Budget Sensitive

Office of the Minister of Education

Office of the Minister for Social Development and Employment

Cabinet

COVID-19: Proposed Community Response Package 2021

Proposal

- 1 This joint paper seeks agreement to reprioritise funds from Vote Education's Outcomes for Target Student Groups MCA and Vote Social Development, to meet increased community need for food access and other essential services in response to the emergence of the COVID-19 Delta variant.
- 2 It is proposed that this package covers immediate needs over the next two weeks, while New Zealand is expected to remain at Alert Levels 3 and 4.

Relation to government priorities

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

Executive Summary

- 4 The impacts of the emergence of the COVID-19 Delta variant in New Zealand and resultant immediate Alert Level 4 measures, including more people self-isolating at home and additional restrictions in movement, have led to an increase in demand for support with food access and other essential services.
- 5 Before New Zealand moved into lockdown on 17 August 2021, community-based providers were offering a broad range of social services, which were largely meeting demand. However, feedback since then from providers and communities, particularly in Auckland, indicate pressures are building rapidly, indicating underlying vulnerabilities that are expected to continue to compound.
- 6 The Ministry of Social Development has identified pressures in the areas of food access and need for other essential items. A targeted family and sexual violence response and COVID-19 messaging for young people are also likely to require funding in the coming weeks.
- 7 The expected increase in demand for these services as demonstrated through Alert 4 and 3 in early 2020 will exceed existing appropriations for these services. Some limited funding has been prioritised from the Ministry of Social Development baseline to some services, however, there is no further funding available within relevant appropriations to match demand for these services as it continues to rise.

- 8 As a result, we are now seeking agreement to reprioritise \$3.200 million from Vote Education Outcomes for Target Student Groups MCA and \$4.000 million from Vote Social Development to fund support with food access and other essential items for a period of two weeks.
- 9 Due to the nationwide lockdown, the Ministry of Education has paused the Ka Ora, Ka Ako | Healthy School Lunches programme and is expecting operating underspends to accrue at a rate of approximately \$400,000 per school day. The Ministry of Education seek to transfer the underspend accrued over the past eight school days to Vote Social Development to support the immediate increased need for essentials, including food, in the community.
- 10 The focus of this package is providing cover during Alert Levels 3 and 4, which will complement the role of the National Emergency Management Agency (NEMA).

The impacts of the COVID-19 Delta variant are resulting in increased demand for food support and other essential services

- 11 The impacts of the emergence of the COVID-19 Delta variant and resultant Alert level 4 restrictions has seen increased demand for support with food access and other existing essential social services. This is consistent with the level of demand reported during Alert Level 4 and 3 in early 2020.
- 12 There are two areas where there is immediate demand for increased support:
 - 12.1 access to food; and
 - 12.2 access to essential items and services through community grant funding.
- 13 There is also demand for a targeted family and sexual violence response and enabling youth friendly COVID-19 messaging which will likely need to be addressed in the coming weeks if New Zealand remains under Alert Level 4 or 3 restrictions.
- 14 Support for access to food and other essential needs services was generally meeting needs prior to the current lockdown. However, given the unpredictability of the COVID-19 Delta variant, action is needed immediately to respond to pressures on services before demand exceeds supply.
- 15 From 2020, we have good evidence of the immediate and medium-term impacts of social isolation and crowding from lockdown. It can negatively impact social and psycho-social wellbeing, particularly for children. It can also negatively impact mental health and elevate risk factors for family violence¹.

¹ The Ministry of Social Development. *Rapid Evidence Review: The immediate and medium term social and psycho-social impacts of COVID-19 in New Zealand.*

- 16 Relevant providers have activated their existing networks and acted quickly to respond and get ahead of the anticipated building pressures. Providers, particularly in the Auckland region, have confirmed the need for additional funding to meet these pressures.
- 17 Whānau Ora providers also work with whānau that are currently not or only partially supported by mainstream community-based providers. Te Minita mō te Whānau Ora and Te Puni Kōkiri are considering how Whānau Ora Commissioning will respond. This will be progressed separately.

Access to food

- 18 Demand for support with food access has increased significantly since the shift to Alert Level 4, which cannot be sustained within allocated funding. Anecdotal feedback from the sector indicates demand has more than doubled across the country. Demand has more than tripled in Auckland, particularly with Pacific providers and Māori led organisations. Foodbanks are reporting being under immense pressure, and are struggling to meet demand.
- 19 In Auckland, some providers are reporting unprecedented demand for foodbank services. For example, VisionWest Community Trust in West Auckland has reported that within the first week of the current Alert Level 4 restrictions they are experiencing demand at same high levels of demand experienced in 2020 in the first week of level 4 (1000+ food parcels).
- 20 There are also high numbers of people self-isolating in Auckland which is putting pressure on community food providers. Half of these self-isolating families are Pacific families who already experience high levels of food insecurity. This indicates funding targeted to culturally competent services is important to ensure support is accessible.

Access to essential items and services through community grant funding

- 21 Essential items outside of food are also being raised as a concern, including mobile phone data and other connectivity items, hygiene items, baby products, sanitary items, transport etc. We are supporting community providers to encourage the use of Work and Income services in the first instance however there are circumstances where people are not able to access this and support outside of the income support system is required.
- 22 Another support mechanism, such as through a flexible community grants process is required to enable community providers to support the specific needs of their communities. Maintaining communications to reduce social isolation and ensure safety of people living by themselves or with families will help reduce negative impacts having to be address after lockdown eases (for example, mental health problems or experience of family violence).

Family and Sexual Violence Response: Women's refuge and Safe Bubble

Women's Refuge:

- 23 The Ministry of Social Development (MSD) observed during the last Alert Level 4 period that demand on Women's Refuges remained consistent with pre-COVID levels. With the current shift to Alert Level 4, this trend appears to have continued, with refuges not reporting any significant shift in demand for support. While a stable demand trend is useful, the complexity that arises for refuges is how they can meet that demand under restrictions of Alert Level 4.
- 24 The restrictions on the number of people able to gather in one space, the need to minimise face-to-face contact between refuge staff and those seeking support, and the need to maintain strict family bubbles means that refuges cannot use safe-houses in the normal way. Instead, refuge services use alternative forms of accommodation, like hotels and motels, to house those experiencing family violence, and continue to wrap a range of supports around each individual or whānau they are supporting. To maintain the safety of refuge staff and those seeking urgent help, at a time when social distancing is critical, hotels and motels are the most appropriate form of accommodation, but are more expensive and exceed current funding.

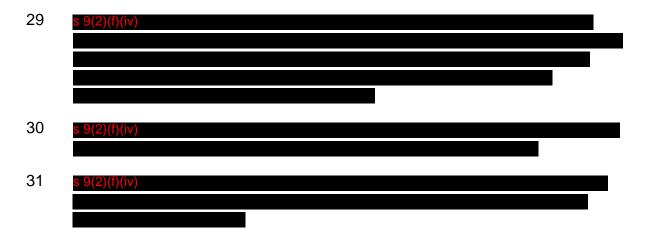


Safe Bubble Campaign:

- 26 Incidents of family violence increase and intensify during emergencies like a pandemic. To help people know where to get help during lockdowns, specific communications are needed.
- 27 The Safe Bubble campaign was run during the previous Alert Level 4, and provided readily accessible information about the organisations that can help those affected by family violence, including video messages from practitioners. Content and messaging developed for social media allowed people to dial through directly to a helpline or local service. **\$9(2)(f)(iv)**

Enabling youth-friendly COVID-19 messaging

28 On-the-ground feedback gathered from the youth sector indicates that young people are already, or are becoming numb, to the Government's COVID-19 messaging. As you are aware, uptake of public health messages is crucial to ensure all New Zealanders are safe from future community outbreaks of COVID-19.



The National Emergency Management Agency response

- 32 NEMA anticipate that because a number of agencies now have specific funding for COVID-19 related support, that will absorb some of the costs previously met by Civil Defence Emergency Management (CDEM) Groups. Accordingly, under COVID-19 Welfare Arrangements CDEM Groups' role is to provide support to people who have no other means of support available through other channels. For example, to people who have no family or community support available, are ineligible for MSD assistance, and cannot access food banks.
- 33 At this stage we anticipate that CDEM groups' welfare response is likely to be focused on supporting people and communities to understand how to access support through existing channels and providing support via referral where no other options are available. CDEM Groups are well placed to coordinate basic welfare support, such as food and household goods, to people and communities should there be an increase in need with referral pathways and planning well entrenched in the sector. With this lockdown there has not been a need to date for CDEM to undertake significant coordination activities. In respect of iwi payments, iwi can make claims for eligible welfare costs under the Emergency Management appropriation through CDEM Groups – same as per last year.

Pivoting the Ka Ora, Ka Ako | Healthy School Lunches programme to continue to support food security

- 34 When the COVID-19 Alert Level 4 lockdown was announced on Tuesday 17 August 2021, Ministry of Education (MoE) communicated with schools, kura and suppliers in the programme that lunch provision would stop for the duration of the Level 4 lockdown. MoE provided guidance on how best to redistribute already made lunches and other perishable items using the New Zealand Food Network or relevant community groups.
- 35 Suppliers were advised that the programme would cover the cost of all prepared lunches and perishables, as well as cover the cost of labour if this was not covered by the wage subsidy. MoE are continuing to pay our contracted school lunch providers for ongoing basic costs to cover fixed costs such as rent, delivery vehicle leases, fixed plant and equipment costs.

36 Accounting for these costs, the programme has a daily underspend during Alert Level 4 of approximately \$400,000 per school day. The MoE seeks to transfer the underspend accrued over the past eight school days from Vote Education to Vote Social Development to support the immediate increased need for essentials, including food, in the community.

While there is need nationwide, demand for food access and other community services is concentrated in Auckland, especially in the Pacific community

- 37 While service providers are experiencing increased demand for social services throughout the country, demand is concentrated in Auckland particularly for food access support and other services from community providers.
- 38 The Pacific community in Auckland are disproportionately affected by the emergence of the COVID-19 Delta variant. 70 percent of the current COVID-19 cases (as at 24 August) and half of people self-isolating are Pacific people.
- 39 This imposes increased pressures particularly as Pacific people rely on community and aiga structures and will likely be impacted by the effects of self-isolation and alert level 4 restrictions. Anecdotal evidence suggests:
 - 39.1 not all families will have employers that apply for the wage subsidy, so income substitution is not guaranteed;
 - 39.2 not all families can meet their weekly commitments with the wage subsidy, if their employer applies. Like the last lockdown people that have never had to seek support from foodbanks will likely use these for the first time;
 - 39.3 not all families will trust or have confidence in seeking assistance from Work and Income, this is particularly true for Māori and Pacific;
 - 39.4 the critical demand is higher in areas where there is already known, and evidenced need (low socio economic/high deprivation areas); and
 - 39.5 everyday items are not as accessible at the moment with supermarkets closing due to resources or being a location of interest, so local food outlets (dairies and convenience stores) being used which are more expensive.
- 40 MSD has established an approach informed by Pacific social service providers across Auckland. The agreed approach is to:
 - 40.1 maximise the use of MSD-funded community connectors that have been allocated to the Pacific social service providers to support the broader Pacific workforce network;
 - 40.2 use the discretionary funding attached to the Community Connection Service to support families to access what they need for their wellbeing and safety;

- 40.3 allocate dedicated Work and Income case manager support to some providers to enable timely access to immediate and longer-term income support packages, with support available in multiple pacific languages; and
- 40.4 the three Pacific Food Secure Providers (Affirming Works, South Seas and The Fono) are now the centralised food hub for all Pacific providers and MSD will work with them and the food network to ensure they have funding and stock.
- 41 Existing funding was used to build this infrastructure and develop strong relationships with providers. Even with this approach in place in Auckland, further funding is required to sustain and supplement it.

Due to certain immediate needs resulting from lockdown, which exceed agency appropriations, some agency funding has been re-prioritised

- 42 As part of the 2020 response to COVID-19, the Government funded relevant agencies to support the welfare response, and to help rebuild and recover.
- 43 Before moving into Alert level four on 17 August 2021, agencies' existing funding had been allocated to priority areas as intended, including in areas relating to this proposed package (see summary at Appendix One).
- 44 MSD invested in this infrastructure through MSD baseline and existing COVID-19 Response and Recovery Fund allocations and were able to respond quickly, but this ability is quickly reaching its limits in the current situation.
- 45 In the past week, due to necessity in response to immediate needs, MSD has re-prioritised and ring fenced \$2.826million from the CRRF-funded Community Capability Resilience Fund (CCRF). This funding is being directed toward:
 - 45.1 \$1.030 million to Community Connectors to support whanau into existing channels of welfare support and support those self-isolating
 - 45.2 \$900,000 to the food sector, including \$500,000 to the New Zealand Food Network (NZFN).
 - 45.3 \$896,000 in priority grants for selected providers to support communities.
- 46 Providers who have received funding immediately have been asked to use existing services to support people. This includes working with dedicated MSD Work and Income Case Managers who are attached to those providers, and working with local MSD Food Secure Communities providers.
- 47 The decision to re-prioritise this funding will mean there is a funding shortfall for the services to which that funding was originally allocated.

Ministers propose funding a targeted community response package to support the essential needs of New Zealanders during Alert levels 3 and 4

- 48 The proposed package includes two elements that will achieve:
 - 48.1 improved access to food; and
 - 48.2 improved access to essential items and services.
- 49 MSD have also signalled that more support to victims of family and sexual violence through additional refuge services and promoting the Safe Bubble campaign and more support to young people by providing youth-friendly COVID messaging will likely be required if Alert level 4 and 3 restrictions continue. This will require additional funding outside of appropriations.
- 50 The package will be delivered using MSD's existing provider networks and infrastructure, which means it can be stood-up immediately.
- 51 This funding will increase the likelihood of the Government being able to sustainably respond to COVID-19 through its changing circumstances.
- 52 Where it makes sense, officials are working to ensure services are complementary and therefore do not duplicate, reduce pressures on existing providers and fill service gaps.

We propose re-prioritising appropriation to meet demand for an initial period of two weeks for the package

- 53 We propose that the package remains in place during Alert levels 4 and 3. We must be guided by public health response while being responsive to communities' needs during periods where New Zealand is at higher Alert levels.
- 54 We are seeking Cabinet's agreement to reprioritise a total of \$7.200 million for an initial period of two weeks to be administered by the Ministry of Social Development.
- 55 Funding can be delivered within two weeks because it leverages the Ministry's existing providers and infrastructure. The Ministry already provided these services during the last lockdown or is already providing these services to manage current community needs.
- 56 Access to food: Additional funding of \$4.200 million is sought for food networks to ensure distribution and supply. Funding will be prioritised towards areas of highest need, with overall funding intended to be distributed in line with the population across regions.



- 58 Some funding would also be allocated to the Student Volunteer Army which has established a delivery service.
- 59 **Community grants for essential items and services:** Additional funding of \$3.000 million is sought that will primarily aimed at supporting providers in areas of highest need; with support prioritised through the MSD's Community Connection Service. Grants of between \$25,000 and \$50,000 per organisation are planned.
- 60 Grant funding will enable the distribution of wellbeing packs (essential items including household items, data or connectivity expenses, PPE/hygiene) through the Community Connection Service. Funding is based on an estimate of 10,000 units at a maximum of \$150 per week.
- 61 MSD is proposing a targeted approach to this community grant funding, focused on:
 - 61.1 areas of high demand and challenges to access or affordability for essential items that support wellbeing and connectivity;
 - 61.2 where service gaps exist with other providers, including services for young people, kaumatua, disabled peoples;
 - 61.3 communities disproportionately impacted by Alert Level 4 lockdown, particularly where social and wellbeing stresses are further exacerbated
 - 61.4 Māori, the Pacific community and former migrant and refugee' communities; and
 - 61.5 communities with high unemployment and/or at risk of long-term dependency on income support.

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Financial Implications

- 65 Noting that MSD has expended its contingency funding for COVID-19 to fund immediate needs and will further re-prioritise the additional funding from baseline, it will not be able to absorb additional needs beyond two weeks.
- 66 Further, MSD is already absorbing organisational pressures in response to this Alert Level 4 period.
- 67 As indicated above, further funding may be required after two weeks. This is based on the contagious nature of the Delta variant, the time required by other countries to eliminate it and that some psycho-social issues (such as mental health of children) are likely to manifest after lockdown, as happened during 2020.
- 68 MSD will monitor demand and continued need, as well as the use of reprioritised appropriation over the next two-week period, and will report back to relevant Ministers as additional need for funding arises.

Legislative Implications

69 There are no legislative implications.

Regulatory Impact Statement

70 A Regulatory Impact Statement has not been prepared as there are no legislative implications.

Population Implications

- 71 **Māori:** Support from mainstream services that apply a whānau-centred service will be particularly accessible to Māori. While Māori are not visible in current positive COVID-19 cases, low vaccination coverage for Māori means Māori communities have a higher potential to become infected as case numbers spread. In addition, the restrictions on movement in Alert levels 4 and 3 will affect some people's ability to work and earn, as well as access food and cope with whānau living together for extended periods. It is also known that Māori disproportionally experience family and sexual violence, which may be acerbated by lockdown.
- 72 **Pacific people:** With 70 percent of people with positive cases of COVID-19 being in the Pacific community, the Alert level 4 and 3 restrictions are having a greater, disproportional impact on Pacific people. It is important that family-centred support is provided that is culturally competent and flexible in use, so that those in need of support will engage with NGO providers and get what is most important to them.

- 73 **Women**: The gendered nature of violence means that women are more likely than men to experience intimate partner violence, including repeat victimisation, and are more likely to suffer sexual violence. One in three women has experienced physical, sexual or coercive violence from an intimate partner in their lifetime and the rates are higher for wāhine Māori. The impacts of violence for women can be serious, long-lasting and sometimes fatal. During the 2020 lockdown, restrictions on movement during Alert levels 4 and 3 led to more intensive experience of violence within families where it was already a problem and people did not have access to usual support such as going to school or work. The Government's message is to support victims of family violence and sexual violence to leave their residence even if this means acting against public health advice to stay at home.
- 74 **Disabled people:** Ensuring accessibility of communications and support for disabled people will be especially critical during Alert levels 4 and 3. With restrictions on movement and limitations with getting into supermarkets (eg queuing), some disabled people may not be able to and/or feel safe access food as they would usually do. Additional food support may be required for disabled people living in the community. More flexible whānau-centred support will also enable a holistic approach to disabled adults as well as children and youth living with families who may have additional needs from because of the Alert level 4 and 3 restrictions.
- 75 **Older people:** Outreach services to older people will reflect difficulties they may have in accessing food, particularly if they have a physical or sensory impairment, whether it is not feeling able to get to a supermarket, their local supermarket is closed, and/or not being able to access online services. Older people who are isolated from normal support networks due to the restrictions may also be more vulnerable to abuse and neglect in their homes and/or while living with family members.
- 76 **Children and youth:** Accessing support for children and youth is critical to maintain wellbeing, particularly mental health, during the uncertain stressful times of Alert levels 4 and 3. Flexible support services that are able to apply a whānau-centred approach will ensure children and youth are not forgotten, including in provision of food. A whānau that is supported to maintain their resilience will contribute to children better continuing engagement with education and development.

Human Rights

77 There are no human rights implications.

Consultation

78 The following agencies were consulted in the development of this paper: the Department of the Prime Minister and Cabinet, the Treasury, the Ministry of Education, the Ministry of Social Development, Te Puni Kōkiri, The National Emergency Management Agency and Ministry of Youth Development– Te Manatū Whakahiato Taiohi.

Communications

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

Proactive Release

80 I intend to proactively release this Cabinet paper, with redactions as appropriate under the Official Information Act 1982, within 30 business days of decisions being confirmed by Cabinet.

Recommendations

The Minister for Education and Minister for Social Development and Employment recommends that Cabinet:

- 1 **note** that the impacts of the COVID-19 Delta variant in New Zealand and resultant Alert Level 4 measures are creating new challenges for access to food and essential services among certain communities;
- 2 **note** while demand was largely being met prior to lockdown, recent increases in demand for food and other psycho-social services are consistent with agency, provider and communities' experiences during lockdown in 2020;
- 3 **note** that the Ministry of Social Development have re-prioritised funding from the Community Support Services appropriation to meet needs for food access, essential items and support for young people since Alert Level four restrictions started on 17 August 2021, and this funding is largely exhausted;
- 4 **note** that te Minita mō Whānau Ora is considering whether any additional funding is required for Whānau Ora commissioning agencies;
- 5 **note** additional funding is needed to meet demand not met by other initiatives or agencies, demand throughout country, specifically in Auckland, and demand not being met by the immediate response;
- 6 **note** responding early to meet specific community needs aligns with the Government's objectives to keep New Zealander's safe from COVID-19;
- 7 note that, due to the nationwide lockdown, the Ministry of Education has paused the Ka Ora, Ka Ako | Healthy School Lunches programme and is expecting operating underspends to accrue at a rate of approximately \$400,000 per school day;
- 8 **agree** to the following fiscally neutral adjustment to meet increased community need for food access and other essential services in response to the emergence of the COVID-19 Delta variant for two weeks;
- 9 **approve** the following changes to appropriations to give effect to the policy decision in recommendation 8 above, with no impact on the operating balance and net core Crown debt:

IN CONFIDENCE

	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26
					ھ outyears
Vote Social Development Minister for Social Development and Employment Multi-Category Expenses and Capital Expenditure: Community Support Services MCA					
Non-Departmental Other Expenses: Community Response to Adverse or Emergency Events	3.200	-	-	-	-
Vote Education					
Minister of Education Multi-Category Expenses and Capital Expenditure: Outcomes for Target Student Groups MCA Non-Departmental Output Expenses: School Lunch Programme	(3.200)	-	-	-	-
Total Operating	-	-	-	-	-

- 10 **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;
- 11 **note** that the remaining \$4 million funding required for the Community Response package will be reprioritised from within Vote Social Development;
- 12 **authorise** the Minister of Finance and the Minister for Social Development and Employment to make any required fiscally neutral adjustment as noted in recommendation 11 above, for the Community Response package.

Authorised for lodgement

Hon Chris Hipkins

Minister of Education

Hon Carmel Sepuloni

Minister for Social Development and Employment

Appendix One – Summary of relevant existing funding by agency

Ministry of Social Development

Income support

There are existing support mechanisms for people who are affected by the impact of the resurgence of COVID-19 such as the Wage Subsidy Scheme and existing income support through MSD.

The purpose of the wage subsidies has been to support businesses, including self-employed people, to contribute towards the wages of workers and protect jobs. This does not meet the needs that are outlined in this paper.

This proposed package is intended to meet the immediate needs of those who are not able or unwilling to access these support mechanisms for a range of reasons such as mistrust in government agencies, people who are required to self-isolate and main concern is food access, people who are experiencing family and sexual violence during Alert Level 4 and 3, young people and peoples who's needs fall outside of the parameters of the income support system.

In the first instance, providers and communities (through community providers and MSD) will be supported to access existing income support through MSD.

Access to food

The Food Secure Communities programme was funded in Budget 2020 (\$32 million over two years). This funding is to help meet the additional demand during COVID-19 lockdowns on foodbanks, food rescue and other community providers. Through this funding:

- 131 foodbanks, food rescue and community providers around New Zealand are currently getting funding to help with increased demand.
- Access to food stocks through food rescue organisations and other food hubs has increased including:
 - The New Zealand Food Network was established to distribute surplus food from large scale food producers (over 3,100 tonnes of food – about 8,972,771) distributed through 50 food hubs.
 - Local food rescue organisations are distributing 90% more food compared to pre-COVID-19, totalling nearly 8,700 tonnes (or 24,776,731 meals); this includes 16% from New Zealand Food Network.

Two umbrella groups have also had funding: Kore Hiakai Zero Hunger Collective and Aotearoa Food Rescue Alliance. These organisations continue to work MSD to strengthen the food security sector.

Community grant funding

MSD distributed the Community Awareness and Preparedness Grant Fund (CAPG Fund), which was established by the Government to provide immediate support to communities during the COVID-19 lockdown in early 2020.

MSD was allocated \$36.0 million from Budget 2020 for the Community Capability and Resilience Fund (CCRF) for initiatives that support the rebuild and recovery from COVID-19.

Family and Sexual Violence

The Budget 2020 Family Violence package helped to address cost pressures faced by providers in a pre-COVID-19 environment. This funding aimed to pay the existing 200 family violence providers for the work they are already doing, and the demand they were already facing (existing demand).

MSD currently contracts 40 NCIWR and 17 independent refuges nationwide. These refuges are currently providing support to New Zealanders, and are best placed to provide continued support during lockdown, as they did in 2020.