



Briefing

IMPLEMENTING A FREE SCHOOL LUNCH PROGRAMME IN SELECTED SCHOOLS

To: Rt Hon Jacinda Ardern, Prime Minister, Minister for Child Poverty Reduction Hon Chris Hipkins, Minister of Education Hon Tracey Martin, Minister for Children			
Date	21/05/2019	Priority	HIGH
Deadline	24/05/2019	Briefing Number	DPMC-2018/19-1230 METIS: 1191068

Purpose

The purpose of this paper is to seek agreement to the key parameters of a phased school lunch prototype for students in selected schools. It sets out the proposed approach to implementation, including timing.

This paper follows Cabinet agreement to provide time-limited contingency funding in Budget 2019 for this initiative, with draw down subject to Cabinet approval (CAB-19-MIN-0174.13 refers).

Recommendations

1. **Note** that Cabinet agreed to place \$43.655m (operating) and \$0.828m (capital) in contingency with an expiry date of 30 June 2021, for a time-limited “phased school lunch prototype for students in selected schools”, to test different models of delivery for a free school lunch programme.
2. **Note** that the amount set aside in contingency for this proposal was costed on the basis of:
 - a. a unit cost of \$5.00 per lunch, per student, per day
 - b. a phased approach to implementation, reaching up to 10,000 students (in approximately 60 schools) in the 2020 school year, and up to 21,000 students (in approximately 120 schools) for the 2021 school year
 - c. the provision of funding for evaluation, guidance, and support to schools, project management, and a small amount of funding for minor capital expenditure

BUDGET SENSITIVE

- d. funding being appropriated on a time-limited basis.
3. **Note** that drawdown from the contingencies for prototyping the free school lunch programme is subject to Cabinet approval.
4. **Note** that a prototyping approach provides an effective way of identifying and addressing the wide range of practical and logistical considerations associated with the implementation of a government-funded free school lunch programme, while also enabling the programme be introduced within a short timeframe.
5. **Agree** that the purpose of the free school lunch programme prototype is to:
- a. gather real-time evaluative information to support policy and funding decisions regarding the provision of a free lunch programme beyond 30 June 2021
 - b. assist in the development of a robust implementation design
 - c. help to ensure children in the participating schools have their basic needs met by directly addressing food insecurity at school.

Prime Minister Ardern **Agree / Disagree** Minister Hipkins **Agree / Disagree**

Minister Martin **Agree / Disagree**

6. **Agree** that the schools selected as part of the programme would all be within the 20 percent of schools with the highest concentrations of disadvantage, and funding is provided for a free daily lunch to all Year 1 to 8 students in participating schools.

Prime Minister Ardern **Agree / Disagree** Minister Hipkins **Agree / Disagree**

Minister Martin **Agree / Disagree**

7. **Note** that in order to effectively prototype and evaluate the programme, officials will ensure that participating schools reflect a mix of schools types, sizes, geographic locations (including rural isolation), and will test a range of different approaches to providing a free lunches to students.

8. **Agree** to a phased approach to implementation, rolling out the programme to tranches of eligible schools within identified communities in selected Ministry of Education administrative regions.

Prime Minister Ardern **Agree / Disagree** Minister Hipkins **Agree / Disagree**

Minister Martin **Agree / Disagree**

BUDGET SENSITIVE

9. **Note** that subject to agreement to Recommendation 8 above, officials propose that the prototyping programme be implemented in the following three Ministry of Education administrative regions, with one or two others to be determined:
- a. Hawkes Bay / Gisborne
 - b. Bay of Plenty / Rotorua / Taupō
 - c. Otago / Southland
10. **Note** that the Prime Minister has proposed a public announcement regarding the introduction of a free school lunch prototyping programme alongside the release of the Child and Youth Wellbeing Strategy (likely late-July), with a formal launch in a participating school at the start of the programme.
11. **Note** that, given the proposed timing of the public announcement, the Ministers for Child Poverty Reduction and Children have indicated that the programme should begin in a small number of schools in Term 4 2019, rather than in Term 3 as provided for in the contingency funding.
12. **Note** that officials consider that it is realistic to start in a small number of schools in two or three communities in Term 4 2019, noting that there are competing pressures on schools at this time of year (e.g. end of year assessments and reporting, education outside the classroom activities, and planning for 2020).
13. **Agree** to prototype the programme in two to three communities in Term 4 2019, progressively increasing the number of schools and communities over the 2020 school year, to achieve full rollout (reaching approximately 21,000 students in 120 schools) from the start of 2021.
14. **Note** that a smaller scale implementation from Term 4 will mean a different spending profile than provided for in the contingency, and may provide scope to increase the number of students able to be included in the programme in the 2021 school year.
15. **Agree** to take a paper to the Cabinet Social Wellbeing Committee in mid-June 2019, seeking agreement to the policy objectives and parameters of the programme, the approach to implementation, and drawdown of the contingency.

Prime Minister Ardern **Agree / Disagree** Minister Hipkins **Agree / Disagree**
Minister Martin **Agree / Disagree**

Prime Minister Ardern **Agree / Disagree** Minister Hipkins **Agree / Disagree**
Minister Martin **Agree / Disagree**


BUDGET SENSITIVE

16. **Agree** to officials entering into confidential discussions with selected school leaders, non-government and private sector organisations, and evaluation experts prior to public announcement of the programme.


Prime Minister Ardern **Agree / Disagree** Minister Hipkins **Agree / Disagree**
Minister Martin **Agree / Disagree**

17. **Agree** to proactively release this report after the initiative has been announced.


Prime Minister Ardern **Agree / Disagree** Minister Hipkins **Agree / Disagree**
Minister Martin **Agree / Disagree**

 Kristie Carter Director Child Poverty Unit
21/5/2019

 Rt Hon Jacinda Ardern Prime Minister Minister for Child Poverty Reduction
...../...../2019

 Damian Edwards Associate Deputy Secretary, Education System Policy Ministry of Education
21/5/2019

 Hon Chris Hipkins Minister of Education
...../...../2019

 Geoff Short Executive Director Child Wellbeing and Poverty Reduction Group
21/5/2019

 Hon Tracey Martin Minister for Children
...../...../2019

BUDGET SENSITIVE

Contact for telephone discussion if required:

Name	Position	Telephone	1st contact
Kristie Carter	Director, Child Poverty Unit	9(2)(a)	✓

Minister's office comments:

- ☐ Noted
- ☐ Seen
- ☐ Approved
- ☐ Needs change
- ☐ Withdrawn
- ☐ Not seen by Minister
- ☐ Overtaken by events
- ☐ Referred to

UPDATED ADVICE ON A FREE SCHOOL LUNCH PROGRAMME

Background

1. As part of its commitment to reduce child poverty and improve child wellbeing, the Government has been considering the introduction of a free school lunch programme to directly address food insecurity and its effects on children's outcomes. There is robust evidence, including from the New Zealand Health Survey, that food insecurity is an issue for many children from low income households.
2. Existing free lunch provision in New Zealand schools varies greatly between schools, and is heavily reliant on donations and volunteers, raising questions about scalability and sustainability. Programmes are usually targeted to a small number of identified students in a school, or do not provide lunch every day. Government currently funds Fruit in Schools, and co-funds (with Fonterra and Sanitarium) the KickStart Breakfast programme, with some evidence that these programmes have a positive effect on health outcomes, concentration, and engagement in school. A small amount of government funding is also provided to KidsCan, which provides a range of items to selected students in low decile schools, including food.
3. The implementation of a comprehensive government-funded school lunch programme is a significant undertaking and investment, and Cabinet has agreed to provide contingency funding in Vote Education of \$43.655m (operating) and \$0.828m (capital) in Budget 2019 to implement a time-limited programme to "test different models of delivery for a free school lunch programme for students in selected schools" (CAB-19-MIN-0174.13 refers). The drawdown of this funding is subject to Cabinet approval.
4. Advice from officials in November 2018 proposed that the Minister of Child Poverty Reduction, the Minister of Education and the Minister for Children be designated as joint lead Ministers (Joint Ministers) on matters relating to food in schools (DPMC-2018/19-575 refers).
5. Proposed parameters for the programme were outlined in a briefing to Joint Ministers dated 9 April 2019 (DPMC-2018/19-1116 and METIS 1185263 refer), and these provided the basis on which the amount set aside in contingency was costed. These parameters are:
 - a. A unit cost of \$5.00 per lunch, per student, per day
 - b. Starting from Term 3, 2019
 - c. Coverage of up to 10,000 students (approximately 60 schools) in the 2020 school year and up to 21,000 students (approximately 120 schools) in the 2021 school year
 - d. The provision of funding for evaluation, guidance and support to schools, and project management
 - e. A small amount of funding for any minor capital expenditure costs associated with implementing the programme.

BUDGET SENSITIVE

6. This briefing seeks the agreement of Joint Ministers to the key parameters of a phased school lunch prototype for students in selected schools. It sets out the proposed approach to implementation, including timing, following discussions between officials and Ministers.
7. Once Ministers have agreed these parameters and the approach to implementation, officials will prepare a draft Cabinet paper for Joint Ministers to take to the Cabinet Social Wellbeing Committee in mid-June, seeking to draw down the contingency.

Proposal

8. The proposed programme would provide universal free school lunches to up to 21,000 Year 1 to 8 students in participating schools (approximately 120 schools, depending on roll size) on a time-limited basis. Eligibility to participate would be limited to the 20 percent of schools with the highest concentrations of disadvantaged students.
9. The objectives of the time-limited programme are to:
 - a) gather on-the-ground information to support future policy decisions
 - b) assist in the development of a robust implementation design
 - c) help to ensure children in the participating schools have their basic needs met, by directly addressing food insecurity at school.
10. A prototyping approach provides an effective way of identifying and addressing the full range of design considerations, while also enabling the programme to be introduced within a short timeframe. It allows different models to be tested, evaluated, and adapted over the period, to determine which models work best in different types of schools and circumstances. It will help identify and develop responses to any unanticipated issues or unintended consequences (e.g. students moving schools in order to access free lunch).
11. Evaluation of the prototype programmes will also provide important evidence about the impact of the programme on student outcomes, to help inform decisions about continuing or expanding the programme beyond 2021.

Matters to be explored and tested through the prototyping approach

12. In previous advice to Joint Ministers, officials have noted the range of practical and logistical issues and design details that need to be worked through in order to implement a government-funded free school lunch programme accessed universally by all Year 1-8 students in eligible schools. Examples include:
 - Potential different costs of providing lunch, depending on school size and location
 - Balancing school-level flexibility with central direction and objectives, while minimising the additional work required of schools
 - Food quality and food safety guidelines and requirements
 - Minimising and managing food and packaging waste

BUDGET SENSITIVE

- Managing differentiated entitlements in composite schools (e.g. providing free lunches only to Year 1-8 students in schools that enrol Year 1–13 students)
 - Accountability and reporting requirements for the use of government funding
 - Legal and commercial risks (e.g. contracting and procurement; food branding; legal liability for food-related illnesses and allergen risks)
 - Interactions or synergies with programmes that support healthy food environments and choices (e.g. Heart Foundation services and programmes)
 - Partnership and co-funding opportunities.
13. As noted above, a prototyping approach to implementation will allow us to quickly understand what is working and what is not, adapt the programme within the broad parameters, and develop an evidence base to inform future advice on whether and how to implement a wider rollout.
14. A number of delivery models will be tested through the prototyping process. The intention is to work with schools to identify models that fit their needs and circumstances. Possible delivery models include: individual schools procuring lunch from external providers; schools preparing lunches using existing school kitchen facilities; groups of schools jointly procuring lunches from one or more external providers; or government contracting one or more providers that schools can opt to receive lunches from.
15. A range of matters will be tested as the different models are rolled out, including those identified in paragraph 12 above. Officials will also identify opportunities for partnership arrangements between central government, schools, businesses, and/or philanthropic organisations. This will include consideration of the role of, and implications for, existing government contracts and partnerships for the provision of food in schools.
16. Officials will need to consider the implications of government procurement rules for the prototyping programme, and any wider rollout beyond 2021. We have received initial advice that short-term prototypes are exempt from standard government procurement rules, but with some restrictions (e.g. the length of the prototype, and timeframe for which the exemption can apply). We intend to engage with the Ministry for Business, Innovation and Employment on these and wider procurement-related matters.

A phased approach to rollout

17. The Prime Minister has proposed that the introduction of a free school lunch prototyping programme be announced alongside the release of the Child and Youth Wellbeing Strategy (likely late-July), with a formal launch in a participating school at the start of the programme. Given this proposed timing, the Ministers for Child Poverty Reduction and Children have indicated that programme implementation should begin in a small number of schools in Term 4 2019.
18. Department of Prime Minister and Cabinet (DPMC) and Ministry of Education officials support a limited implementation of the programme in a small number of schools in Term 4 2019, to begin testing how to work with schools and communities. These schools could

BUDGET SENSITIVE

be located in two or three communities to help focus resources and efforts, and manage any implementation risks.

19. Term 4 is usually a difficult time to introduce new programmes in schools. This is because of the additional activities that are already underway at this time, including end of year assessments and reporting on student progress, education outside the classroom activities, and planning for the following year. Nevertheless, officials consider that, with a sufficient level of support, it is feasible to start in a small number of schools.
20. Following the small-scale Term 4 implementation, we would work to rollout the programme in tranches from Term 1 2020, to achieve full implementation in approximately 120 schools (covering about 21,000 students) by the start of the 2021 school year.
21. The amount set aside in contingency in Budget 2019 was costed on the basis of starting the programme in Term 3 in up to 60 schools. A smaller scale implementation from Term 4 will mean a different spending profile across the funding period, with scope to increase the number of students able to be covered by the programme once it is fully implemented in 2021. These matters would be addressed in the draft Cabinet paper to draw down the funding.
22. Officials propose that all schools in which the programme is implemented are located in four or five of the Ministry of Education's ten administrative regions. Limiting the number of regions will reduce the school support requirements and administrative and evaluation costs associated with the programme. A wider national rollout can be considered in the context of Cabinet decisions about continuing the programme beyond the 2021 school year.
23. DPMC and the Ministry of Education have recently appointed a project manager to coordinate the work required to implement and evaluate this programme. As well as engaging with and entering into agreements with potential schools and/or lunch providers for Term 4, a key focus for the remainder of 2019 is to gear up for further tranches of schools to come on board from Term 1 2020.
24. Officials are seeking confirmation from Joint Ministers that they wish to proceed with implementation in a small number of schools in Term 4. Subject to this confirmation, and Cabinet agreement to the drawdown of contingency funding, officials will identify two or three communities and approach eligible schools on a confidential basis, to test their interest in becoming 'early adopters' of the programme. We are currently considering communities in the Hawkes Bay/Gisborne and Bay of Plenty / Rotorua / Taupō regions, taking into account existing programmes, regional capacity, and opportunities to leverage off other initiatives.

Evaluation

25. Real-time evaluation is an important aspect of the prototype, and funding is provided in the contingency to enable a thorough evaluation of the implementation of the programme and its impact on student wellbeing and outcomes (e.g. reported food security, levels of hunger, attendance at school).
26. It is important that the programme includes a mix of school types, sizes, geographic locations (urban, rural, and isolated), and reflects different existing (if any) arrangements for providing food to students. We need to be able to generalise the evaluative findings across schools, and test the influence of contextual factors on the cost, feasibility, and effectiveness of different delivery models.
27. The Ministry of Education's Evaluation and Insights team is assisting in the development of an evaluation plan, which we expect to be completed by August 2019. It is likely to include the completion of regular child, teacher and whānau surveys, and may use 'paired' schools (i.e. those without the programme) as a control group to assess impact. Baseline data will be collected from participating schools in the term prior to the programme starting. We expect that the evaluation will be undertaken by an organisation with specialist expertise in this area.

Engagement with schools and others

28. As indicated above, we will need to work closely with schools, providers, and other experts to identify, develop, and implement the different models.
29. Officials are seeking Ministerial agreement to have confidential discussions with a small number of school leaders, experts, researchers, stakeholders, and experts prior to public announcement of the programme. The purpose of these discussions would be to gather information and draw on expertise to inform the detailed operational design, rollout, and evaluation of the initiative, and inform further work regarding the potential partnership opportunities.
30. Any discussions we have prior to the public announcement of the programme will be treated as in-confidence, and subject to non-disclosure agreements. Officials will keep Ministers informed of the parties that we enter into confidential discussions with, and the outcomes.

Risks and opportunities

31. The contingency funding provided in Budget 2019 is time-limited for 2.5 years. A key risk of a time-limited programme is the raising of expectations about a wider rollout (or extending the rollout in participating schools beyond 2021). Officials will seek to manage this risk through clear communications and expectations management, including highlighting the objectives of testing models and gathering evidence of impact.
32. Officials have also identified a number of other potential risks, and associated mitigation strategies:

BUDGET SENSITIVE

Potential risks	Mitigation strategy
<p>Negative reactions:</p> <ul style="list-style-type: none"> about the scope of the programme (Years 1-8; 20% of schools with the most disadvantaged students) about the limited and phased approach to rollout from existing NGO and social enterprise providers, who may see it as displacing them or creating uncertainty from composite schools about implementing a programme for Year 1-8 students only 	<ul style="list-style-type: none"> Clear communications about the limited scale and testing nature of the programme Reinforce the continued role of organisations that address food insecurity, and potential opportunities for them to work with schools and government, including adapting existing programmes Work with participating composite schools to develop solutions
Excess demand, resulting in calls from schools, parents, and providers for an earlier, faster, wider rollout.	<ul style="list-style-type: none"> Transparent, objective processes for selecting schools to participate Limiting the regions will help manage demand
Some parents or schools who are eligible may not want to take up the programme	<ul style="list-style-type: none"> The programme will make provisions for schools and students to opt out

Next Steps

33. Subject to Joint Ministers' agreement to the programme parameters and implementation approach outlined in this paper, officials will prepare a draft paper for Joint Ministers to take to Cabinet Social Wellbeing Committee (SWC) to draw down the funding. Given the proposed timeframe for announcements and link to the Child and Youth Wellbeing Strategy, we will work to a timeframe that allows this paper to be considered by SWC at the same time that the draft Strategy – most likely mid-June.
34. The following is an indicative timeline for undertaking the further work outlined in this paper:
- Mid-June 2019:** Joint Ministers to seek Cabinet approval of policy and implementation decisions for the programme and drawdown of the contingency.
 - Mid-July 2019:** Identification of 'early adopter' schools, and preparation for small-scale rollout in Term 4 2019.
 - June to December 2019:** Ongoing work to identify schools for inclusion in further tranches of the rollout from Term 1 2020.
 - October 2019 (start of Term 4):** Programme implemented in small number of schools in two or three communities.
 - December 2019:** Report to Joint Ministers on the implementation and evaluation findings to date, and implications for rolling out to further tranches in 2020.