



Education Report: Continuing the Ka Ora, Ka Ako | Healthy School Lunches Programme

To:	Hon Chris Hipkins, Minister of Education		
Date:	27 November 2020	Priority:	High
Security Level:	Budget Sensitive	METIS No:	1244212
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Purpose of Report

The purpose of this paper is for you to:

- note that funding for Ka Ora, Ka Ako | Healthy School Lunches programme is time-limited until the end of the 2021 calendar year and any continuation of the programme will require additional funding and decisions by you; and
- provide your direction on the future implementation of the initiative, including eligibility, policy parameters, approach to seeking ongoing funding and evaluation.

Summary

- 1 In April 2019, Cabinet agreed to fund and implement a prototype of a free and healthy school lunch programme (CAB-19-MIN-0329 refers). The prototype was intended to provide a daily free and healthy lunch to all Year 1 to 15 students in participating primary, area and composite schools and kura. The prototype targeted schools in the 20 per cent of schools with the highest concentrations of socioeconomic disadvantage. Implementation commenced in Term 1 2020.
- 2 As part of the COVID-19 Response and Recovery Fund, the programme was expanded to the 25 per cent of children and young people in years 1 to 15 nationwide in schools with the highest concentrations of socioeconomic disadvantage.
- 3 We have developed two options for funding the programme beyond December 2021:
 - i. 9(2)(g)(i)
 - ii. seek time-limited funding for two years to continue the programme until the end of the 2023 school year 9(2)(g)(i)
- 4 Under either option, we recommend adopting a ratcheting or 'no losers' approach to eligibility as annual recalculations of the Equity Index will move a small amount of schools in and out of scope each year.
- 5 We also recommend undertaking a formal review of the programme in two or three years to ensure its efficiency, effectiveness and alignment with the Government's food security strategy and approach.

Recommended Actions

The Ministry of Education recommends you:

- a. **note** that funding for the Ka Ora, Ka Ako | Healthy School Lunches programme is time-limited until the end of the 2021 calendar year and any continuation of the programme will require additional funding and decisions by you, as outlined below;

Noted

EITHER

b.

OR

c.

d.

note that if you agree to seek time-limited funding for two years,

9(2)(f)(iv)

Noted

- e. **agree** to a flexible approach where to schools that become ineligible as their Equity Index rating shifts, maintain their entitlement to the programme as described in paragraph 14;

☒ Agree ☐ Disagree

- f. **agree** to continue evaluating the Ka Ora, Ka Ako programme and to the Ministry of Education undertaking a formal review in two or three years;

☒ Agree ☐ Disagree

g.

9(2)(g)(i)

- h. **forward** a copy of this report to the Minister for Child Poverty Reduction;

- i. **discuss** this briefing with the Minister for Child Poverty Reduction;


- j. **note** we will draft the Cabinet paper per your feedback on this report and provide this to you by 8 February 2021;

Noted

- k. **do not release** this Education Report at this time as it relates to decisions yet to be taken by Cabinet and the Budget 2021 process.

Release ☒ Not release


Dr Andrea Schöllmann
Deputy Secretary
Education System Policy


Hon Chris Hipkins
Minister of Education

___/___/___

30/11/2020

Background

- 1 The Government has committed to continuing the Ka Ora, Ka Ako | Healthy School Lunches programme¹ for 200,000 students. The programme currently has time-limited funding until December 2021 and additional funding will be needed in Budget 2021 for any continuation.
- 2 In April 2019, Cabinet agreed to fund and implement a prototype of a free and healthy school lunch programme [CAB-19-MIN-0329 refers]. The prototype was intended to provide a daily free and healthy lunch to all Year 1 to 8 students in participating schools. The prototype targeted the 20 per cent of schools with the highest concentrations of socioeconomic disadvantage as identified using the Ministry of Education's Equity Index². The agreed policy objectives of the prototype were to:
 - a) assist with the development of a robust implementation design;
 - b) gather real-time evaluative information to support future policy and investment decisions regarding a free and healthy school lunch programme; and
 - c) help to ensure students in participating schools and kura have their basic needs met, by directly addressing food insecurity in school.
- 3 While the prototype initially focused on Years 1-8 students, this was expanded prior to implementation to include Year 9-15 students in participating schools and kura (CAB-19-MIN-0651 refers).

The Programme was expanded as part of the previous Government's COVID-19 Response

- 4 As part of the Government's COVID-19 Response and Recovery Fund, the programme was expanded to the 25 per cent of children and young people in years 1 to 15 nationwide (around 190,000 additional students) in schools with the highest concentrations of socioeconomic disadvantage. Eligible schools are invited to participate on an opt-in basis. In 2021, the programme will be operational in approximately 32 per cent of schools.
- 5 Operationalising the expansion has required some changes to how the programme was implemented compared to the smaller-scale prototype. For example, we have:
 - a) included a limited number of additional schools (approximately 3 per cent) as part of the expansion of the programme. These schools have been included to ensure network stability: that is, to mitigate any unintended consequences of a large-scale roll-out that may see families and whānau choosing to change their child's school to another local one where lunches are available;
 - b) expanded the portfolio of suppliers and set-up a tiered procurement process for larger suppliers to ensure capacity and capability to provide lunches to larger schools (400-2,000+ students) and groups of schools; and
 - c) actively focussed on maximising local employment opportunities and ensuring employees of contracted providers are paid a 'Living Wage' equivalent, in response to the economic challenges caused by the COVID-19 pandemic.
- 6 Once fully implemented in 2021, the programme, including the original prototype and the expansion, will serve approximately 214,000 students per day in 965 schools nationwide and create approximately 2,000 jobs in local communities.

¹ Speech from the Throne, 26 November 2020

² The Equity Index for schools is created using a basket of variables that are statistically linked with socio-economic disadvantage and educational achievement. The Equity Index considers the whole school population when assessing the level of socioeconomic disadvantage in a school.

Options for Seeking Funding of Ka Ora, Ka Ako

- 7 Our analysis of the 2020 school rolls for eligible schools shows that approximately 49 per cent of students eligible for the programme identify as Māori and at least 21 per cent identify as Pacific. The spread of schools within the 2020 data³ includes:
- a) 159 secondary schools, teen parent units and activity centres;
 - b) 620 primary schools; and
 - c) 31 specialist schools.
- 8 We have identified two options for funding the programme beyond December 2021:
- Option 1: 9(2)(g)(i)
 - Option 2: seek time-limited funding for 24 months to continue the programme until the end of the 2023 school year.
- 9 To support your decision-making, we have developed indicative costings for each option:

9(2)(g)(i)

Table 2: Option 2: 24-month Operating and Capital Expenses

\$m increase												
	2021/22			2022/23			2023/24				24 Month Total	
Total Operating	9(2)(g)(i)											
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	10-Year Total	
Total Capital	9(2)(g)(i)			-	-	-	-	-	-	-	9(2)(g)(i)	
											Total opex and capex	

- 10 If you direct us to seek time-limited funding for 24 months, 9(2)(f)(iv)

³ As the scope for the programme is defined by the percentage of students rather than schools, this number is not fixed across years

Additional Considerations for Continuing the Programme

We seek your agreement to processes that will support the programme to be strategic, efficient and effective into the future

- 11 Agreeing to an ongoing programme to deliver a daily free lunch in schools is a significant policy decision that should be supported by processes that ensure efficient and effective delivery in the long-term. To support this, we have additional recommended approaches to eligibility and formally reviewing the programme.

We recommend proceeding with an approach to eligibility that has some flex built in

- 12 The Equity Index is recalculated for each school on an annual basis to ensure it accurately reflects the population at that school each year. This means that we will see some changes to eligibility for the programme, as schools fall in or out of the 25 per cent with the highest concentrations of socioeconomic disadvantage.
- 13 We have analysed the 2017, 2018 and 2019 Equity Index outputs for these changes and have found that, while generally stable, there is inevitable movement around the margins of the 25 per cent. This includes schools leaving the 25 per cent and then re-entering the next year and vice-versa. We do not consider these changes to be substantial enough to warrant removing schools from the programme who become ineligible per the Equity Index.
- 14 We recommend adopting 'no losers' approach to eligibility, whereby schools that enter the 25 per cent are invited to join the programme, and those that depart the 25 per cent are able to maintain their programme. We also recommend maintaining the opportunity for schools who are invited and then decline to participate, to join the programme later if they decide to. To ensure this approach is sustainable and fit for purpose, we recommend below that it is subject to a review.

A formal review to ensure the programme is strategic, efficient and effective into the future

- 15 We recommend a formal review of the programme in three years (late 2023) to assess the key features of the programme, assess the efficiency and effectiveness and review what we learn from multiple years of full implementation.
- 16 This review would include evaluating, for example, the operation of the eligibility process, capital allocations, Ministry support in the regions for the programme, monitoring and contract management. We also see an opportunity at this point to ensure strategic alignment of Government-funded food security programmes, particularly those that provide food in schools (such as the Ministry of Health's Fruit in Schools initiative).

17

9(2)(g)(i)

Next Steps

- 18 Subject to your direction about our approach to seeking funding, **9(2)(g)(i)**
[REDACTED] We will draft the Cabinet paper per your feedback on this report and provide to you by 8 February 2021.
- 19 We recommend you discuss your decision about continuing Ka Ora, Ka Ako with the Minister for Child Poverty Reduction and Associate Ministers of Education.