



Aide-mémoire

Cabinet paper

Date: 11 October 2021 **Security Level:** BUDGET SENSITIVE

For: Hon Carmel Sepuloni, Minister for Social Development and Employment

File Reference: REP/21/10/1106

Responding to sustained demand for access to food and other essential wellbeing items

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| Cabinet Committee | COVID-19 Ministers Group |
| Date of meeting | 11 October 2021 |
| Minister | Hon Carmel Sepuloni, Minister for Social Development and Employment |

Proposal You are seeking Cabinet's agreement to provide temporary funding to be drawn from the COVID-19 Response and Recovery Fund (CRRF) to meet anticipated demand for food and other essential wellbeing items. This funding would cover the six-week period from 9 October 2021 to 21 November 2021.

The paper proposes two funding options for Cabinet's consideration:

1. \$13.55 million for six weeks [rec 3] (MSD's preferred option)
2. \$10.164 million for six weeks [rec 7] and establishing a tagged contingency of up to \$3.387 million [rec 11] (Treasury's preferred option)

In option 2, the paper proposes that you and the Minister for Finance are jointly authorised to draw down the contingency subject to reporting on:

- how prior funding for community needs has been allocated
- a costing model for resurgence related community needs funding with clear and consistent assumptions, and
- the need for additional funding to address community need directly relating to resurgence related restrictions [rec 12].

You are also proposing taking forward a proposal to Cabinet on the Community Connection Service on 15 November 2021.

Key issues ***Funding for food and essential items is exhausted; demand is ongoing***

Since 17 August 2021, MSD has allocated a total of \$24.63 million to support individuals and whānau to access food and other essential wellbeing items, particularly in Auckland. This funding has now been exhausted.

MSD has explored reprioritising from other appropriations within Vote Social Development and cannot currently further prioritise from MSD's baselines.

As noted in the Cabinet paper on 7 October 2021, 37 organisations in Auckland require funding to meet current need for food. This includes the Pacific hubs and iwi collective.

The New Zealand Food Network (NZFN) has also confirmed that, without funding to purchase additional food supplies, a significant number of food hubs and many food charities that source food through this channel will have limited capacity to meet local food needs from next week.

- From 6 September to 27 September 2021 there was more than a tenfold increase in food parcels provided across 13 Pacific focused providers (with all but one in Auckland) when compared to averages pre-lockdown.
- For the week ending 27 September 2021, there was a 700 per cent increase on pre-lockdown levels for food parcels delivered by food banks in Auckland. Appendix One of the Cabinet paper has more examples.

Since 17 August 2021, Community Connection Service providers in Auckland have reported a 514 percent increase in the number of people they have seen.

On average, pre-lockdown a Connector in Auckland would have had 17 visits per week compared to 157 visits per week from 17 August to 1 October 2021.

The number of individuals or families we expect Connectors to see in the next six weeks is 34,700, which is less than early modelling provided in the draft cabinet paper.

The costing reflects an optimistic scenario of demand easing

Demand is anticipated to trend downward, and funding has been phased over the next six weeks accordingly. We have costed a package worth \$13.55 million to cover the period from 9 October to 21 November 2021, including:

- \$5.5 million for a further 50,000 food parcels to be funded through existing contracts with foodbanks and community food providers, including the New Zealand Food Network.
- \$8.05 million to address the immediate wellbeing needs of a further 34,700 families and individuals through Community Connection Service.

MSD anticipate that demand for food parcels will return to pre-lockdown levels for the Auckland region by the end of the week of 15 November 2021. This aligns with easing of Alert Level restrictions in Auckland and the temporary increase of income thresholds for income support payments from 1 November 2021 to 28 February 2022 [CBC-21-MIN-0118 refers].

This additional funding will be allocated based on priority population groups within the Auckland region. Funding can be made available to other regions as necessary. MSD anticipates that it will continue to weight support towards the Pacific community and, more broadly, to Māori in higher areas of deprivation.

Proposal to report back on the Community Connection Service

This proposal would outline the value of the Community Connection Service and options to expand the service to meet ongoing demand among diverse communities until 30 June 2022. The options could include temporary increased FTE to address workforce fatigue and additional discretionary

funding. It will also outline how it support the new Traffic Light Alert Level system.

Our advice **MSD prefers allocating the full \$13.55 million for six weeks; we can provide reporting to you and Minister for Finance regardless**

MSD anticipates that increased levels of demand will continue for at least the next three weeks where it is likely Auckland will remain at Alert Level 3. Some easing of restrictions may allow some people to return to work. However, given the level of uncertainty around how this outbreak will eventuate, and what public health measures will be determined, funding for six weeks will:

- ensure that providers are adequately funded to be responsive to demand which exceeds baseline
- provide certainty as we transition through Alert Levels in Auckland over a yet to be confirmed timeframe, and
- ensure provider capacity and delivery planning is supported.

MSD believes that the option proposed by the Treasury is an avenue to seek information. We can provide this information in a timely manner, without having to impact providers and communities who are impacted by COVID-19.

Feedback to date from providers is that, while the Government has had to be responsive to public health decisions, making two-week by two-week funding decisions relating to food and essential items has caused added uncertainty for providers, impacting their ability to effectively plan in a fluid context.

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Further information on food purchasing, triage and reporting

Organisations working to support food security includes a food hub established with the three Pacific Providers (Affirming Works, South Seas Health and The Fono), VisionWest and Auckland City Mission (ACM).

Appendix One outlines current information on how these providers are managing their services, including purchasing arrangements, triage and reporting processes. If option 1 is agreed, we can also provide you and the Minister of Finance with detailed information by 1 November 2021.

1 The direct and indirect impacts of COVID-19 risks compounding pre-existing social and economic inequities. While the ways in which they are affected will differ, the population groups at higher risk of adverse social and psychosocial impacts in the immediate and medium terms include: Māori, Pacific Peoples, refugees and migrants, health workers, essential workers, people with existing physical and mental health conditions, people with disabilities, older people, young people (18-25 years), children, and women. Rapid Evidence Review - The immediate and medium-term social and psycho-social impacts of COVID-19 in New Zealand (msd.govt.nz)

Further information on the provision of essential wellbeing items

Through providers, such as the Community Connection Service, MSD has been enabling the provision of essential wellbeing items, "wellbeing packs". Wellbeing packs are bespoke bundles of support for individuals and families facing challenges as a direct consequence of higher Alert Levels; or have existing challenges made worse due to higher Alert Levels.

Wellbeing packs are funded by MSD increasing the amount of discretionary funding allocated to each Community Connection Service.

The use of discretionary funding to meet immediate need is an existing service offering within the Community Connection Service and sits alongside the work Community Connectors (Connectors) do to triage and connect individuals and families to eligible services.

Appendix Two provides more information on the benefit of the service, including their role in MIQ, funding, triage and reporting.

Reporting back to Cabinet on the Community Connection Service

We recommend that you report back to Cabinet on 15 November 2021 with a proposal to expand the Community Connection Service to help meet ongoing demand among diverse communities. The date of this report back would ensure that there is no gap in community support through the service, as funding under the proposed Cabinet paper would end on 21 November 2021.

While we are hopeful that demand for food will continue easing back to pre-lockdown levels, we expect that demand for the discretionary funding available to Connectors will remain above pre-lockdown levels. This is because of the cumulative impacts of self-isolation on individuals and whānau, alongside often pre-existing wellbeing needs. We are considering the scope of this proposal, which may also seek support for workforce pressures. We will continue to engage with your office as this proposal takes shapes, well ahead of Cabinet.

Talking points

- Auckland's situation as restrictions continue is still putting extra pressure on individuals and whānau to access food and other essential items
- As we know, many of the families impacted by COVID-19 this time have been hit worse because of the hardship they were experiencing before
- Community providers in Auckland are giving food to many of our most impacted communities, including Pacific and Māori families
- Community Connectors are also seeing high need for bespoke 'wellbeing packs' of essential items that are meeting immediate whānau needs
- The effectiveness of this response is enabled by community providers being able to plan with some funding certainty; in our current context, with resurgences likely to continue, I believe a six-week period is reasonable
- I propose we allocate the full six-week funding of \$13.55 million
- The proposal reflects our expectation that this demand will ease; although for Community Connectors, the demand will stay above pre-lockdown levels
- I will also ask MSD to provide me with more detailed reporting on demand and costings by 1 November 2021

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- I will also report back to Cabinet on 15 November 2021 on the Community Connection Service, including its value during COVID-19
 - This proposal will include options to expand its service to support our most at need communities, alongside other complementary services
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Appendix 1: Further information on food purchasing, triage and reporting

Organisations working to support food security includes a food hub established with the three Pacific providers (Affirming Works, South Seas Health and The Fono), VisionWest and Auckland City Mission (ACM).

South Seas Health is bulk purchasing food supplies from food distributors, such as Tegal Chicken and Pak N Save. They also receive bulk food from the NZFN, along with other donated goods.

Affirming Works purchase food from a range of suppliers. Their main source of supply in addition to the NZFN, is Pak N Save, Sylvia Park, where there is a strong business relationship with the store owner. They also purchase through local food providers for their Pacific communities, which includes taro, tapioca, yams and rice.

VisionWest receive donated food from a range of partners including their food hubs, Fair Food, Kiwi Harvest and NZFN. Much of the donated food is bread, dairy products, produce and frozen goods except for meat (currently in low volumes). For dry goods, long-term stock and staples are in short supply; VisionWest purchases in bulk from Foodstuffs where they have a strong relationship formed over the past two years. They plan their purchasing in two-week cycles and seek to purchase goods in advance to avoid any shortages and ensure the receiving of goods happens within the right time frame to keep adequate stock levels. Their current purchasing is entirely based on funds available from MSD and, although they had business continuity supply at the beginning of the current lockdown, they are now relying on MSD support to maintain their capacity to meet weekly demands, along with some much smaller public donations. Funds provided by MSD are spent in the immediate period after being received.

VisionWest has a strong triage system undertaken by social workers and community workers trained in helping whānau navigate a range of supports. It happens over email and phone where whānau are connected to Work and Income and other supports. The VisionWest triage service records the reasons driving the need for food parcels and reports this to MSD weekly. Currently the highest stated reason is financial hardship followed by low and reduced income, and then health concerns.

Auckland City Mission, across five key sites, is working together with their partners at Ngā Whare Waatea Marae (MUMA), Manurewa Marae, and Papakura Marae to provide food parcels to families across wider Auckland; most of these whānau live in the South Auckland area. ACM have been receiving some food from NZFN weekly but purchase most items required to make up parcels from existing suppliers at well-negotiated prices. Purchasing is needed to meet the level of demand. Typically, they purchase in bulk once a week. They plan their purchasing based on the funding available and the trend of demand they are experiencing.

Families are assessed over the phone when they ring an 0800 number to request food support. This includes ensuring that families are accessing all support available to them through Work and Income. ACM and their marae partners have strong working relationships with their respective local Work and Income offices and have dedicated Work and Income staff members co-located at the various sites.

ACM does not carry contingency funding for this level of demand, so funding received is responding to this actual demand and being used to purchase food to meet it. The resourcing for this demand is dependent nearly solely on government support. They have expressed the need for funding certainty (period longer than two weeks) as the two-weekly cycle of funding does not allow for planning beyond each 14-day period.

As stocks run low while numbers of whānau in need remains high, they continue to source as much as possible through NZFN and food rescue opportunities and rely heavily on the two-weekly cycle of funding currently operating to purchase food.

Appendix 2: Further information on the provision of essential wellbeing items

Connectors can access the discretionary fund to meet immediate essential wellbeing needs, such as mobile phone data and other connectivity items, hygiene items, baby products and sanitary items. This is based on a needs assessment and is intended to be a last resort, once they have exhausted all other financial support options including from MSD. This is complimentary to existing hardship assistance through Work and Income.

The Community Connection Service benefits families by alleviating their immediate hardship issues, but also helps to avoid families taking on further debt. Providers selected for this service have been heavily involved in resurgence response activities across Auckland and provide a 'no wrong door approach' with referrals from testing sites, vaccination centres and foodbanks creating the opportunity for individuals and families to receive wrap around support. Connectors have direct access to MSD case management staff to ensure a more coordinated process for families to access immediate support through the providers, but also receive longer term support through MSD. As part of the Pacific response we have seen an increase of 15 percent new clients come through to MSD because of the support that is being brokered between trusted community provider and MSD. These were clients that have never engaged with us previously. This is being achieved by having trusted community providers working alongside individuals and families and MSD.

Connectors report that people in MIQ and those in self-isolation have multiple complex needs, either pre-existing or other needs which have been exacerbated by isolation. The discretionary fund is being highly utilised to support these issues.

Community Connection Service providers in Auckland have reported a 514 percent increase in the number of people they have seen since 17 August 2021. On average, pre-lockdown a Connector in Auckland would have had 17 visits per week compared to 157 visits per week from 17 August to 1 October 2021.

The number of individuals or families we expect Connectors to see in the next six weeks is 34,700, which is less than early modelling provided in the draft cabinet paper. This is because we anticipate a similar easing of demand for the Community Connection Service as with food provision, however, not at the same pace as demand for food parcels. This difference is anticipated to be driven by factors, such as:

- continued need to support families and individuals as they transition out of MIQ
- vaccination events in the coming weeks which may drive up referrals to the Community Connection Service, and
- continued levels of distrust and embarrassment that some people engaging with the Community Connection Service experience, which may result in a slower transition into income support services.

Like foodbanks, any baseline or contingency discretionary funding Community Connection Services had prior to lockdown, has been utilised, meaning discretionary funding received through this package will be the only discretionary funding available to the Community Connection Service.

Providers with the Community Connection Service and involved in the response to the Delta outbreak; are brought together on a regular basis with MSD to share information and discuss changing needs and priorities. Providers work with MSD to respond and pivot towards new areas of concern, cohorts in the community and one-off requests. Most recently this has included working with hard to reach communities and those in unstable housing. Providers operating Community Connection Services provide regular reporting to MSD.