

PROPERTY MANAGEMENT POLICY

School Vision: Building for Eternity

'Man has dominion over God's creation' - Genesis 1:26

Rationale

Maintenance of school property, plants and equipment is vital to achieve an environment that is safe, hygienic and conducive to student learning.

The Board of Trustees is legally responsible for the safe maintenance and management of school property

Purpose

To provide a safe working and learning environment in compliance with Ministry of Education Property Management expectations and in partnership with the Proprietor.

Guidelines

- The Board of Trustees has responsibility for Property Management.
- The annual budget must provide for ongoing maintenance to, minor repairs to, and insurance of the existing property, plant, grounds and equipment.
- A 10 year property plan is prepared, reviewed and updated annually by the Proprietor and includes all maintenance and capital property requirements.
- An annual statement outlining maintenance requirements will be prepared by the Principal and costed into the budget by the Board of Trustees for the following year.
- The Board of Trustees needs to ensure that legal requirements for Health and Safety, including other territorial authority regulations are complied with.
- The Board's legal responsibilities are confined to the integrated areas.
- Responsibilities relating to the school and grounds are shared between the Board of Trustees, the Proprietor and the Crown and are outlined below.

Responsibility for the upkeep of the property, and for insurance, are split between the Board and the Proprietor. Consequently, there is an expectation that the Board and the Proprietor will work in close consultation to ensure that school property is not neglected through misunderstandings and omissions by either party and that insurance is adequate.

The property obligations of the Proprietor and the Crown are set out in the Education Act (Section 456) and within the school's Deed of Integration. The Proprietor provides the land and the buildings, and the Government provides the funding for the school's purchase of furniture & equipment and for its on-going maintenance & insurance via the Operations Grant that is paid directly to the school in 4 instalments throughout the year.

Ownership of land and buildings

The Proprietor is the legal owner of all the land, buildings and other improvements described in the school's Deed of Integration. The school site plan attached to the school's Deed of Integration shows the school premises, distinguishing clearly the land and buildings which are integrated from those which are not. The Proprietor meets liens, mortgages and other charges (such as insurance and warrants of fitness) associated with its lands and buildings that comprise the school premises.

The Board of Trustees (as the school's controlling authority) has been given exclusive right to the possession and use of the school premises, including buildings and chattels by the Proprietor. Unless other arrangements are made with the Board, the Proprietor is responsible for any costs associated with the non-integrated areas that may be used by the school, e.g. church hall. The Proprietor may allow the school to use such facilities but may require the Board to pay for their use by an agreed rental or other contribution.

Minimum property standards for integrated schools

Under section 456 (c) of the Education Act, property covered by an Deed of Integration must meet minimum standards to ensure that it is safe, it is in a fit state of repair, and meets all statutory, regulatory and Ministry design standards.

At a minimum, the Proprietor and the Board must be sure that:

- buildings with specified systems have a current Building Warrant of Fitness (BWOFF)
- a health and safety management process is in place.

*In general, **the Board is responsible for:** identifying, eliminating, isolating and/or minimising risks to health and safety on the premises; and **the Proprietor is responsible for:** capital work to remedy any identified risks; and for ensuring that an appropriate professional consultant, such as an engineer or architect, designs and certifies all structural additions and alterations.*

Property Insurance

The Board is responsible for insuring school contents (i.e. any items which meet the definition of furniture and equipment, and which are on the Board's asset register) from the annual budget. The Board is also responsible for other insurance (e.g. public or third party liability, loss of cash, fidelity guarantee, etc), and for the insurance of any Board- owned buildings or vehicles, if there are any.

The Proprietor is responsible for insuring the buildings against fire, earthquake, storm, flood, burglary, arson, vandalism and malicious acts. In this context "buildings" includes any item fixed to the buildings or grounds, e.g. toilet pans, doors, fixed shelving. It does not include vehicles, computers, library books etc. which are contents. Damage to buildings due to reasonable wear and tear, high spirited student behaviour, vandalism or carelessness, is not a claim on the Proprietor's insurance but is covered by minor maintenance, which is a cost to the Board.

Maintenance of buildings and grounds

The Board of Trustees is responsible for allocating funding for property maintenance, for purchase of furniture and equipment, and for their insurance through the annual Operations Grant provided by the Ministry of Education. Each year in September the Ministry sends boards an indicative and a confirmed

Grant Advice Notice with the details of the school's maintenance funding for the year to assist in budgeting. Operations Grant funding is expected to cover all items of day to day maintenance costing under \$5,000 (GST excl), for items such as general painting, fixing broken equipment, and minor repairs to buildings and infrastructure (eg broken pipes), damage due to reasonable wear and tear, high spirited student behaviour, vandalism or carelessness; and as such needs to be budgeted for. (This is known as 'minor maintenance funding'). The exception to this \$5,000 rule is that Boards are required to make provision for the cyclical painting of all school buildings approximately every 10-15 years. [Painting is the largest maintenance cost a Board faces, which will be in the range of \$20,000 - \$90,000, depending on the size of the school. Painting associated with remodelling/ modernisation capital works within the footprint of existing buildings is also the Board's responsibility].

The Proprietor is responsible for keeping the school's integrated school property up to the standard of equivalent State schools. The Proprietor receives Policy 1 funding for this from the Ministry of Education (which may be referred to as major or capital maintenance). This funding covers works over \$5,000 (gst excl) value, which improves or replaces an existing asset and may include significant emergency work (other than that covered by insurance), and modernisation projects. This Policy 1 funding must be prioritised for urgent health and safety work and for essential infrastructure work. The Proprietor or their professionally accredited Agent undertakes, year by year, a plan of work covering the works the Proprietor is obliged to implement.

These include:

- major items of maintenance (replacing roofs, windows, heating systems etc.);
- modernising existing facilities;
- significant emergency work, other than that covered by insurance;
- major maintenance works needed to comply with the Building Act, Health and Safety in Employment Act, etc. (including fire doors and disabled access).
- altering the shape or area of any building by adding, removing or moving any interior or exterior wall, partition, ceiling, floor, staircase, lift-well etc;
- removing from, moving to, or placing any building on the site;
- altering the topography, shape or surface of any part of the grounds including asphaltting over grassed areas or changing the use or function within the grounds (eg removing a line of trees to make a vegetable garden, constructing or removing a swimming pool or tennis court)
- erecting or removing fences, hedges, trees or outhouses etc;

Major maintenance includes any unforeseen capital work, including any property modifications needed for students or staff with special needs. The Ministry requires that Policy One funding must be prioritised for urgent health and safety work and essential infrastructure work.

The Ministry of Education states that to help decide whether a task is capital works or routine maintenance, it is useful to assess the volume change required. For example, if a few sheets of iron on the roof need replacing, this is maintenance. However, if most of the iron needs replacing (so that in effect the building needs a whole new roof), this is capital replacement. Apart from the major works outlined above, Proprietors have the funding to pay for relatively small capital works items in their schools, such as replacement of hand-basins or shelving – items which improve the capital value of the property. These sorts of items do not need to be paid for from the school's operational minor maintenance funding. For small

schools which receive relatively little minor maintenance money it may be necessary for the Proprietor to pay for works that cost less than \$5000, particularly if they improve the capital value of the property. The Proprietor has discretion in how they support Boards when they are faced with big ticket works maintenance items, as happens from time to time. This applies to very small schools in particular.

Furniture and equipment

Board responsibility for furniture and equipment The Board purchases and becomes the owner of the furniture and equipment, and is responsible for insuring it. The purchase must be recorded in the school accounting system and the asset register. The Board is subsequently responsible for the routine maintenance of furniture and equipment. A grant for the replacement and modernisation of existing furniture and equipment is provided by the Ministry on 1 July each year. This annual furniture and equipment grant is calculated as a fixed percentage of up to 5% of the Proprietor's Policy One funding depending on the school type.

Ten-year Property Maintenance Plans

The Board is responsible for having a ten-year property maintenance plan covering all minor maintenance of buildings and fixtures expected to recur within a ten year period and to set aside an adequate budget to cover maintenance of these items when due. This plan will inform the annual budget.

The Proprietor is responsible for preparing a 10-year ten year property maintenance plan for significant works over \$5,000. This is prepared by the Adventist Education Office Property Manager in the form of a rolling ten year property plan in which it prioritises and plans those works as funds allow. It is important that the Property Manager consults with the Board on these matters, and that the two parties coordinate their respective (major and minor) ten year maintenance plans.

Note: The Board is required to bring to the attention of the Proprietor any items which are in the major maintenance category. The Board and the Proprietor are obliged to coordinate their respective ten year maintenance plans to ensure that the best use is made of the two streams of maintenance funds.

The Board has no authority to make structural changes to the buildings or grounds, e.g. putting up or removing a dividing wall or constructing a changing shed or relocatable classroom, without first consulting the Proprietor's Property Office and obtaining the Proprietor's written authorisation.

Proprietor's access

Because the Proprietor owns the land and buildings, the Proprietor's Agent has the right to visit the school, after giving reasonable notice, to ensure that the asset has not deteriorated through lack of maintenance. If the Proprietor's Appointees on the Board have cause for concern the matter should be raised with the Adventist Education Office Directors or the Property Manager. In any case, the Proprietor's Appointees on the Board are required to report on the state of repair of the integrated and non-integrated buildings and grounds when they make their annual report to the Proprietor. Areas of shared access between the Board of Trustees and the Proprietor (eg a church hall) need to be regularised by way of a written agreement such as a Memorandum of Understanding between the parties.

New buildings

If any new buildings or other additional accommodation are required, these are the sole responsibility of the Proprietor. In some situations the Crown may assist with Policy Two capital funding.

Board funded capital works or improvements

The Board of Trustees may wish to undertake major capital improvements to the school buildings or grounds, using Crown funds and/or fundraising. Major capital work funded by the Board may only be undertaken to provide facilities in excess of code entitlement, as major capital work on facilities to bring the school premises up to code requirements is the responsibility of the Proprietor. (In relation to Board fundraising refer to the Proprietors' Handbook, Part 8: Fundraising.) The Board of Trustees must consult the Proprietor at an early stage in relation to any capital works proposal as written permission is required from the Proprietor and the Ministry of Education. Likewise a local body building consent and, if necessary, resource management consent are also required.

Use of school premises

The Proprietor has granted the use of the school premises to the Board, subject to conditions set out in the Deed of Integration. These conditions include the following:

- If the Proprietor asks the Board to make available all or part of the school premises or equipment to the Proprietor or other persons, the Board may not unreasonably or arbitrarily withhold consent. Examples may include using classrooms for church meetings; using the school hall for church functions; parking in the school grounds during Church programmes. The user should pay to the Board sufficient to recover costs, e.g. heating and lighting, and be responsible for any damage caused.
- The Board may itself grant or hire its facilities to other users, but requires the consent of the Proprietor who shall not unreasonably or arbitrarily withhold that consent. The proposal could be deemed inappropriate if there was danger of damage to the asset or if the reason for use was unsuitable in Church owned schools.

Further detail regarding Property Management and Maintenance is outlined within the Proprietors' Handbook for Principals and Boards of Trustees of Seventh-day Adventist Schools in New Zealand. This document has been extensively referred to in the updating of this policy.

FORMULATED BY: Rotorua Seventh-day Adventist School Board of Trustees

APPROVED: Board Chair, Victoria Finch _____

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12 December 2018
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