



Briefing Note: Expansion of the Free and Healthy School Lunch Programme

To:	Hon Chris Hipkins, Minister of Education		
Cc:	Rt Hon Jacinda Ardern, Prime Minister and Minister for Child Poverty Reduction Hon Tracey Martin, Minister for Children		
Date:	11 June 2020	Priority:	Low
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Messaging seen by Communications team:	N/A	Round robin:	No

Purpose of Report

The purpose of this paper is for you to:

discuss with officials the approach outlined below for the Free and Healthy School Lunch Programme, and the related risks associated with time limited funding, pace of expansion and the need to use large-scale providers.

discuss with officials the proposal to utilise primarily large-scale providers, with some small-scale providers, to deliver on the expansion of the programme.

9(2)(f)(iv)

note we have forwarded copies of this paper to the Minister for Child Poverty Reduction and Minister for Children.

Summary

- Funding was secured through COVID-19 Response and Recovery Fund, to fund lunches for an additional 190,000 students as part of the Free and Healthy School Lunch Programme. The programme expansion will begin in the Bay of Plenty/Waiariki and Hawke's Bay/Tairāwhiti in Term 4 2020, and into other regions from Term 1 2021.
- We intend to use primarily large-scale providers to implement the roll out to ensure we are able to work at the pace required for the expansion. This has a number of benefits and risks, outlined below, that we will work to mitigate.

- The funding for the prototype and expanded Free and Healthy School Lunch Programme is time limited until the end of the 2021 school year. s 9(2)(f)(iv)

Proactive release

Agree that this Briefing will **not** be proactively released at this time because it contains budget and commercially sensitive information.

Agree Disagree



Damian Edwards
Deputy Secretary
Evidence, Data and Knowledge

11/06/2020



Hon Chris Hipkins
Minister of Education

11/ 7/ 2020

Background

A prototype of the Free and Healthy School Lunch Programme began in Term 1 2020

1. Budget 2019 provided funding to prototype a Free Healthy School Lunch Programme to reach up to 21,000 students in three Education regions in New Zealand: Bay of Plenty/Waiariki, Hawke's Bay/Tairāwhiti and Otago/Southland. The funding is time limited and the programme finishes at the end of the 2021 school year. The prototype focused on Years 1-8 students but was expanded to Year 9-15 students in eligible area and composite schools and kura (SWC-19-MIN-0198, CAB-19-MIN-0651).
2. Currently the programme feeds 8,000 students in these three regions, with plans to reach just over 20,000 by the end of Term 4 2020. The original prototype is being rolled out in three tranches. Small-scale and community-based providers serve the schools and kura, fostering community ownership, partnerships and responsive approaches.

Approach to expanding the Free and Healthy School Lunch Programme

Additional funding secured through the COVID-19 Response and Recovery Fund will see a rapid expansion of the programme

3. Funding secured through the COVID-19 Response and Recovery Fund provides for an expansion of the programme to approximately 190,000 additional students, bringing the total to approximately 211,000 students. Schools and kura with students in Years 9-15 are also considered eligible for the expanded programme. Across Aotearoa, New Zealand we are aiming to deliver the programme to:

	Currently	Term 4 2020	Term 1 2021	Term 2 2021	Term 3 2021	Term 4 2021
Approximate total number of students, including from original prototype	8,000	44,000	171,000	211,000	211,000	211,00

We are beginning the expansion in the original prototype regions in Term 4 2020

4. The Free and Healthy School Lunch Programme will extend the number of students reached in Bay of Plenty/Waiariki and Hawke's Bay/Tairāwhiti in Term 4 2020. The procurement process for tranche three (Term 4) of the original school lunches programme is currently underway for these two regions. The expansion will enable us to feed a total of 44,000 students by the end of Term 4 2020.

And from Term 1 2021, will expand into all other regions across Aotearoa New Zealand

5. Initial planning and analysis to expand the programme across new regions in New Zealand has begun, this work will ramp up in Terms 3 and 4 2020. Lunches will start to be rolled out in new regions from Term 1 2021. We expect to the programme to be fully operational in all regions across the country in Term 2 2021.

Risks

This is a rapid expansion and there are a number of risks to note

Time-limited funding

6. The time-limited nature of the funding may be a disincentive for smaller-scale providers and community groups to expand their production and invest resources for a short-term commitment.
7. 9(2)(f)(iv)

Delivering the expansion at the pace required

8. The pace of expansion for the programme, particularly in 2021, is significant. There is a risk that the indicative implementation targets outlined above are not achievable given the complexity of the programme, scale of the delivery and the required pace of delivery.
9. To mitigate this risk, we are developing a detailed implementation plan and recruiting an additional 26 staff nationally. We will also retain the Ministry of Education Programme Governance Board to provide guidance on key decisions, implementation direction and risk and assurance.
10. The size and pace of the expansion may raise expectations in the community of a roll out of the programme across the country all at once. We will mitigate this risk by constant messaging on the staggered roll out approach.

The need to utilise primarily large-scale providers

11. In order to expand at the pace required, we intend to utilise primarily large scale providers that can service the majority of schools and kura in the programme nationwide. There will be a limited number of smaller-scale and community-based providers in some schools and kura where reach is a barrier for larger suppliers or schools and kura choose this option. However, utilising smaller-scale providers alone for the expansion is not feasible in the time available.
12. There are financial and implementation benefits to relying primarily on large-scale providers, including:
 - a. this will allow us to rollout the programme at the pace required;
 - b. potential economies of scale, which would lower the unit cost per lunch and allow more students to receive a lunch through the programme; and
 - c. some job creation in cities and large towns where suppliers are based.
13. There are also drawbacks to this approach, including:
 - a. the approach does not foster community involvement, and risks overriding local community initiatives already operating;
 - b. while large-scale providers would still be able to deliver to rural schools, deliveries may be two to three times a week instead of daily; and
 - c. the lunch menus are likely to be set with a limited number of options for schools and kura to choose from. Schools and kura will have less flexibility and autonomy to tailor menus to community and cultural preferences.
14. To mitigate some of the drawbacks of this approach we will work to ensure procurement tranches in the 2021 roll out strongly encourage or incentivise potential suppliers to:
 - a. create jobs in local communities;
 - b. pay employees the Living Wage; and
 - c. be as responsive as possible to the schools, kura and communities they serve.