additions and closure of risks resulting from this meeting will be entered into the risk register by Programme Support and new risk reports produced.

When necessary, risk treatment/action plans will be developed and monitored by the Senior Programme Director. The plan will specify:

- The person accountable for the action of the treatment
- The treatment tasks involved – proposed or agreed
- Who will carry out the treatment tasks
- The start and finish dates for the treatment task(s)
- Any resource implications
- Any funding / financial implications
- Review and review date(s)

Frequency	Programme Risk Monitoring Process - Proposed
Fortnightly	• A review of risks will be conducted between the risk and/or treatment owners, Case Managers, ODA's and Programme Director.
Monthly	• A review of the Risk Reports and Register conducted on a monthly basis with the Programme Director, Senior Programme Director
Ad hoc	• As and when activities occur that may present threats or opportunities to the programme.

Table 2: Monitoring and Review

OTHER REVIEWS

At a Corporate level:

- Quarterly Risk Committee reviews of process and implementation of risk management within the SIG (as required by the Infrastructure Board)
- Internal Quality Assurance (as required by the Internal Assurance Manager)

The General Manager, Schools Infrastructure Group will be provided assurance by the Senior Programme Director that all risks potentially impacting the New Zealand Schools Property Strategy 2011-21 and the relevant business plan of the Group are being actively managed.

PROJECT RISK ROLES AND RESPONSIBILITIES

To ensure risks are managed in accordance with SIG's Risk Management Policy and Framework, the roles and responsibilities of key programme members are listed below.

Role	Name	Responsibilities [delete or add what tasks they will perform]
Programme Governance Board	Christchurch Programme Board Infrastructure Board	• Review and question risk information and analysis • Approve risk acceptance or closure • Satisfy themselves that good risk management governance is occurring across the programme
Senior Programme Director	Names of employees below manager level are withheld to protect the privacy of natural persons. s9(2)(a)	• Develop a Risk Management Plan • Undertake risk management processes in accordance with the SIG Risk Management Policy and Framework • Recommend risk acceptance or closure • Ensure risk reports are prepared including latest information • Ensure programme risks are assigned ownership, with treatments adequately resourced and funded • With the SIG Risk Manager ensure risks are escalated appropriately

Role	Name	Responsibilities [delete or add what tasks they will perform]
Programme Team	Case Managers, ODA's Specialist Advisors,	• The requirements of the SIG Risk Management Policy and Framework are actioned throughout their assigned programme duties • All assigned risks are managed in accordance with the best possible intentions
SIG Risk & Assurance Manager		• Review of monthly risk report provided to SIG PMO

Table 3: Roles and Responsibilities

Names of employees below manager level are withheld to protect the privacy of natural persons. s9(2)(a)

PROGRAMME RISK REPORTING

Risk reporting is the regular provision of appropriate risk related information to stakeholders and decision-makers within the Ministry, the Infrastructure Board, the SIG and others, in order to support the understanding of risk management issues and how they potentially affect the SIG and ultimately the Ministry.

The following reports will be available and produced as and when requested:

Risk Report	Description
Risk Register	The Risk Register provides the depository for all risk information across all aspects of risk management, from identification to management actions and final outcomes. This register should be kept up-to-date and complete; all other reports are formed from the information in the register.
Risk Management Report Summary Monthly Detail	Risk Management Report (which will be incorporated in monthly Board Reports) – this report includes assessment of the project risk profile, monthly commentary, and risk management count and activity by risk-breakdown structure. Risk Management Report (which will be incorporated in monthly Board Reports) – this report includes risk detail of all extreme and high threats and all identified opportunities, all responses and reviews undertaken on each risk with the aim to demonstrate active management of each risk.

Risk Report	Description
Risk Management Detailed Report (Key Risks Only)	Risk Management Detailed Report (which provides full information on each individual risk identified on the Project and will be incorporated in the project risk report) – this report includes detailed description, cause and effect, full review information, qualitative and quantitative assessments, and action and response plans (both active and complete);
Risk Treatment Action Plans	Risk Treatment Action Plans provides details on the treatment options selected, ownership, progress made and related comments and reviews.

Table 4: Reporting

Appendix K
Critical Success Factors Discussion

Value for money and holistic and whole of life decision-making

The focus of value for money and holistic and whole of life decision making is to provide the best long term solutions. To deliver on this critical success factor the options need to consider the extent of the problem, future requirements, other programmes of work, the status and availability of other assets and the ability to minimise whole of life costs.

There are likely to be many circumstances where a marginal increase in investment will allow the replacement or upgrade of assets, rather than repair of the existing facilities, which may be justified by the associated benefits. Benefits could include reduced maintenance cost (whole of life decision making), less disruption during rebuilding and improved teaching environments.

An understanding of how future demand for the school may change is required to deliver this critical success factor. 'Value for money' addresses the need for the school in the short, medium and long term and should consider an appropriate level of remediation accordingly to minimise the amount of expenditure on schools that are not required in the long term. This is particularly relevant given the population shifts that have occurred and will continue to occur in Canterbury.

The response will need to align school specific decisions to those in the local network of schools and community assets. Different options may be available to share specialist facilities between schools or between schools and the community. Rather than multiple average (and potentially budget constrained) assets being built, collaboration between investors could provide a single, superior facility at lower capital and whole of life costs.

Whole of life decision making requires the life of the asset to be considered in the remediation decision making so the maintenance and running costs of the schools can be minimised. The ability to make informed decisions and understand the trade-offs associated with reducing capital costs are also important in making whole of life decisions.

Holistic decision making to coordinate the remediation with other programmes would gain efficiencies and minimise long term disruption. Programmes such as the Building Improvement Programme, SNUP and Modern Learning Environment (currently included in the 5YA funding) all influence and are influenced by the remediation response in Christchurch, and the options considered going forward need to consider dependencies with other programmes of work.

Flexible and responsive to changing requirements

One of the problems that the network is currently faced with, is the remaining functional stock does not meet the demand. 'Flexible and responsive' refers to the ability to make changes to the network should the predicted demand not match the actual requirements, where 'value for money' decision making (considered under a separate critical success factor) considers the life of the asset. The flexibility and responsiveness of the remediation has two aspects, the first being the hard assets, the second being the contractual terms.

There is the continued risk that as the rebuild progresses the population continues to shift so the network again no longer meets the requirements. The ability to expand, shift or close buildings or schools needs to be considered in the rebuilding. The concept of 'temporary' assets to meet short term demand is a value for money

consideration, whereas the relocation or allocation of permanent assets, should they no longer be required in their current location, is a flexible response to changing requirements. The ease at which changes can be made, the time lag and the ability prioritise work also need to be considered to in order to meet this critical success factor. This includes the contractual terms of a contract and the costs or penalties that are likely to be incurred by the Ministry.

Linkages to the community

The Government has recognised that rebuilding public infrastructure will have a significant impact on the rebuilding of communities. Schools also play a major role in anchoring and defining a local community. However, it is important that the process is community-led, rather than led by the school or Ministry. The engagement with the community will be a major factor in whether the school is successful in achieving education outcomes. This is because the community links are important in parental engagement and 'ownership' of the school. In addition, any wider role for the school will be dependent on the community feeling that they have a role in defining and design the school.

In addition there is the potential to share facilities with the community. In many cases school facilities may take the place of community resources lost in the earthquake. However, shared use of facilities will also be important in ensuring that resources are effectively allocated in the rebuild process.

Future proof and deliver quality in design

In order to meet this critical success factor, the option needs to provide a robust school network that has a reduced likelihood of building failure and responds better to future seismic events. Schools should receive less damage as well as having better contingencies to expedite response times.

The option should have the ability and flexibility to make informed decisions on the standard of repair required. Changes to the Building Code as a result of the Christchurch earthquakes as well as other Ministry standards (such as the weather-tightness standards) that are greater than the minimum code requirements need to be included in the decision making.

It is important that following a natural disaster that a level of normalcy is restored. The remediation option should consider and look to improve the likely response times following future natural disasters (not just earthquakes). Given that schools are often used as Civil Defence emergency or welfare shelters, the options need to consider the ability to return to a full level of service with the provision of school services as well as a minimum level of service to perform Civil Defence and emergency response functions.