

In Confidence

Office of the Minister for Social Development and Employment
Social Wellbeing Committee

The Care in the Community welfare response after the peak of Omicron

Proposal

- 1 This paper fulfils the following two Cabinet invitations to report back on the Care in the Community welfare approach:
 - 1.1 how the funding allocated to the Care in the Community welfare approach has been allocated to meet costs to support people who are self-isolating under the Framework, including appropriate metrics [CAB-21-MIN-0493, CAB-22-MIN-0007 refers].
 - 1.2 a transition plan for the Care in the Community approach [CAB-22-MIN-0086 refers]
- 2 This paper outlines a plan to support communities after the peak of Omicron. It seeks agreement to:
 - 2.1 a transition for the Care in the Community welfare approach so that the focus on crisis response reduces over time, and support can be reoriented to support communities recover from the impacts of COVID-19, with the capacity to shift back if case numbers grow
 - 2.2 draw down on the tagged contingency set aside for the Care in the Community welfare response to meet continued demand during the Omicron response, as well as supporting transitional arrangements. This paper does not seek any new funding.

Relation to government priorities

- 3 This paper supports the Government's objective to keep New Zealanders safe from COVID-19.

Executive Summary

- 4 The Care in the Community welfare model has effectively supported people to safely self-isolate through a "no wrong door approach." The model has ensured that support reaches people who need it, supporting the Government's overarching COVID-19 Protection Framework objectives to "Minimise and Protect". The locally-led, regionally-enabled and nationally-supported approach has also contributed to building stronger relationships at the community, regional and national levels, and provides a strong basis as we move beyond the current peak of Omicron.

- 5 Should the current Omicron outbreak continue its current overall downward trajectory in cases, with some continuing but dropping case numbers and no further major outbreaks, the total estimated cost of maintaining the Care in Community welfare model to June 2023 will be about \$378.4 million. While there is sufficient funding for fixed resources (e.g. community connectors and food infrastructure), there is only just enough funding available for the variable costs (discretionary costs and food parcel provision) over the next three months. Even slight increases above anticipated demand may result in insufficient funding available. For this reason, I am seeking agreement to drawdown on \$29.10 million from the tagged contingency to meet the continued costs of welfare support to households required to self-isolate.
- 6 On 21 March, in light of the changes to the COVID-19 Protection Framework (CPF), Cabinet invited me to report back in April on a transition plan for Care in the Community welfare support. As the Care in the Community welfare support is linked to public health requirements to self-isolate, we need to have a transition plan in place should Cabinet decide to remove this legislative requirement.
- 7 There are several options to consider when we should begin to wind back the Care in the Community welfare approach including:
 - 7.1 Option 1: Ending the Care in the Community approach at a particular date
 - 7.2 Option 2: Tighten eligibility before ending CiC welfare support
 - 7.3 Option 3: Tighten what support is available before ending Care in the Community welfare support
 - 7.4 Option 4: Wait until the legislative requirements to self-isolate are lifted before ending the Care in the Community welfare model
- 8 On balance, I recommend option 4 as this will ensure that settings remain aligned with the original intent – to support people to safely self-isolate, thereby supporting the strategic objectives of the CPF.
- 9 Our transition plan needs to consider the social and economic sector context, as well as what we know works for community resilience, as we emerge from this prolonged period of adversity. Despite our focus on cushioning households from the direct financial impact of COVID-19, there are flow on COVID-19 effects that have impacted the ability of households to meet day-to-day costs, and had broader impacts on psychosocial wellbeing. Given the high likelihood of further COVID-19 waves and new variants, the adverse impacts of COVID-19 for communities are not over. While the 1 April 2022 increases to benefits may help manage the cost of living increases for low-income earners, I expect it to take time for many households to recover.
- 10 We know from research on previous disasters in New Zealand, such as the Christchurch earthquakes, that community resilience building efforts are more

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likely to be effective if communities are supported and enabled by national and regional agencies to lead approaches locally.

- 11 We have already invested in 500 Community Connectors, food secure community infrastructure and regional leadership across the country through to June 2023. Post the Omicron peak and as caseloads allow, I recommend we re-orient this investment to complement broader efforts to support communities recover from the impacts of COVID-19, and strengthen community resilience. This requires five key policy decisions:
 - 11.1 Care in the Community welfare provision remains in place until the legislative requirement to self-isolate is lifted.
 - 11.2 The 500 Community Connectors already in place until June 2023 pivot, as case numbers allow, to provide short-term support to ensure people are connected in with the social services that will support their recovery and resilience. Community Connectors can access the discretionary funding as a part of this focus on social support.
 - 11.3 Continued funding of community food services for a year transitional period, while also working collaboratively with the sector on the transition plan, with a view to exit funding food banks and shift focus to food security
 - 11.4 MSD officials work with the disabled community to consider options to support disabled people's welfare needs past the Omicron peak, including ringfencing a proportion of funding to support this.
 - 11.5 A small portion of funding is allocated to support provider capability building and the distribution of personal protective equipment for at-risk communities and social service providers working with people in self-isolation.
- 12 As CPF levels change in the future, Regional Leadership Groups (RLGs) will continue to oversee planning, alignment and delivery, with an increasing focus on recovery and building resilience. Regional Public Service Commissioners (RPSCs) will continue to lead the regional public service coordination to support RLGs oversight of the CPF.
- 13 I am seeking your agreement to fund this transitional approach outlined in paragraph 9 using the remaining \$29.0 million in the tagged contingency. This plan does not require any additional funding beyond the existing tagged contingency. Instead, it leverages the social, human and financial capital that we have already invested in, in our communities and regions.
- 14 As work develops on our longer-term COVID-19 strategy, further work is also required on a longer-term strategy to strengthen community resilience. This will include advice on the future of the Community Connection Service and a transition plan for community food provision, with a view to exit funding foodbanks and shift the focus to food security. I expect the balance will shift from COVID-19 response to community recovery and resilience through

existing government priority work programmes, such as child poverty, the Child and Youth Wellbeing Strategy (including the Oranga Tamariki Action Plan), Social Cohesion, the elimination of family and sexual violence and Health and Education reforms. Using insights from the Care in the Community welfare evaluation, there is an opportunity to consider how we can build on successful locally-led and regionally-enabled approaches to deliver on these priorities through more enduring collaborations that sustain community resilience.

- 15 These insights also inform the next phase of our work on the Regional Leadership System Framework (RLSF). I recommend that we defer the June report back on the RLSF to August 2022 to allow sufficient time to incorporate analysis from these evaluations and ensure it is aligned with public service system changes.
- 16 In addition to what is outlined in this paper, the Minister of Health will report back to Cabinet in May 2022 on the transition and evolution of the health system component of the Care in the Community approach.

Since March 2020, the Government has supported communities to respond to and recover from the impacts of COVID-19

- 17 Our COVID-19 response has recognised the crucial role that local communities, iwi, hapū and non-government service providers play in supporting people during periods of significant adversity by investing in community-led responses to COVID-19. A full list of the community funding streams in response to COVID-19 is included in [Appendix 1](#). The total sum invested since the start of the COVID-19 pandemic is \$1.14 billion.

In November 2021, some community-based programmes were pivoted to support the objectives of the COVID-19 Protection Framework

- 18 With the introduction of the CPF in late 2021, the Care in the Community health, accommodation and welfare models were approved by Cabinet to support COVID-19 positive households, and others who are directed to self-isolate [CAB-21-MIN-0492, CAB-21-MIN-0493 refers]. Given the uncertainty at that time around case numbers, funding was sought for only \$204.1 million of the estimated total cost (\$350.5 million to June 2023) of the Care in the Community welfare model.
- 19 Cabinet agreed that this model would be locally-led, regionally-enabled and nationally supported. This included leveraging the Community Connection Service and Food Secure Communities programme to provide community pathways to meet the welfare needs of those who were directed by government to self-isolate.
- 20 On 21 February 2022, Cabinet agreed to \$203.7 million in additional funding to respond to anticipated demand for community services due to the Omicron outbreak. \$58.1 million of this funding was put into tagged contingency, subject to a report to the Minister of Finance and Minister for Social

Development and Employment to authorise drawdown [CAB-22-MIN-0039.01 refers].

- 21 Also in February, the Cabinet Social Wellbeing Committee, having been authorised by Cabinet to have Power to Act [CAB-22-MIN-0027], agreed to four pathways for additional supports for prevention and preparedness for vulnerable Māori and Pacific Communities, to be progressed as complementary to the Care in the Community health and welfare approaches. This included additional funding of \$140.0 million in total across the 2021/22 and 2022/23 years [SWC-22-MIN-0013 refers].

The Care in the Community welfare programme has supported people to safely self-isolate through a “no wrong door” approach

- 22 People can receive Care in the Community welfare support through multiple pathways – including via the Ministry of Health, via MSD or directly via community organisations.¹
- 23 MSD has made a number of operational changes to the Care in the Community welfare response to ensure timeliness of access to welfare assistance for New Zealanders. These changes include ceasing outbound calling after a person has had their initial welfare needs met when they have been in contact with MSD, and ceasing the majority of referrals coming through the National Contact Tracing System (NCTS) aside from referrals through GP and health care providers. In addition to an overall reduction in COVID-19 case numbers over the past few weeks, these changes have resulted in a reduction of call-wait times for support through MSD’s dedicated 0800 number for welfare support, and has enabled most requests for support to be serviced within 24 hours.

Care in the Community welfare requests have followed trends in overall COVID-19 case numbers

- 24 From 5 December 2021 to 20 March 2022, MSD received a total of 90,429 requests for welfare support. Over this same period MSD made 11,631 referrals to community-based providers. This does not include the number of people who self-refer or are referred by other organisations to community providers. The most recent pulse survey of community providers indicate that approximately 49% of referrals for Community Connector support are from “self, family or friends”, with around 31% referrals from MSD. For food support 38% of referrals received are from MSD while 31% are from “self, family or friends”.
- 25 While the majority of requests have come from the Auckland area, the proportion of requests coming from different regions has grown over time. In

¹ The information on community connection and community food support reflects pulse survey responses from contracted providers. These survey findings are based off a limited number of provider estimates of their activity and spend. This must be used with caution to support operational decision making as we progress through the current outbreak. Further analysis will be conducted as time permits to increase our confidence in the findings of this survey.

particular, demand has grown in Canterbury, Wellington, Bay of Plenty and the East Coast over recent weeks.

- 26 Most people receiving support via MSD have a prior relationship with MSD (around 70%) and Māori clients have been the largest group accessing support (around 35%). However, most households receiving support via community partners have never sought or received support from the partner organisation before (around 70%).
- 27 Patterns of demand for welfare support have followed trends in overall COVID-19 case numbers. There were strong increases in demand for welfare support throughout the end of February to mid-March. The number of requests then began decreasing. If referral trends remain in-line with case numbers, the overall peak in demand for welfare support may have now passed, although the number of requests in some regions could still stay high for several weeks.
- 28 Through the Care in the Community welfare programme, 23,220 people have received direct hardship assistance, through a total of nearly 34,000 grants, representing \$6.5 million in support. In addition to hardship assistance and referrals to community-based welfare providers, MSD has also provided a range of broader support to people self-isolating, including providing advice and assistance, other financial support, and making referrals to other external providers.

Food accounts for approximately 80% of all hardship grants

- 29 Food is the most requested and provided form of support, accounting for approximately 80% of all hardship grants. Additionally, there has been a cumulative national total of 301,100 food parcels supplied up to the week ending 20 March 2022.

Community Connectors have supported over 90,000 households in self-isolation

- 30 Community Connectors have supported 90,800 households, with food and medical needs reported as the most requested need, followed by rent arrears, utilities, education needs and general household items. Community Connectors have used approximately \$11.8 million in discretionary funding to support households to meet these needs.²

\$349.8 million has been allocated across the Care in the Community welfare programme

- 31 Since the introduction of the Care in Community welfare programme in November 2021, \$349.8 million has been allocated and all funding is forecast to be spent by June 2023, with \$189.78 million estimated to have been spent already. This is set out in further detail (including actuals) in [Appendix 2](#), but at a high level includes:

² All figures reported here are cumulative totals for the period 3 December 2021 to 20 March 2022.

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- 31.1 \$148.0 million allocated to stand up a further 359 Community Connectors, which are in place until June 2023. \$115.8 million has been committed to date, which includes both fixed and discretionary costs.
- 31.2 \$143.9 million allocated to extend the food secure programme, of which \$54.28 million has been committed to date.
- 31.3 \$12.2 million allocated to June 2023 for RLGs and RPSCs, of which \$2.7 has been spent to date.
- 31.4 \$5.9 million allocated for iwi to participate in RLGs through to June 2023, of which \$1.8m has been spent to date.
- 31.5 \$10.6 million for capability improvements for providers to deliver on Care in Community, of which \$7.7 million has been contracted to date.
- 31.6 \$4.4 million for Community Awareness and Preparedness of which \$2.2 million has been committed to date.
- 31.7 \$8.3m for regionally coordinated assessment and referral, of which \$3.3m has been spent to date.
- 31.8 \$15.5m for Housing (via MBIE and HUD), of which \$2.0 million has been spent to date. An additional \$2 million has been allocated to MBIE to procure alternative accommodation.³
- 32 Across the Care in the Community funding, \$109.2 million has been committed to date to Māori and Pacific service providers.
- 33 Expenditure for fixed costs such as Community Connectors and parts of the Food Secure programme are in place until June 2023 but are paid out in schedules over this period. MSD tracks the necessary amount for Community Connectors variable costs and food parcels against the estimated proportion of households required to self-isolate and in need of welfare support. This proportion has reduced over the last month in line with the updated cost model assumptions.
- 34 Should the current Omicron outbreak continue its current overall downward trajectory in cases, with some continuing but dropping case numbers and no further major outbreaks, the total estimated cost of maintaining the Care in Community welfare model to June 2023 will be about \$378.4 million, or \$29.0 million less than was estimated in February 2022.
- 35 While there is sufficient funding for fixed resources (e.g. community connectors and food infrastructure), available funding for the variable costs (discretionary and food parcel provision) may not meet demand over the next month without a further draw down on tagged contingency. Even slight increases above anticipated demand in the next couple of months may significantly impact funding available for these supports. For example, based

³ This has come from the CRRF and was requested outside of welfare response.

on current estimates, there is only \$5 million for discretionary funding available for community connectors (support for 16,600 households) between the start of May and end of June. Should demand exceed those 16,600 households, there will be insufficient funding available to deliver supports.

- 36 For this reason there is a need to draw down from the tagged contingency now, ahead of the Budget moratorium, to support continued response activity over the coming months (\$29.1 million). Further, should Cabinet agree to the transitional arrangements outlined below, funding from the tagged contingency (\$29 million) would need to be drawn down now to enable Community Connectors to begin supporting community recovery from the impacts of COVID-19, and to support ongoing community food provision (outside of Care in the Community welfare support).

Māori and Pacific-led responses have supported Māori and Pacific whānau to prevent the spread of COVID-19 and prepare for self-isolation

- 37 Funding for Māori and Pacific-led responses to Omicron has been through four pathways:
- 37.1 For Māori and Pacific Health providers
 - 37.2 For Whānau Ora Commissioning Agencies
 - 37.3 Expanding the Māori Communities COVID-19 Fund (MCCF)
 - 37.4 Establishing the Pacific Aotearoa Community Outreach (PACO) Fund.

Māori-led responses have focused on community-led and community delivered initiatives

- 38 The funding streams have prioritised hapori, iwi and whānau-led initiatives, targeting communities with higher vulnerability to COVID-19 infection due to lower vaccination uptake and broader health and socio-economic factors, as well as poor access to official services (for example, due to being rural or isolated).
- 39 \$40.6 million has been allocated to the Whānau Ora Commissioning Agencies to respond to Omicron. Te Pūtahitanga's initial reporting states that funding has been distributed through 130 new and varied contracts, enabling the distribution of thousands of rapid antigen tests, N95 masks, sanitisers, gloves, and visors.
- 40 A total of \$160.05 million has been allocated to the MCCF to support hapori, iwi and whānau responses to COVID-19. To date, the MCCF has committed \$72.08m to kaitono for rapid vaccination activities and \$19.481m for community resilience initiatives. Ministers have now agreed the MCCF settings for the Omicron response, with \$40.05m allocated for distribution by 30 June 2022.

Pacific-led responses

- 1 The first tranche of Pacific Aotearoa Community Outreach (PACO) funding of \$2.0M has been distributed to Pacific community groups, health and social providers and churches. The funding has helped to ensure Pacific communities are kept informed and safe from Omicron, and compliant with the COVID-19 Protection Framework.
- 2 Priorities for Pacific peoples have included support to safely isolate (including access to welfare support), support to undertake testing and record results, access to masks and usage, increasing rates of booster vaccinations, vaccinations for 5 – 11 years olds, dissemination of key COVID-19 information, delivery of public health messaging and the enabling of digital accessibility and connectivity.
- 3 Funding has been distributed to organisations that have trusted relationships with their local communities, utilise Pacific models of care in their delivery, and have proven track records working with Pacific communities and delivering community-led solutions.
- 4 A second tranche of PACO funding will continue to prioritise Pacific-led and targeted approaches and initiatives that works for Pacific communities. It will enable Pacific groups, churches, providers, and community partners to scale up impact, deliver innovative approaches, targeted and holistic initiatives and programmes that respond appropriately to the needs and issues Pacific peoples are navigating with the evolving impact of COVID-19.
- 5 The funding will also support the dissemination of Pacific specific-information and messaging to Pacific communities, including messaging in Pacific languages through translated materials and delivery on ethnic-specific community radio programmes. Priority will also be given to targeting cohorts of Pacific communities that can be disconnected, such as Pacific disabled peoples, elderly, youth and rainbow communities.

Cabinet has agreed to simplify the CPF but self-isolation requirements remain in place

- 6 On 21 March 2022, Cabinet agreed to retain a simplified and less restrictive CPF in the post-peak phase of the response (until at least August 2022) [CAB-22-MIN-0086 refers].
- 7 Amongst the decisions made through this paper, Cabinet noted that the current self-isolation requirements would remain in place, and that the Ministry of Health would review these requirements monthly to ensure they remain proportionate and balanced against wider societal and system pressures.
- 8 Cabinet also agreed to incorporate the testing and isolation requirements in the CPF, enabling consideration of changes to these settings in tandem with consideration of changes in colours to ensure consistency across measures. The next review of the country's CPF colour level will be on Monday 4 April 2022.

- 9 In this paper, Cabinet also invited me to report back with a transition plan for the Care in the Community approach [CAB-22-MIN-0086 refers].

The transition plan needs to consider the current social sector context

- 10 Any proposal to wind back welfare support for people who are self-isolating has to consider significant and continued impacts of COVID-19:
- 10.1 **COVID-19 exacerbating existing inequalities and risks affecting the length and quality of recovery**⁴: those vulnerable to the effects of COVID-19 are on low incomes, unemployed, or underemployed, families with children, disabled people, renting and/or Māori and Pacific.
 - 10.2 **Most households receiving support via community partners have never sought support from the partner organisation before**: While I expect that significant increases from 1 April 2022 to income supports, increases to minimum wage and temporary changes to transport costs will help to mitigate some of the new cost pressures faced by low-income families. It may, however, take time for households' position to recover. Further, while beneficiary incomes have grown, wage growth of working low-income people has been more muted, so this group may require occasional hardship assistance.
 - 10.3 **Psychosocial, mental health and wellbeing impacts of COVID-19**: Being exposed to an emergency can have an impact on an individual's psychosocial wellbeing, and the risk of developing a mental health disorder increases with complex or recurrent emergencies.⁵ Initial reporting from MSD suggests that we will likely see adverse mental health impacts, negative child and youth wellbeing and development, educational disengagement, increased family violence, societal division and social isolation due to COVID-19.⁶
 - 10.4 **Ongoing health risk of COVID-19**: Our transition needs to consider the ongoing risk of COVID-19 to groups at-risk of severe illness, and the stress this causes to individuals, whānau and communities.
- 11 This transition plan will not address all these impacts, but rather it will provide transitional support between response and recovery. Our longer-term recovery from COVID-19 should be considered through our significant work programme underway across the social sector. An overview of the transition

⁴ Understanding Community Resilience in the Context of National Health Security – a literature review. Chandra et al, 2010.

⁵ Previous analysis by the Ministry of Health and National Emergency Management Agency estimated that up to 15-20% of people could be at risk of developing a mental health disorder after experiencing an emergency, and in complex or recurrent emergencies this risk could increase to one in three people. *Framework for Psychosocial Support in Emergencies, 2016*

⁶ <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/statistics/covid-19/social-impacts-of-covid-19.pdf>

plan, in the context of broader government priorities and upcoming advice is set out in Appendix 4.

The transition also needs to consider what we know matters for community resilience

- 12 A 2021 report on Community Resilience in New Zealand found that following periods of significant adversity, the main focus should be building a foundation of social capital between individuals and groups, by nurturing relationships, connections and local participation. It found that community resilience efforts are more likely to be effective if the local or community priorities and responses are supported and enabled by national and regional agencies.

Funding is time-limited and/or specific to the Care in the Community welfare response

- 13 Investment in the community sector's COVID-19 response is time-limited and/or specific to Care in the Community welfare provision, s 9(2)(f)(iv) [REDACTED]
[REDACTED]
[REDACTED] There is an opportunity to consider how we can leverage our investment in community workforces and the relationships built in communities to support COVID-19 recovery to strengthen community resilience.

I recommend Care in the Community welfare support remains in place until the legislative requirement to self-isolate is lifted

- 14 There are choices as to when we begin to wind back the Care in the Community welfare approach including:
- 14.1 **Option 1: Ending the Care in the Community approach at a particular date** (e.g. when current funding finishes) and rely on business-as-usual welfare and community support structures to meet need
 - 14.2 **Option 2: Tighten eligibility before ending CiC welfare support** (e.g. by income-testing, limit to only existing beneficiaries or those defined by the Ministry of Health as at higher risk of adverse outcome from COVID-19).
 - 14.3 **Option 3: Tighten what support is available before ending Care in the Community welfare support** (e.g. further focus on essential need only (e.g. only food parcels), and rely on BAU support structures to meet other needs).
 - 14.4 **Option 4: Wait until the legislative requirements to self-isolate are lifted before ending the Care in the Community welfare model**
- 15 Option 1 may manage the fiscal cost of the approach, however, selecting an arbitrary date based on finances may mean winding back welfare support when people are still legislatively required to self-isolate, therefore risking people not safely isolating, thus undermining strategic objectives of the CPF.

- 16 Limiting access to a sub-set of the people required to self-isolate, or limiting the type of support provided as in option 2 and 3 manages the fiscal cost. However, these approaches would also risk people not safely isolating due to welfare needs not being met. Option 3 may undermine community recovery, by restricting service providers to only deal with the immediate need (e.g. food), rather than dealing with underlying needs. Additionally, adding further verification as in option 2 will slow the speed of support, and may have to be undertaken by MSD before support can be provided, undermining the “no wrong door” approach.
- 17 The Care in the Community welfare model is predicated on supporting anyone who has a welfare need arising while they are self-isolating. This is a fundamental principle behind the model, and has meant the model remains clearly tied to the direct impacts of COVID-19. Option 4 allows this clear remit to continue.
- 18 On balance, I recommend option 4 as this will ensure that settings remain aligned with the original intent – to support people to safely self-isolate, thereby supporting the strategic objectives of the CPF.
- 19 The Care in the Community welfare model will also need to be able to pivot as needed if other variants arise and there are changes in the overall Government COVID-19 response. For example, if the required time to self-isolate changes, the Care in the Community welfare model remains flexible enough to respond to that accordingly and continue to operate consistently.
- 20 The decision to remove the legislative requirement to self-isolate may be some way away and therefore this option does introduce a level of uncertainty about timing, and therefore fiscal cost. I recommend that given the uncertainty around when the legislative requirement to self-isolate will be lifted, Ministers keep this decision under review. MSD officials will continue to work with relevant agencies, to ensure Care in the Community welfare settings continue to align with the government’s COVID-19 strategy, public health guidance, and other arrangements associated with this such as access to alternative accommodation for safe self-isolation where needed.
- 21 It will be important that there is sufficient lead-in time before any decisions to change or lift the requirement to self-isolate, so that the operational implications for the Care in the Community welfare model can be worked through between agencies and across the community sector.

Locally-led delivery: I recommend Community Connectors are pivoted, as caseloads allow, to support broader social recovery through to June 2023

- 22 The Community Connection service was established in 2020 as a part of the response and recovery plan from the impacts of COVID-19. In November 2021, Cabinet agreed to additional funding to bolster the Community Connector workforce and pivot the existing workforce to support people required to self-isolate as a part of the Care in the Community welfare approach [CAB-22-MIN-0493]. In response to Omicron, this workforce was bolstered further to meet increased need [CAB-22-MIN-0028 refers]. There is

currently a workforce of 500 Community Connectors across Aotearoa funded up to June 2023.

\$25.6 million is required for Community Connector discretionary funding to meet essential wellbeing needs of those in self-isolation

- 23 Through the Care in the Community welfare approach Community Connectors have access to a discretionary fund for immediate hardship needs of individuals and whānau of \$300 per household.
- 24 Based on the current costing model, the discretionary funding available to each Community Connector will run out at the end of June 2022. I recommend we provide a further \$25.6 million to meet continued wellbeing needs of those in self-isolation.⁷

I propose that Community Connectors pivot, as caseloads allow, to provide short-term social support as a part of our wider recovery and resilience efforts until June 2023

- 25 With a workforce of 500 Community Connectors funded until June 2023, I propose that as case numbers decrease, Community Connectors pivot to focus on short-term social support, short-term recovery goals and connecting whānau to longer-term resilience support. Appendix 3 provides a comparison of the Community Connector role in the Care in the Community model and the proposed re-focus on short-term social support. In summary this re-focussed role will include:
- 25.1 checking back in with those previously isolating to ensure households have reconnected with employment and education, provide any additional support if there are long COVID-19 impacts, and that there are no outstanding barriers, or additional services to improve their circumstance
- 25.2 working with households that have experienced a decline in their circumstances through the impact of COVID-19 such as reduced hours of work, disengagement from employment and education, taken on debt etc. The focus of this engagement will be to identify barriers and connect to services that allow households to return to or improve their circumstances to what they were pre COVID-19 impact
- 26 This re-focus on connecting households to social support will help mitigate some of the emerging psychosocial impacts of COVID-19 by increasing the accessibility of social service assistance and ensuring households are receiving their full and correct entitlement
- 27 As outlined in paragraph 12, following prolonged periods of adversity, communities are best placed to mobilise local resources, and have the local knowledge and key relationships to support community resilience. Providers report Community Connectors real value is in their knowledge of and care for

⁷ Additional funding continues to be based on \$300 per household

their communities and their agility in responding to emerging needs. This role will be critical in our post-peak transition.

- 28 In line with our locally-led approach, I recommend that the community focus of Community Connection Service is determined by local communities and supported by Regional Leadership Groups. Community needs are varied and constantly evolving so devolving the decisions on which communities are supported ensures that our response best meets actual need.

Re-pivoting the Community Connection Service to respond to potential future outbreaks of COVID-19 or waves

- 29 As noted earlier in this paper, it is very likely that there will be further waves of Omicron and new variants with unknown severity. Community Connectors are well placed to return to focus on supporting groups at-risk of severe illness from COVID-19 as required.
- 30 Advice will be provided to Cabinet on the future of the Community Connection service beyond June 2023 before the end of 2022. This advice will consider options to ensure the scale of service is proportionate to ongoing need and remains aligned with broader community supports.

I recommend Community Connectors continue to have access to discretionary funding of \$5.0 million until June 2023 as a part of the transition to psychosocial support

- 31 Currently the discretionary fund is only able to be used to support households who are required to self-isolate. I seek Cabinet agreement to also enable Connectors to use this discretionary funding to support people outside of those in self-isolation. In practice this will mean that Community Connectors can support up to 320 households per week to address immediate barriers such as household bills that would otherwise prevent whānau and individuals from being able to focus on long-term recovery and resilience support.
- 32 With the \$25.6 million drawn down from the tagged contingency, the amount available for discretionary funding will meet the anticipated numbers of households self-isolating requiring welfare support down from the peak of Omicron. To support households beyond this cohort (an additional 16,600 households), a further \$5 million is required through to June 2023. I propose we provide this through the tagged contingency.

Locally-led delivery: I recommend Government funding for community food provision continues for one year while we learn and plan for a safe and equitable transition into the next phase of our response

Under the Care in the Community approach, food support has been the most requested need

- 33 Food Secure Communities (FSC) was initiated in March 2020 and funded the establishment of three national NGO sector partners, NZ Food Network (NZFN), Kore Hiakai Zero Hunger Collective and Aotearoa Food Rescue Alliance with an aim of making the food support sector sustainable. Funding

has instead been used over the last two years to respond to numerous outbreaks of COVID-19. Accordingly, this has not yet realised the expected medium-term outcomes of beginning the transition to food secure communities.

- 34 Food providers have reported that FSC has strengthened their relationships with other providers and the Food Network, and that they are “leaning on each other” to ensure communities’ needs are met. Providers also report that they see food provision as the gateway to other support - they work to ensure that people who are seeking food support are also connected in with the health or social services to meet underlying needs.

There is likely to be a complex system of factors driving the significant increase in demand for food support

- 35 The interaction between COVID-19 and food insecurity is complex. The direct financial impact of COVID-19 on families was somewhat cushioned by the comprehensive suite of Government COVID-19 support payments and programmes as well access to main benefits and income support. However, flow on impacts from the pandemic may have had an additional impact on the ability of families to meet day to day costs, including:

35.1 children being home for extended periods – and in some cases away from Food in Schools or similar programmes

35.2 temporary closures of social services meaning that families have taken up full-time carer responsibilities

35.3 isolation from extended family networks of support

35.4 travel restrictions that prevent people from accessing more affordable sources of food (due to transportation issues or being fearful using public transport).

- 36 Additionally, the availability of more food support through community-based providers may have surfaced previously unmet underlying need and the widespread public impact of COVID-19 may have destigmatised requests for food grants and food parcels. There has also been wider publicity about the availability of food support.

- 37 General food price inflation (at 6.8% at February 2022 compared to February 2021) tracking slightly ahead of the Consumer Price Index, with components such as fruit and vegetable prices rising 17%, has placed further pressure on already stressed households.

- 38 The significant benefit and family support payment increases on 1 April, and the restarting of the Winter Energy Payment on 1 May, will boost core income support for low-income households, further mitigating need for emergency food assistance. It may, however, take time for households’ position to recover, for example with gains being used to repay debt, or outstanding bills.

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I propose a gradual step-down approach to government support of community food provision, to allow us to respond flexibly, safely and equitably for the people most in need

- 39 There are decisions to make about food provision post June 2022 as funding for FSC is running out. Officials have considered two main options:
- 39.1 Option 1 - Discontinuing government funding of community food services for non-Care in the Community welfare households when the funding runs out in June 2022 and not providing further funding to meet anticipated food needs of self-isolating households. Relying on food grants to meet immediate needs.
 - 39.2 Option 2 - Continuing to fund community food services for a year transitional period with a view to exit funding foodbanks, while shifting focus to food security.
- 40 Option 1 presents a range of risks, including:
- 40.1 Undermining the original intent of the Care in the Community programme to support households to safely self-isolate, by not meeting immediate welfare needs
 - 40.2 Undermining community recovery and resilience, by prematurely withdrawing support for communities with continuing need for emergency food support
 - 40.3 Weakening community food provider resilience and damaging existing relationships with community providers, who have been and will remain critical to the government's response.
- 41 Option 2 will ensure that continued levels of need will be addressed and preserves current community infrastructure to address any further waves or variants of COVID-19. We anticipate that as case numbers decrease, some food providers will step down their response. Others, especially those we have previously worked with in the wider FSC programme, will continue to meet community food needs.
- 42 This option does, however, risk raising expectations that government funding of food banks will continue beyond June 2023. This risk will be mitigated by clear communication to the sector on it being transitional support, ahead of a transition plan, with a view to exit funding foodbanks, while shifting focus to food security is developed. This plan will be developed in partnership with our community food providers and peak bodies. I will receive advice in September 2022 and it will include:
- 42.1 Using the data and analytics that we have started to collect through the Care in the Community programme to better understand food insecurity in New Zealand and its interaction with government interventions (including the Care in the Community model).

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- 42.2 Working with food providers and peak bodies to restart the thinking about more long-term food security in their communities and the ongoing government contribution to this
- 43 To deliver on the above transitional approach I recommend that we provide (through the tagged contingency):
 - 43.1 \$3.5 million to support community provision to self-isolating households under the current cost model
 - 43.2 \$15 million of funding for transitional food supports until June 2023 including:
 - 43.2.1 \$11 million for the sector to respond to immediate demand for food support
 - 43.2.2 \$2 million to support services to restore the pre-Delta and Omicron levels of organisational resilience
 - 43.2.3 \$2 million to support sustainability in the food secure sector via targeted initiatives

I recommend that \$5 million is reprioritised from the tagged contingency and is allocated to support the disabled community

- 44 MOH and the Department of Prime Minister and Cabinet (supported by the Office for Disability Issues) are working to develop solutions (with input from the disabled community) to improve the Care in the Community health response for disabled people. As the Care in the Community welfare approach adapts and shifts, this creates opportunities to develop new and bespoke approaches with the input of disabled people and their representative organisations.
- 45 I recommend that \$5.0 million is reprioritised from the tagged contingency and ringfenced to address the welfare needs of the disabled community through the post Omicron peak phase. This will require direct engagement with disabled communities, including with tangata whaikaha and whānau hauaa, to determine the best options to provide specific support. This may include funding for community participation programmes to innovate and to deliver services safely whilst increasing the engagement disabled people are able to have with their networks and communities which have been significantly impacted by COVID-19.
- 46 Additionally, direction will be given to RLGs to focus on necessary support for disabled people across the health and social sector, including ensuring that there are Community Connectors and resource placed directly into community providers focused on supporting disabled people. The availability of this funding does not change expectations that all other Care in the Community initiatives should reach disabled people and their family or whānau.

I recommend that \$2.0 million is reprioritised from the tagged contingency to provide appropriate personal protective equipment

47 \$2.0 million is required to provide appropriate personal protective equipment (PPE) for at-risk communities and social service providers working with people in self-isolation as providers are no longer able to access this from central stocks. This funding will ensure at-risk communities have access to appropriate face masks and can access essential services, public transport and in other locations as required under both the Red and Orange settings of the CPF.

I recommend that \$2.0 million is reprioritised from the tagged contingency for provider capability

48 \$2.0 million is required so that MSD can support any further changes to the way in which service providers need to operate over the next 12 months. This funding will help ensure that providers can continue to deliver necessary services to support their communities in responding to and recovering from the impacts of COVID-19.

Further funding for whānau resilience and Whānau Ora has been sought through Budget 2022

49 Through COVID-19 responses to date, and reinforced by feedback from the Waitangi Tribunal's urgent inquiry, we know that effective COVID-19 responses for Māori draw on by Māori for Māori community-based approaches, working alongside government led approaches. These enable communities to self-identify and serve the needs of whānau, especially those in the margins of system responses. s 9(2)(f)(iv)

[Redacted text block]

50 s 9(2)(f)(iv)

[Redacted text block]

51 Community Connectors will continue to connect individuals and whānau with services that lead to employment, training or longer-term support such as Whānau Ora or community/iwi-led resilience and recovery activities. MSD will continue to work with TPK at the national (through DCE/CE groups and the Evaluation Reference Group) and regional level (through TPK membership on RLGs) to ensure our collective investment best serves communities.

Regionally enabled: Regional Leadership Groups, Regional Public Service Commissioners and response teams will continue to provide regional leadership and coordination

- 52 As part of the Care in the Community welfare approach, funding through to June 2023 was allocated to:
- 52.1 RLGs to oversee planning, alignment, and delivery of welfare through existing partnerships with iwi, local government, community partners and agencies, including specific funding to enable the full participation of iwi in the RLGs.
 - 52.2 RPSCs to support the RLG and lead the coordination of the public service contribution to CPF.
- 53 Government backing of the regions through the CPF model has supported much stronger regional coordination, created more partnerships with iwi, local government and community partners, and has resulted in more tailored decision-making for the communities they serve.
- 54 As CPF levels change in the future, RLGs will continue to oversee planning, alignment and delivery, with an increasing focus on recovery and building resilience. RPSCs will continue to lead the regional public service coordination to support RLGs oversight of the CPF.
- 55 At an operational level the coordination, assessment, and referral processes are managed by either Coordination and Assessment Response Teams and/or Care Coordination Hubs (which are led by Health). Resourcing of \$3.3 million has been distributed across all regions to date to support the Care in the Community welfare component of this function and ensure a streamlined process between the health and welfare response.
- 56 Feedback from the regions has highlighted strong inclusion of iwi in the RLG approach which has built productive relationships and strengthened the ability to meet whānau and community needs.
- 57 Insights from the Care in the Community evaluation on achievements and learnings will provide opportunities to build on successful community-led approaches for more enduring collaborations that sustain community resilience. This will require ongoing investment through regional leadership mechanisms to create enduring partnerships and support capability and capacity building.
- 58 Critical to a successful transition is sustaining new ways of working gained through the building of trusted relationships and collective leadership across public service, iwi, local government and community partners.
- 59 Ongoing implementation of regional enabled approaches should be considered alongside significant public service system changes and priorities e.g., Health NZ and Māori Health Authority, Interdepartmental Executive

Board for the Elimination of Family Violence and Sexual Violence and the new Ministry for Disabled People.

- 60 I recommend that the scheduled June report back on the Regional Leadership System Framework [GOV-21-MIN-0023 refers] is deferred to August 2022 to allow sufficient time to incorporate analysis from the Care in the Community evaluation and ensure it is aligned with public service system changes.

Nationally supported: governance arrangements will remain in place to ensure that the welfare approach remains fit for purpose

- 61 Accountability for the all-of-government welfare approach across regions sits with the Caring for Communities Chief Executives (CEs) Group, and their Deputy Chief Executive delegates. CEs have delegated some decision-rights to RPSCs who are responsible for resolving delivery issues, and escalating issues where resolution is not possible at the local or regional level. These structures will remain in place to ensure that a cohesive all-of-government approach is taken as we transition from response to recovery.
- 62 Officials will continue to engage with iwi, Māori, Pacific people and disability community leaders as well as community provider partners to ensure the Care in the Community welfare approach and transition is fit for purpose for these communities. Officials will also continue to report to me regularly, as well as provide future updates to Cabinet as needed.

Further real-time evaluation findings will be available from late April 2022, with outcomes-focused findings ready in 2023

- 63 The evaluation of the Care in the Community welfare approach is underway and aims to:
- 63.1 generate rapid insights about implementation of the response from the perspectives of RPSCs, RLGs, community providers, and Community Connectors to inform real time decision-making
 - 63.2 assess the key achievements of the welfare response, including appropriateness, relevance, timeliness of support, enhanced community sector capacity and capability, and wellbeing outcomes for individuals, whānau, and communities (including for Māori, Pacific peoples, disabled people, children and young people, and older people)
 - 63.3 identify lessons for MSD's future work with communities, including for regionally enabled local delivery, the Community Connection Service, and cross-agency care coordination.
- 64 Evaluation objectives will be achieved through two sets of evaluation activities:
- 64.1 Real-time evaluation- qualitative analysis will be undertaken and monthly summaries of findings will be produced from April 2022.

Findings will be distributed to key stakeholders for action and will also inform further advice.

64.2 Outcomes-focused evaluation - findings will be delivered mid-2023.

Financial Implications

- 65 Both the continuation of the current Care in the Community welfare response and the proposed transitional arrangements can be managed within the existing allocated funding sourced from the COVID-19 Response and Recovery Fund. This paper seeks agreement to a redistribution of \$58.1 million of MSD's tagged contingency and no new funding is sought. This tagged contingency is time-limited and represents the last of this source of funding, creating fiscal risk around the ability to maintain the current level of service until 30 June 2023 (regardless of if the requirements to self-isolate change) and the future of the welfare response post-June 2023.
- 66 MSD will mitigate this risk by clearly communicating the transitional nature of this support and work with the community sector on the future of the Community Connection Service, and a transition plan for community food provision. As highlighted in paragraphs 14-15, there are other options available to Ministers to manage the fiscal risk such as reducing the amount of support provided through Care in the Community welfare or ending the programme and relying on existing welfare and income support services to meet continued needs. However, these options risk undermining community recovery from the impacts of COVID-19.
- 67 Should the current Omicron outbreak continue its current overall downward trajectory in cases, with some continuing but dropping case numbers and no further major outbreaks, the total estimated cost of maintaining the Care in Community welfare model to June 2023 will be about \$378.4 million, or \$29.0 million less than was estimated in February 2022.
- 68 Based on the current model, funding for variable costs will carry the Care in Community model through to the end of June 2022. However, this is heavily dependent on the currently modelled rate of decline of cases as we come out of the current peak. If the model is even slightly too conservative throughout May and June 2022 then discretionary funding for households will run out as there is less than \$5 million to cover this period.
- 69 For this reason there is a need to draw down \$29.10 million from tagged contingency to support food and community connection supports to isolating households. This estimate assumes no further significant changes either to public health and legislative settings impacting the requirement to self-isolate or a significant future outbreak or a prolonged increase or second wave of the Omicron outbreak. Should either of these conditions change, then estimated costs are expected to change in accordance, and if further funding is required, Ministerial and Cabinet consideration would be sought.
- 70 In line with the proposals in this paper, I also seek agreement to draw down the remaining \$29.0 million of tagged contingency funding to provide the

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transitional support through to June 2023. Funding from the tagged contingency would need to be drawn down now to commence those activities in April, and to provide one year of funding for the community food sector. Should funding exceed what is required, uncommitted funding will be returned to the centre. A breakdown is provided below⁸:

Component	2021/22 and 2022/2023			
	(\$million)			
Component	Current total	Contingency draw down to meet costs of CIC support for those self-isolating	Contingency draw down for transitional support	New total with contingency drawn down to June 2023
Food	143.90	3.50	15.00	162.40
Community Connectors	148.00	25.60	5.00	178.60
PPE	-	-	2.00	3.00
Disability	-	-	5.00	3.00
Provider Capability	10.6		2.00	12.60

Treasury Comment

- 71 The Treasury is supportive of the work underway reflected in this paper to develop a Care in the Community transition plan as we move from the Omicron peak. We are also supportive of further work on an exit pathway from the support provided in the Care in the Community welfare response and transitional support back to existing welfare and income support programmes. An exit pathway will assist with managing any future fiscal risks with continuing with these supports.

Legislative Implications

- 72 There are no legislative implications.

Regulatory Impact Statement

- 73 A Regulatory Impact Statement has not been prepared as there are no regulatory implications.

Te Tiriti o Waitangi Analysis

- 74 In late 2021, the Waitangi Tribunal report “Haumarū: The COVID-19 Priority Report” included recommendations that the Crown urgently provide further funding, resourcing, data and other support to assist Māori providers and

⁸ This table only includes funding lines impacted by the draw down not the complete CIC package

communities to care for Māori infected with COVID-19, and targeted support for whānau hauaa and tāngata whaikaha.

- 75 The proposal to continue to provide Care in the Community welfare support to those who are directed by the government to self-isolate and have welfare needs, seeks to actively protect the health and wellbeing of households, including Māori, by ensuring people can safely self-isolate. This work complements the existing investment funded through Vote Māori Development to support Māori-led COVID-19 preparedness and prevention activities. MSD will work with disability communities, including Māori organisations to ensure that whānau hauaa and tāngata whaikaha receive targeted welfare support through the proposed \$5 million allocation.
- 76 The Treaty also obliges the Crown to positively promote options. The community-led focus of the proposals in this paper, will provide Māori with choices to utilise services provided by and within Māori communities. The Care in the Community welfare approach actively ensures that partnership obligations under the Treaty are recognised by providing resourcing for Iwi representation in decision making at the regional levels through the Regional Leadership Groups. Iwi and iwi collectives have played a vital role in connecting with vulnerable whanau and supporting iwi partnerships into the future is a priority.

Climate Implications of Policy Assessment

- 77 There are no climate implications from this proposal.

Population Implications

Population group	How the proposal may affect this group
Māori	<p>As outlined in this paper Māori on average are at risk of poorer outcomes as a result of COVID-19. The Care in the Community welfare approach has recognised this and prioritised Māori community providers in the allocation of funding. As at 28 March 2022:</p> <ul style="list-style-type: none"> • 55% of the total \$155 million in Care in the Community funding committed has been committed to Māori community organisations, • Over 130 of the 292 food providers identify as Māori, and over 50 of these providers identify as Māori and deliver Whānau Ora services nationally • Over 280 of the 500 Community Connectors in place identify as Māori, and over 120 of these Community Connectors identify as Māori and deliver Whānau Ora services <p>Continued investment in Māori providers and the Community Connection Service will help ensure whānau are connected with longer-term support such as Whānau Ora or community/iwi-led resilience and recovery activities.</p>
Pacific people	<p>Pacific peoples also experience worse outcomes as a result of COVID-19, and with previous variants have shown to be three times more likely to be hospitalised than non-Pacific. Continued Care in the Community welfare support will help ensure Pacific</p>

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	<p>people can safely self-isolate. Community Connectors will continue to help connect Pacific people, in a culturally safe way, to services (such as those funded through PACO) to support their recovery and longer-term resilience.</p>
<p>Ethnic Communities</p>	<p>Vaccination rates for the first two doses of COVID-19 vaccine are high among ethnic communities, providing protection against the health impacts of COVID-19. However, up to 200,000 Ethnic Community members have not had their booster vaccination yet. While employment rates for ethnic communities are high, numerous ethnic community members are in precarious employment, and face multiple barriers to enter and succeed in employment. Additionally, COVID-19 has likely compounded existing inequalities in loneliness and social isolation, and people from a migrant or Asian population were among those reported higher social isolation.</p> <p>There are 27.5 Community Connector FTE in culturally and linguistically diverse providers to ensure appropriate social and psychosocial services are available to ethnic communities. Existing services cater to some groups within the ethnic communities – mainly the Asian population, but not others. The re-focus of Community Connectors on recovery will need to continue to pursue equitable outcomes for vulnerable groups within ethnic communities such as former refugees’ and new migrants.</p>
<p>Disabled people</p>	<p>Disabled people face additional risks and vulnerability to COVID-19. Given international evidence shows disabled people experience disproportionately high mortality and infection rates, some disabled people continue to be too scared to leave their homes, even for essential services. The lack of feeling safe is as relevant as being safe and will impact behaviours. Ensuring accessibility of communications and support will be critical to supporting disabled people to isolate and access welfare supports when needed.</p> <p>The disability community was not consulted in the initial design the Care in the Community hubs. The absence of engagement has generated concerns that the approach may not work for disabled people. As the Care in the Community approach adapts and shifts, this creates opportunities to develop new and bespoke approaches with the input of disabled people and their representative organisations.</p>
<p>Older People</p>	<p>The impacts of the COVID-19 pandemic on the wellbeing of some older people will continue well beyond the removal of legislative self-isolation and other requirements. Stakeholders report that the risks COVID-19 poses to older people (particularly those with disabilities or health conditions that heighten their vulnerability) continue to cause some to voluntarily self-isolate to varying degrees. In some cases this is assessed as having already caused lasting damage to mental health and social connections. The process of “reconnecting” for such individuals is likely to be gradual and require support. Factors that rendered support difficult to access for some older people throughout the COVID-19 response, such as digital exclusion and lack of access to service providers, are likely to continue and inhibit the accessing of supports that might enable recovery or return to their usual activities. Clear and accessible information will be vital in bridging this gap. Community connectors allocated to organisations</p>

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	<p>serving older people have been reported to be invaluable, and will likely play a key role during a “recovery” period.</p>
Women	<p>COVID-19 has disproportionately impacted women, as women are more likely to be in caring roles; more likely to experience precarious work situations; more likely to be victims of sexual and domestic violence; more likely to be sole parents; more likely to be experiencing additional unpaid work. As at 27 March, approximately 29,000 people received direct support from MSD or were referred to a provider. Of the people who received direct support through Care in the Community (and MSD had collected gender information) 74 percent were female. However, it is important to note that a person can request support on behalf of a household and these figures do not necessarily reflect the gender distribution of those people benefiting from the support.</p> <p>Continued investment in the Care in the Community welfare approach, and particularly the re-focus of Community Connectors on recovery will help ensure women are connected in with the services that will support their recovery from the impacts of COVID-19.</p>
Children and youth	<p>COVID-19 continues to have a significant impact on children and young people’s wellbeing and in some cases has exacerbated existing disparities. As well as the virus’ direct impacts, COVID-19 has had a significant impact on children and young people’s mental wellbeing and education in particular. The Child Wellbeing Unit advise that the wellbeing of children and young people must be a central focus of our transition to focus on longer-term recovery and resilience, both in the context of their families and whānau and their individual needs. Government efforts to support children and young people in the COVID-19 recovery should have a dual focus: (a) on investment in the social and economic determinants of health and actions to mitigate the impacts of adversity which has already occurred (including addressing stress, anxiety, poor mental health and the long tail of COVID-19), and (b) actions that support education and training pathways, transitions, and investment in youth-led activities that promote agency and involvement, as well as supporting hope and social connection through access to arts, culture and sports.</p>

Human Rights

78 There are no human rights implications

Consultation

79 The following agencies were consulted on this paper the Department of Prime Minister and Cabinet, the Treasury, the Ministry of Health, Te Puni Kōkiri, Te Arawhiti, the Ministry of Pacific Peoples, the Ministry for Ethnic Communities, the Ministry of Education, Oranga Tamariki, the National Emergency Management Agency, the Ministry of Housing and Urban Development, Kainga Ora, the Ministry of Business, Employment and Innovation, the Office for Disability Issues, the Office for Seniors.

Communications

- 80 If agreed, a communications approach will be developed with relevant Ministers' offices.

Proactive Release

- 81 I also intend to proactively release this Cabinet paper following Cabinet consideration.

Recommendations

The Minister for Social Development and Employment recommends that Cabinet:

- 1 **note** that on 22 November 2021, Cabinet approved an integrated package of \$204.1 million for welfare and community supports [CAB-21-MIN-0493] to support COVID-19 positive households, and others who are directed to self-isolate.
- 2 **note** that on 21 February 2022, Cabinet agreed to \$203.7 funding to respond to anticipated demand for community services due to the Omicron outbreak, \$58.1 million of which was put into a tagged contingency
- 3 **note** that the model has been strengthened so that only those who most need Care in the Community welfare support are accessing it

Funding allocated

- 4 **note** that Cabinet invited me to report back on how the funding allocated to the Care in the Community welfare approach has been allocated to meet costs to support people who are self-isolating under the Framework, including appropriate metrics [CAB-21-MIN-0493, CAB-22-MIN-0007 refers]
- 5 **note** that as at 30 March 2022, \$349.8 million has been allocated across the Care in the Community welfare approach and \$189.78 million is estimated to have been spent
- 6 **note** that should the current Omicron outbreak continue on its current overall downward trajectory, with some continuing but dropping case numbers and no further major outbreaks the total estimated cost of maintaining the Care in Community welfare model to June 2023 will be about \$378.4 million, or \$29.0 million less than was estimated in February 2022
- 7 **note** that this estimate requires \$29.10 million of the tagged contingency through to June 2023 to ensure there is sufficient funding to meet the continued costs of welfare support to households required to self-isolate

Transition plan for Care in the Community welfare

- 8 **note** that on 21 March 2022, in light of the changes to the COVID-19 Protection Framework, Cabinet invited me to report back in April on a

transition plan for Care in the Community welfare support [CAB-22-MIN-0086 refers]

- 9 **note** that based on the anticipated continued social and economic impacts of COVID-19 and the high likelihood of further COVID-19 waves and new variants, a sudden exit from Care in the Community welfare support may undermine the objectives of the COVID-19 Protection Framework and community recovery from COVID-19
- 10 **agree** to a transition for Care in the Community welfare support so that as the focus on crisis response reduces over time, services are reoriented to support communities recover from COVID-19 social impacts, with the capacity to shift back if case numbers grow
- 11 **agree** to continue to provide Care in the Community welfare support until Cabinet decides to lift the legislative requirement to self-isolate
- 12 **note** that the Ministry of Health is reviewing self-isolation requirements monthly to ensure they remain proportionate and balanced against wider societal and system pressures
- 13 **note** that the Minister of Health will report back to Cabinet in May 2022 on the transition and evolution of the health system component of the Care in the Community approach.
- 14 **agree** that given the uncertainty around when the legislative requirement to self-isolate will be lifted, Ministers keep the decision in recommendation 11 under review, and MSD officials will provide advice to the Minister of Social Development and Employment and the Minister of Finance on the future of Care in the Community welfare response if the legislative requirement to self-isolate continues to be in place beyond August 2022

Locally-led – Community Connectors

- 15 **note** that 141 Community Connectors were initially introduced in 2020 to provide links to social supports through COVID-19, but reoriented to the Care in the Community model in late 2021
- 16 **note** that there are currently 500 Community Connectors in Non-Government Organisations across a broad range of communities until June 2023
- 17 **agree** that, as caseloads of self-isolating households allow, Community Connectors re-focus on providing short-term social support, and connecting households to longer-term resilience support
- 18 **note** that community connectors can be re-pivoted to support people in self-isolation if required for a new COVID-19 wave, or new variant
- 19 **agree** that the discretionary funding allocated to community connectors to meet essential needs of those in self-isolation is also available to support people outside of those in self-isolation, aligned with the re-focus on short-term social support

Locally-led – Food Secure Communities

- 20 **agree** to continue funding the Food Secure Communities programme for a transitional period through to June 2023
- 21 **note** that a transitional approach will enable community providers to continue to address levels of need and preserve current community infrastructure to address any further waves or variants, while providing the time to develop a well-considered longer-term food security plan
- 22 **note** that I have directed MSD officials to provide advice on a long-term food security strategy beyond June 2023, with a view to exit funding of food banks

Locally-led: welfare support for disabled people

- 23 **agree** to \$5 million to address the welfare needs of disabled people through the post Omicron peak phase, with specific details on support provided developed with the disabled community

Regionally-enabled - Regional Leadership Groups, Regional Public Service Commissioners and response teams

- 24 **note** that there are opportunities, in the context of our broader government priorities and Regional Leadership System Framework, to build on successful locally-led, regionally-enabled approaches for more enduring collaborations that sustain community resilience
- 25 **agree** to defer the June report back on the Regional Leadership System Framework [GOV-21-MIN-0023 refers] to August 2022 to allow sufficient time to incorporate analysis from real-time Care in the Community evaluations and ensure it is aligned with public service system changes

Financial Recommendations

- 26 **note** that no new funding is sought to continue the current Care in the Community welfare response or for the proposed transitional arrangements to 30 June 2023
- 27 **note** that continuing the Care in the Community welfare response and proposed transitional arrangements till 30 June 2023 may create an expectation by stakeholders of ongoing services beyond 30 June 2023, creating a fiscal risk
- 28 **note** that MSD officials will mitigate the risk in recommendation 27 by clearly communicating the transitional nature of this support and working with the community sector on the future of the Community Connection Service, and a transition plan for community food provision to inform advice to the Minister of Social Development and Employment in September 2022
- 29 **note** that on 22 February 2022, Cabinet [CAB-22-MIN-0039.01]

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29.1 **agreed** to establish a tagged operating contingency of up to the amounts as follows in Vote Social Development, to provide for a additional supports for a Care in Community Omicron response:

	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears
Additional supports for a Care in Community Omicron Welfare response – Tagged Operating Contingency	35.000	23.100	-	-	-

29.2 **authorised** the Minister of Finance and the Minister for Social Development and Employment to jointly draw down the tagged operating contingency funding in paragraph above, subject to a report to those Ministers outlining:

- 29.2.1 any updates to the underpinning costing model and assumptions in response to Health setting changes;
- 29.2.2 any updates to previous, current, and anticipated demand for the Care in the Community welfare response as a result of the COVID-19 Omicron outbreak;
- 29.2.3 how funding already received has been committed and spent to support those self isolating, thereby demonstrating any need for additional funding

30 **note** that this paper forms the report back on the items outlined above

31 **agree** that the tagged contingency can be released

32 **agree** that \$29.10 million of this tagged contingency funding is provided for food and community connection supports to households directed to self-isolate, including:

- 32.1 \$3.5 million for food banks and other food organisations
- 32.2 \$25.60 million for Community Connector discretionary funding to meet essential wellbeing needs of those in self-isolation

33 **agree** that the remaining \$29.0 million of this tagged contingency funding provides transitional support through to June 2023, including:

- 33.1 \$15.0 million for foodbanks to provide continued funding for the Food Secure Communities programme

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- 33.2 \$5.0 million for Community Connector discretionary funding to provide social support
 - 33.3 \$2.0 million for community provider capability
 - 33.4 \$2.0 million for Personal Protective Equipment for at risk communities and providers delivering services for Care in the Community
 - 33.5 \$5.0 million to support the wellbeing of disabled people
- 34 **approve** the following changes to appropriations to provide for the decision in recommendation 32 and 33 above, with a corresponding impact on the operating balance and net core Crown debt:

Vote Social Development Minister for Social Development and Employment	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Multi-category Expenses and Capital Expenditure					
Community Support Services MCA					
Non-Departmental Output Expense:					
Community Support and Advice	5.000	-	-	-	-
Non-Departmental Other Expense:					
Community Response to Adverse or Emergency Events	30.000	23.100	-	-	-
Total Operating	35.000	23.100	-	-	-

- 82 **agree** that the expenses incurred under recommendation 34 above be charged against the “Additional supports for a Care in the Community Omicron welfare response – Tagged Operating Contingency” described in recommendation 29 above
- 83 **agree** that the proposed changes to appropriations for 2021/22 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply
- 84 **note** this leaves a nil balance in the “Additional supports for a Care in Community Omicron welfare response – Tagged Operating Contingency”

Authorised for lodgement

Hon Carmel Sepuloni

Minister for Social Development and Employment

Appendices

Appendix 1: Time-limited community funding in response to COVID-19

Appendix 2: Care in the Community welfare funding allocated to date

Appendix 3: Re-focussing the Community Connection Service on short-term social support

Appendix 4: Proposed Care in the Community welfare transition plan, including upcoming advice for plan beyond June 2023