## **Budget Sensitive**

Office of the Minister for Social Development and Employment

Cabinet

# COVID-19: Responding to sustained demand for access to food and other essential wellbeing items

## **Proposal**

- This paper seeks Cabinet agreement to provide temporary funding of \$13.55 million to be drawn from the COVID-19 Response and Recovery Fund (CRRF) to meet anticipated demand for food and other essential wellbeing items.
- It is proposed that this funding covers the six-week period from 9 October 2021 to 21 November 2021.

## Relation to government priorities

This proposal supports the Government's objective to keep New Zealanders safe from COVID-19 and targets policy responses to the immediate impacts of resurgence-related restrictions on particular groups.

## **Executive Summary**

- 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.
- Additional funding is required to respond to anticipated demand. As at 7 October 2021, 37 organisations in Auckland require funding to meet current need for food, including the Pacific hubs and Māori collective. The New Zealand Food Network 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.
- I propose that \$13.55 million in funding is drawn down from the COVID-19 Response and Recovery Fund (CRRF) to meet anticipated demand over the next six weeks from 9 October 2021. We expect to largely target this funding in Auckland but will use it for other regions, such as Waikato and Te Tai Tokerau if necessary.
- 7 MSD cannot further reprioritise from within its baseline to meet this demand.
- Demand is anticipated to trend downwards over the six-week period and funding has been phased over the six weeks accordingly. This is in alignment with easing of Alert Level restrictions in Auckland and the commencement of the temporary increase of income thresholds for income support payments from 1 November 2021 to 28 February 2022 [CBC-21-MIN-0118 refers].
- **9** If funding is not agreed, foodbanks and community providers will not be able to respond to increased demand for needs over this period of time.

10 I also propose that MSD report back to Cabinet on 15 November 2021 to consider a time-limited expansion of the Community Connection Service to manage ongoing demand after the six-week period. We are currently considering the way the Community Connection Service can support the new Traffic Light Alert Level system.

## Funding delivered by MSD to date has had positive impacts for many low-income households...

- As a part of the wider government response to emerging needs, MSD's response to increased welfare needs has focussed on access to food and other essential wellbeing items. Since 17 August 2021, MSD has allocated a total of \$24.6 million:
  - 11.1 \$12.7 million has been allocated specifically to meet the increased demand for access to food. This funding increased the capacity of food banks, food networks and other food related providers, particularly in Auckland.
  - 11.2 \$9.9 million has been allocated for the provision of essential wellbeing items through providers such as those with the Community Connection Service, and
  - 11.3 \$2 million has been allocated to MSD's Iwi Fund<sup>1</sup>.
- This is in addition to the time-limited funding that was made available for recovery through Budget 2020 including:
  - 12.1 \$32 million for the MSD Food Secure Communities programme for three years
  - 12.2 \$41.3 million for the Community Connection Service for two years, and
  - \$36 million for the Community Capability and Resilience Fund (CCRF) for two years for community initiatives that support the rebuild and recovery from COVID-19.

#### Population groups reached by MSD funding

- The majority of the additional funding released by MSD has responded to the needs of those living in Auckland. However, some increased support has also been provided to the Wellington, Waikato and Te Tai Tokerau communities.
- Funding provided to food banks, the New Zealand Food Network, and other food related providers will support the needs of most population groups impacted by the re-emergence of COVID-19. Funding for MSD providers is weighted towards Māori and Pacific communities, reflecting their higher levels of food insecurity.
- MSD funded food banks, other community food providers and Community Connectors undertake an assessment of whānau needs before providing food parcels and providing support for other wellbeing items. As needed, they also

<sup>&</sup>lt;sup>1</sup> The MSD Iwi fund was made available to partner with iwi responding to critical unmet needs particularly in areas which may not have access to other forms of support during higher Alert Levels.

support them connect to Work and Income, financial capability and other support services, such as Whānau Ora. Some food banks are placed within organisations that offer a range of services and people can often receive immediate support, such as through social workers and community connectors, to connect to other services such as MSD.

- MSD has been working with Pacific providers and other government and local agencies to establish an approach to reach communities most at need and provide them with food and wellbeing support. As part of this approach we have established:
  - 16.1 a centralised food hub with three Pacific Food Secure Providers (Affirming Works, South Seas and The Fono), which also supports other medium to small Pacific providers, businesses and other community groups. MSD also has an additional Pacific provider (SIAOLA Vahefonua Tonga Methodist Mission Charitable Trust) who are a national service, based in Auckland, with a focus on supporting the Tongan community
  - 16.2 weekly fono with a range of Pacific providers and agencies to share information about what is happening on the ground, to enable a more timely and effective response for our Pacific people and families. This includes Pacific providers with community connectors, but also others that are actively involved in the response, and
  - 16.3 an MSD Pacific case management team to connect directly with Pacific providers to ensure a more streamlined coordinated process for families. This enables access to immediate support through the community providers and longer-term support through MSD. Due to this coordinated response we have seen an increase of 15 per cent new clients come through to MSD. These were clients that have never engaged with us previously.
- A similar approach has been established for Māori through the Taumata Korero group. This group consists of a number of iwi and Marae who are active in the COVID-19 response. Prior to the increased restrictions, the Auckland Region extended the co-location of case managers from Te Puea Marae to each of the large Māori service providers who are also part of the collective. In addition to case manager presence, MSD is increasing work broker access to all six marae.

## ...however the total funding that has been made available is now exhausted

The table below details funding arrangements to date.

Period covered	AL restrictions	Funding	Funding source
17 – 27 August (10 days)	Alert Level 4 nationwide	\$2.8 million	Reprioritisation of MSD baseline
27 August – 10 September (two weeks)	Alert Level 4 Auckland Rest of NZ Alert Level 3/2	\$7.2 million	\$3.2 million reprioritised from Vote Education \$4 million reprioritised from MSD baseline
11 – 24 September (two weeks)	Alert Level 4 Auckland Rest of NZ Alert Level 2	\$11.5 million	\$7 million reprioritised from Vote Education \$4.5 million from CRRF

25 September – 9 October (two	Alert Level 3 Auckland	\$3.1 million	\$3.1 million from CRRF
weeks)	Rest of NZ Alert Level 2, except Waikato		

- Funding for other essential wellbeing items through the Community Connection Service was exhausted on 4 October 2021. The funding being sought through this proposal would reimburse costs incurred by this service for essential items. Funding for food access will be exhausted on 8 October 2021.
- On 24 September 2021, the Minister of Finance and I agreed to draw down the total \$3.1 million made available from the contingency agreed by the COVID-19 Ministers Group on 9 September 2021 [CMG-21-MIN-0024 refers]. This funding was allocated to meet ongoing demand for access to food in Auckland for a two-week period from 25 September 2021 to 8 October 2021 and is also exhausted.
- MSD signalled that if Alert Level 3 restrictions continued beyond 8 October 2021, further funding for food access from MSD funded food banks and essential items through the Community Connection Service would be required.

## There remains increased levels of demand for food and other essential items

- Auckland has now remained at higher Alert Levels (Alert Levels 3 and 4) for seven weeks. Food banks and community providers have reported that as Auckland has transitioned to Alert Level 3, increased demand for food and other essential items have remained higher than pre-lockdown.
- Many families in Auckland are managing multiple and complex pressures arising from public health measures such as self-isolation and reduction in earning capacity and income from Alert Level restrictions. These pressures have likely compounded due to the time spent at higher and are exacerbated by preexisting inequities.
- At the peak of the outbreak, there were over 38,000 people selfisolating, most located in Auckland. This number reduced as self-isolation periods have lapsed. As at 7 October 2021 there are 1,451 contacts being actively managed.
- While there is a decrease in numbers actively self-isolating, Auckland providers are still seeing an impact of self-isolation in needs being presented such as household cost pressures and psychosocial issues.
- The Ministry for Pacific Peoples has engaged with more than 3,000 Pacific community groups, including Pacific church leaders, providers and individuals since the lockdown commenced. These engagements have reinforced that:
  - there is ongoing significant demand for food parcels, social services, and other essentials (e.g. PPE), which is heavily impacting on providers' capacity
  - 26.2 families are struggling to meet essential bill payments, such as electricity bills which are increasing as a result of people being at home

- 26.3 families and churches are without devices and, therefore, cannot access information and are unable to participate in activities provided remotely
- 26.4 more people are reporting mental health and wellbeing challenges, particularly young people; family violence and elder abuse, among other wellbeing and health concerns, are also emerging.
- The staged easing of restrictions in Auckland may allow some people to pick up additional hours of work, especially from Stage 2. However, there is likely to remain a large portion of low-income workers that have reduced income through lost hours of work and higher household costs, while children still largely remain at home. There is also still some uncertainty about when Auckland will move to Stages 2 and 3 and whether schools will open, as Cabinet will make decisions on a week by week basis.
- The cumulative impact of the compounding pressures described above will likely continue to result in increased needs for help with immediate needs like food and other essential items. In order to receive funding for food from MSD, foodbanks and other community food providers need to outline how they assess or identify whānau in need of food support, and their processes for connecting them to Work and Income, financial capability and other support.

## Demand for food parcels

- Reports from 6 September to 27 September 2021 have indicated there has been 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. Appendix One provides examples of increased demand among Auckland providers.
- The table below shows that of the reports received from food banks in Auckland for the week ending 27 September 2021, there was a 700 per cent increase on pre-lockdown levels for food parcels in Auckland.

Week ending	Auckland	Report back per cent <sup>2</sup>
6 September 2021	1056.9%	95.0%
13 September 2021	778.3%	74.2%
20 September 2021	1031.7%	57.9%
27 September 2021	737.0%	52.6%

Demand for the Community Connection Service; supporting whānau with essential items who may not have otherwise engaged with services during this outbreak

Community Connectors are located within community providers.
There are currently 43 Community Connectors working in Auckland, including in MIQ facilities. This service provides a 'no wrong door approach' with referrals from testing sites, vaccination centres and food banks.

<sup>&</sup>lt;sup>2</sup> This represents the percentage of weekly reports received back from MSD contracted food providers.

- The Community Connection Service offers flexible support to individuals and whānau in need, particularly with psycho-social needs. Community Connectors are from the community and trusted, they can connect individuals and whānau to government services they are eligible for but may not access such as through Work and Income.
- Through the Community Connection Service, MSD has seen a 15 per cent increase in clients. There is an expectation that this will continue to increase as trust continues to grow. It has prevented the need for more intensive services, by responding early to mental health and family violence concerns.
- MSD leads the coordination of Community Connectors in MIQ. The Community Connectors work in partnership with MSD and other government agencies to identify and respond to changing needs. Community Connectors have been sought by other agencies to work with hard to reach communities and those living in unstable housing arrangements where positive cases have been identified.
- Community Connectors also work with employers and business owners to increase awareness of, and access, workforce support through Work and Income, if they are unable to operate due to restrictions and or self-isolation requirements.
- Community Connection Service providers in Auckland have reported a 514 per cent increase in the number of people they have seen since 17 August 2021. On average, pre-lockdown a Community Connector in Auckland would have had 17 visits per week compared to 157 visits per week from 17 August to 1 October 2021.
- Because of being trusted and able to respond flexibly, the Community Connection Service has become the 'go to' service for various bespoke arrangements needed to respond to the extraordinary circumstances surrounding COVID-19, such as:
  - 37.1 support for families in MIQ
  - 37.2 support for those having to self-isolate
  - 37.3 support for deportees unable to leave New Zealand
  - 37.4 support for temporary residents, and
  - 37.5 other needs such as supporting recent arrivals into the Afghan community.
- In addition to triaging and connecting to eligible services,
  Community Connectors can access a discretionary fund to meet 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.

- Community 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.
- In this changing environment, it will be important to ensure we can respond flexibly to the diverse needs of individuals and whānau, particularly by ensuring they access the services they need. We are currently considering the way the Community Connection Service can support the new Traffic Light Alert Level system. I propose taking forward a proposal to Cabinet on the Community Connection Service on 15 November 2021.

I seek agreement to funding of \$13.55 million from the COVID-19 Response and Recovery to ensure we are responsive to anticipated demand over the next six weeks

- I propose that a further \$13.55 million is needed to address anticipated demand, primarily in Auckland, for the next six weeks from 9 October to 21 November 2021. This is comprised of:
  - 41.1 s 9(2)(b)(ii)
  - 41.2 \$8.05 million to assess and address the immediate wellbeing needs of a further 34,700 families and individuals through Community Connection Service.
- 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:
  - 42.1 ensure that providers are adequately funded to be responsive to demand which exceeds baseline fund
  - 42.2 provide certainty as we transition through Alert Levels in Auckland over a yet to be confirmed timeframe, and
  - 42.3 ensure provider capacity and delivery planning is supported.
- 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.
- The request to draw down from the CRRF meets the refined criteria agreed by Cabinet. It represents a targeted policy response to the immediate impacts of resurgence related restrictions on particular demographic groups.

MSD has already reprioritised from its baseline. Any further reprioritisation will impact on its ability to support communities, increase resilience, and provide services to recover such as employment services.

Demand is anticipated to trend downwards over the six-week period and funding has been phased over the six weeks accordingly

- Expected change in demand is in anticipation that demand for food parcels returns 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].
- A proposed communication campaign to support the implementation of the new thresholds would include foodbanks and other providers encouraging people to retest eligibility where appropriate. Community Connectors will also promote this option.
- A similar easing of demand is anticipated for the Community
  Connection Service however, not at the same pace as demand for food parcels. This
  difference is anticipated to be driven by factors, such as:
  - 48.1 continued need to support families and individuals as they transition out of MIQ
  - 48.2 vaccination events in the coming weeks which may drive up referrals to the Community Connection Service, and
  - 48.3 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.
- Some funding is allocated as contingency in the event that circumstances change unexpectedly and suddenly in the next six weeks and a swift response is required.
- I note providers are concerned that there might be a spike in demand over the Christmas period, beyond what it is usually expected. The funding sought above is not able to account for this.

If funding is not agreed, food banks, food networks and the Community Connection services will not be able to respond to meet increased demand for immediate needs

- As at 7 October 2021, 37 organisations in Auckland require direct funding to meet current community need for food, this includes the Pacific hubs and lwi collective. Given the uncertain circumstances in Waikato, there are also 21 organisations that have signalled that they will also require funding to meet anticipated needs in their community.
- The New Zealand Food Network 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.

- There is a risk that if this funding is not agreed to then these critical needs will go unmet. This will particularly impact low income households, Māori and Pacific communities, and will exacerbate existing inequities.
- Further, any sudden shift in Alert Levels in other regions could put unexpected sharp pressures on low-income households. There is also uncertainty of additional cases in other regions that may require snap lockdowns, like in parts of the Waikato over the weekend. MSD will continue to monitor needs that may arise outside of Auckland.

## **Financial Implications**

- Since 17 August 2021, MSD has sought and received some reprioritisation of appropriation underspend accrued from the suspension of the Ministry of Education's Ka Ako, Ka Ora | Healthy School Lunches during higher Alert Level restrictions. The Ministry of Education has advised that this is no longer available.
- MSD has also explored reprioritisation from other appropriations within Vote Social Development, including the Improved Employment and Social Outcomes Support MCA. However, MSD is already experiencing an increase in client volumes as a result of Alert Level restrictions. While it is likely that demand for employment programmes will be slower in the short term, most MSD's employment funding is already contractually committed. Also, MSD anticipates there will be a greater need for these services when lockdown ends. As such, we do not see any further opportunity to further prioritise from MSD's baselines at this time.
- MSD temporarily allocated funding from the Community Capability and Resilience Fund and Food Secure Communities Implementation Fund to meet critical funding needs for essential wellbeing items and food in Auckland. Some funding was also allocated to Waikato. This allocation will be recovered from the funding sought in this paper, if this proposal is approved.

#### **Legislative Implications**

There are no legislative implications.

## **Regulatory Impact Statement**

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

## **Population Implications**

Māori: Māori are now a significant proportion of cases in the current outbreak (21.1 per cent as at 7 October 2021). National COVID-19 vaccination coverage for Māori is comparatively low and Māori communities are at higher risk of becoming infected. Vaccination coverage of eligible population for Māori in Tāmaki Makaurau is 64 per cent first dose, and 36 per cent second dose

(compared to 56 per cent non-Māori). Additional funding will ensure that whānau, especially those in Auckland, are able to have continued access to food and other essential wellbeing items.

- Pacific people: In the current outbreak Pacific people represent about 60 per cent of positive cases (as at 7 October 2021). With a high proportion of positive cases of COVID-19 being in the Pacific community, higher Alert Level restrictions are having a greater, disproportional impact on Pacific people. Increased funding and support made available will help ensure Pacific families and communities, particularly those in Auckland, are able to access food and other essential wellbeing items.
- disproportionate effects on women. The adverse effects include job losses, loss of income, increased unpaid care work, and an additional barrier to those seeking to leave abusive domestic situations. While there are other government supports available to vulnerable New Zealanders, including women, the proposed additional funding will help ensure women are able to access food and essential wellbeing items.
- 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, such as the ability to get to the supermarket (e.g. queuing), some disabled people may not be able to and/or feel safe access food as they would usually do. 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 because of the higher Alert Level restrictions.
- Older people: Outreach services to older people will reflect difficulties they may have in accessing food and other items, particularly if they have a physical or sensory impairment, are not able to go to a supermarket, their local supermarket being closed, and/or not being able to access online services.
- 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 being able to engage with education and development.

## **Human Rights**

There are no human rights implications.

#### Consultation

The following agencies were consulted in the development of this paper: Department of Prime Minister and Cabinet, the Treasury, Ministry for Pacific Peoples, Te Arawhiti, Ministry for Ethnic Communities, Te Puni Kōkiri and the Ministry of Education.

## The Treasury's comment:

Whilst supportive of this proposal which seeks to continue to meet the immediate community needs in response to resurgence related restrictions, Treasury has concerns with the costings underlying the funding request. \$\frac{s(9)(2)(g)(i)}{s(2)(g)(i)}\$, \$\frac{s(2)(f)(iv)}{s(2)(g)(i)}\$

In addition, given uncertainty of the funding requested is in

of the costings, it is difficult to determine what portion of the funding requested is in response to resurgence restrictions or is in response to pre-existing demand due to income inadequacy resulting in food insecurity.

Treasury recommends providing 75% of the total amount over six weeks, with the remaining amount set aside as a tagged contingency. The draw-down of the tagged contingency would be subject to MSD reporting to the Minister of Finance and Minister of Social Development and Employment outlining:

- 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.

## **Communications**

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

#### **Proactive Release**

70 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 of Social Development and Employment recommends that Cabinet:

- Note funding of \$24.63 million has been allocated since 17 August 2021 to meet increased demand for support to access food and essential wellbeing items, however due to demand this is exhausted
- Note we anticipate continued demand over the next six weeks as families and individuals, particularly in Auckland, are managing multiple and complex needs arising from self-isolation and Alert Level restrictions

#### Either

- **Agree** to allocate funding of \$13.55 million for the six-week period from 9 October 2021 to 21 November 2021
- **Approve** the following changes to appropriations to give effect to the policy decision in recommendation 3 above, with a corresponding impact on the operating balance and net core Crown debt:

	\$m - increase/(decrease)				
Vote Social Development Minister for Social Development and Employment	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears
Multi-Category Expenses and Capital Expenditure:					
Community Support Services MCA					
Non-Departmental Other Expenses:					
Community Response to Adverse or Emergency Events	13.551	-	-	-	-
Total Operating	13.551	-	-	-	-

- **Agree** the proposed changes to appropriations for 2021/22 in recommendation 4 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.
- **Agree** the expenses incurred under recommendation 4 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020

Or

- **Agree** to allocate funding of \$10.164 million for the six-week period from 9 October 2021 to 21 November 2021
- **Approve** the following changes to appropriations to give effect to the policy decision in recommendation 7 above, with a corresponding impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
Vote Social Development  Minister for Social  Development and  Employment	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears

Multi-Category Expenses and Capital Expenditure:					
Community Support Services MCA					
Non-Departmental Other Expenses:					
Community Response to Adverse or Emergency Events	10.164	-	-	-	-
Total Operating	10.164	-	-	-	-

- **9 Agree** the proposed changes to appropriations for 2021/22 in recommendation 8 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.
- **Agree** the expenses incurred under recommendation 8 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020
- **Agree** to establish a tagged operating contingency of up to the amounts as follows in Vote Social Development, to provide for anticipated community demand for food and other essential wellbeing items:

	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears
Community demand for food and other essential wellbeing items – Tagged Operating Contingency	3.387	-	-	-	-

- **Authorise** the Minister for Social Development and Employment and the Minister of Finance jointly to draw down the tagged operating contingency funding in recommendation 11 above, subject to the Ministry of Social Development reporting to the joint Ministers outlining:
  - 12.1 How prior funding for community needs has been allocated
  - 12.2 A costing model for resurgence related community needs funding with clear and consistent assumptions
  - 12.3 The need for additional funding to address community need directly relating to resurgence related restrictions

**Agree** the tagged operating contingency in recommendation 11 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020



Authorised for lodgement

Hon Carmel Sepuloni

Minister for Social Development and Employment.