

Joint Report: Budget 2019 initiative – free school lunches for all students in the schools with high concentrations of disadvantage

To:	Rt Hon Jacinda Ardern, Prime Minister, Minister for Child Poverty Reduction Hon Chris Hipkins, Minister of Education Hon Tracey Martin, Minister for Children, Associate Minister of Education		
Date:	18 January 2019	Priority:	Medium
Security Level:	In Confidence Budget Sensitive	Briefing Reference:	DPMC 2018/19-791 Education: METIS 1174463
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Messaging seen by Communications:	N/A	Round robin:	No

Purpose of report

This joint report updates you on the process for the Budget 2019 initiative, *Free school lunches for all students in the schools with high concentrations of disadvantage*, and provides supplementary advice on options for phasing and scaling the initiative.

Summary

1. We have lodged the template for the Budget 2019 initiative, *Free school lunches for all students in the schools with high concentrations of disadvantage*. The key objectives of the initiative would be to reduce child poverty and food insecurity, and improve educational and health outcomes, by delivering free lunches to all students in the 20 per cent of schools with the highest concentrations of disadvantage, from Term 1, 2020.
2. This initiative is costed at 9(2)(f)(iv) over four years (in total), including capital expenditure and initial expenditure to support service design. We propose establishing a tagged contingency comprising 9(2)(f)(iv) operating expenditure (four years) and 9(2)(f)(iv) capital expenditure (ten years, with 9(2)(f)(iv) falling in the first four years).
3. The initiative seeks 9(2)(f)(iv) on a non-contingent basis (from within the total cost above) to support service design through to the end of 2019 involving stakeholders and external experts in areas such as health, nutrition, food production and distribution.
4. Three strategic issues need to be managed to ensure successful implementation:
 - a. The time available for service design is tight, and there are a number of project dependencies to be managed and resolved.
 - b. Our costings are conservative and based on a “minimum viable product”, and this may implicitly limit the types of service delivery that are feasible.
 - c. As schools would be responsible for implementation of the initiative, it is important to maximise flexibility for them to make decisions about implementation while ensuring the standards expected by central government are met.

Recommended Actions

The Ministry of Education and Department of Prime Minister and Cabinet recommend you:

- a. **note** an initiative to provide free lunch to all students in schools with the highest concentrations of disadvantage has been lodged for consideration in Budget 2019

Noted

- b. **note** the initiative is currently costed at s 9(2)(f)(iv) total over four years, including operating expenditure, capital expenditure in the first four years, and expenditure to support service design

Noted

- c. **note** the initiative's current cost assumes operating expenditure of s 9(2)(f) per student per day, and that lunches would be provided in s 9(2)(f)(iv)

Noted

- d. **note** the Treasury may request options to scale or phase the initiative given its current cost estimates

Noted

- e. **note**, if the cost of the initiative is to be reduced, officials recommend implementation should be phased only rather than scaled down (option 1B), which is currently costed at s 9(2)(f)(iv) total over four years (including operating expenditure, capital expenditure in the first four years, and expenditure to support service design)

Noted

- f. **indicate** your preferred option for phasing or scaling of the initiative, including from the table below

s 9(2)(f)(iv)

Proactive Release Recommendation

- g. **agree** this joint report not be proactively released at this time because final decisions relating to Budget 2019 are still to be made.

Prime Minister Ardern

Agree / Disagree

Minister Hipkins

Agree / Disagree

Minister Martin

Agree / Disagree


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17/1/19

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Context

1. Following your direction on 12 December 2018, officials have lodged a Budget bid for the 2019 funding round seeking to provide lunches on a universal-within-school basis to those schools with the highest concentrations of disadvantage. The initiative template is included as Annex One.
2. Food insecurity is the state of being without reliable access to sufficient quantities of affordable and nutritious food. It can often be a consequence of poverty. Central government currently has a limited role in existing food security initiatives, and the initiative proposes a new programme to fill identified gaps in existing private provision.
3. We have provided advice during the development of this initiative [DPMC-2018/19-424, DPMC-2018/19-575 refer]. This advice builds on the recommendations in those reports.

Providing lunches in schools with the highest concentrations of disadvantage

4. The proposed food in schools initiative (the initiative) would establish a tagged contingency to fund provision of free lunches to all students in the twenty per cent of schools with the highest concentrations of disadvantage, as identified in the Ministry of Education's Equity Index (approximately 500 schools, 90,000 students).
5. Implementation in schools would begin from Term 1, 2020.
6. Approximately 75 per cent of target schools are primary schools. Around 50 per cent are in main urban areas (population above 30,000). Around 30 per cent are in rural areas (population below 300). More than half of students in every target school come from a disadvantaged household. Around 60 per cent of students in the target schools are Māori, and an additional 20 per cent are Pacific peoples.
7. The initiative is intended, and would be designed, to reduce material deprivation and reduce the impact of poverty on children by ensuring that those who need food the most are receiving it. It would additionally seek to:
 - a. improve nutrition and intake of quality food by children in targeted schools
 - b. minimise the risk of stigma arising from new and existing food in schools programmes
 - c. avoid displacement of existing food in schools programmes
 - d. systematically evaluate the impact of food in schools on health and learning.
8. We would undertake service design in the second half of 2019 with the school sector, other stakeholders and external experts in areas such as health, nutrition, food production and distribution. Service design would be supported by a proposed allocation of \$0.500m (separate to the tagged contingency). This allocation is not sought to fund anticipated departmental costs.

We have worked on the basis of some key assumptions

9. We have developed the initiative with the following key assumptions in mind:
 - a. lunch provided would in most cases be a cold lunch (rather than a hot lunch, sit down-style, per the Swedish model)
 - b. providing lunch would cost 9(2)(f) per student per day (comprising approximately 9(2)(f)(iv))
 - c. some schools would need support through provision of capital expenditure to provide or upgrade cold food storage facilities
 - d. provision of lunches would begin in all identified schools from Term 1, 2020.

10. It is likely strategic adjustments would be made to other food programmes, such as Fruit in Schools, to work alongside the initiative. We have assumed other food programmes would continue to operate.
11. Based on these assumptions, the initiative would cost 9(2)(f)(iv) in operating expenditure over four years, including the allocation for service design. We estimate provision and maintenance of cold food storage facilities (in schools requiring them) would cost 9(2)(f)(iv) of capital expenditure over ten years 9(2)(f)(iv) over four years).
12. The contingency would therefore total 9(2)(f)(iv). We propose you (as joint Ministers), with the Minister of Finance, have delegated authority to draw down the contingency.

There are a number of phasing and scaling options for government funding

13. The Treasury may request scaled and phased options. We have identified some options that could be combined in different ways. Selecting any would reduce the initiative's cost, as shown in table A below.
14. Identified options include:
 - a. phasing implementation, beginning with 50 per cent of targeted schools in Term 1, 2020, and growing to serve all targeted schools by Term 1, 2022
 - b. reducing the cost of lunch to \$5.00 per student per day (comprising approximately \$2.50 for food, and \$2.50 for operations)
 - c. reducing the number of schools targeted overall to either:
 - i. the ten per cent of schools with the highest concentration of disadvantage (about 250 schools, 36,000 students), or
 - ii. only primary and intermediate schools within the target set (about 400 schools, 72,000 students)
 - d. a combination of the above.
15. Implementation could be phased, for example by targeting the ten per cent of schools with the highest concentrations of disadvantage initially, or taking a regional approach. Aside from cost savings, phasing allows government to more easily address operational issues as they emerge and increases the probability that policy implementation will be successful. Phasing implementation also partially mitigates the risks raised by a time-constrained service design process. However, beginning with only a subset of target schools initially introduces equity risks which need to be carefully managed.
16. Targeting only the ten per cent of schools with the highest concentrations of disadvantage is not preferred because this would not meet identified food security needs to the same extent. In addition, delivering food in schools to the next ten per cent of schools (i.e. the 10–20 per cent band) is likely to provide operational insights that could inform implementation of similar programmes in the future.
17. It is beneficial to provide lunches in qualifying secondary schools as well as primary schools. The Chief Science Advisors indicate puberty and the transition to secondary school are important times for child development (along with ages 0–6), suggesting proper nutrition is particularly important to this group.
18. 9(2)(f)(iv)

1 This differs from the four year cost due to using different time scales when calculating capital and operating expenditure. It also excludes the 9(2)(f) services design allocation, which would be sought outside of contingency funding (for availability from 1 July 2019).

19. 9(2)(f)(iv)

9(2)(f)(iv)

Schools have a variety of options for implementation of lunch provision

20. Schools could continue or expand existing private provision, contract externally for lunch provision (for example with specialist commercial providers, marae, or local venues), or use existing facilities in schools (such as school canteens) to prepare food onsite.
21. A number of schools already provide lunches to their students, but we do not have high quality information on existing provision. It is likely some of these programmes depend on donations or sponsorship, unpaid labour, or provide highly-targeted support only which risks stigmatising recipients. New subsidies from this initiative may allow for expansion of existing lunch provision or enhance programmes' financial sustainability.
22. Other schools may have suitable facilities to prepare food on-site for students. In those cases, new subsidies may allow schools to employ additional staff to prepare lunches, or provide free food to all students.
23. However, many schools do not have existing services to leverage off, or sufficient facilities to prepare food onsite. In such cases, some form of external contracting may be the best choice. Depending on the preferred delivery model, schools might procure food services individually, or in clusters or regional groupings.
24. Officials would provide support to schools. Where appropriate, schools would be encouraged to seek and maintain partnerships with providers (including sources of sponsorship and philanthropic funding) and each other to achieve economies of scale and reduce administrative burdens on schools.

We consider there are three key strategic issues to address

The time available for service design is short

25. There are a range of matters to be managed and resolved if Government is to meet a Term 1, 2020 implementation. These include managing procurement processes and, in particular, building viable distribution networks where necessary.
26. Budget secrecy means we are unable to easily gather information from experts to inform service design at this stage. Starting service design and consultation as soon as possible will reduce timing issues.
27. While we expect to be able to meet this timeline, the time available is a strategic risk. To partially alleviate this, you may consider whether to announce the Government's intention to fund this initiative as a pre-Budget announcement in early 2019.

Costings assumptions are conservative and based on a "minimum viable product" approach of cold lunches in schools

28. Current costings include the cost of food and some operations, but do not account for any property modifications, hot food, transport, waste management, or implementation issues which may arise. It is possible the proposed funding level would limit the range of viable implementation options, and if this occurs there is a risk we would need to seek additional funding through Budget 2020.

We need to maximise flexibility for schools to make decisions about implementation while ensuring the standards expected by central government are met

29. Schools would generally have discretion to provide lunches as they see fit, including around the nutritional content of food and the types of providers they contract with.
30. However, we anticipate a potential need to set minimum standards around nutritional content of food provided through this initiative, to provide support on procurement matters, and to communicate expectations around waste management and other matters. We would also consider the extent to which regulatory support is required, for example around food hygiene and health and safety.
31. In addition, there is a degree of uncertainty about whether and how the independent review of Tomorrow's Schools will result in changes to school governance over the life of this policy. We would ensure that service design does not depend on any specific model of school system governance.

Financial implications

32. The proposed initiative has implications for Budget 2019 [paragraphs 8, 11–12 refer].

Next steps

33. We invite feedback on any of the matters raised in this joint report.
34. Cabinet committees will likely consider this initiative between February and early April as part of the Budget process, in advance of Cabinet consideration of significant Budget packages on 15 April.
35. If the initiative is funded, we will provide further advice relating to service design by June 2019, to enable further refinement by October 2019.

Annex

Annex One: Budget template: Free school lunches for all students in the schools with high concentrations of disadvantage

Budget template: Free school lunches for all students in the schools with high concentrations of disadvantage

Overview

Key Question/area	Comment/answer
Portfolio of lead Minister	Minister of Education
Portfolio(s) of other Ministers involved	Minister for Child Poverty Reduction Minister for Children
Votes impacted	Vote Education
Initiative title	Free school lunches for all students in the schools with high concentrations of disadvantage
Initiative description	This initiative will establish a contingency to enable development and implementation of free lunches to all students in the twenty per cent of schools with the highest concentrations of disadvantage, from Term 1 2020. It will be designed to reduce child poverty and food insecurity and to improve educational and health outcomes. It will build on existing food initiatives in schools to ensure that those who need food the most are receiving it.
Type of initiative	Priority aligning
Priority contributed to	Reducing child poverty and improving child wellbeing—by reducing food insecurity and material hardship at the household level, contributing to improved educational engagement and attainment, and by providing improved nutritional intake to improve health outcomes.
Does this initiative relate to a commitment in the Coalition Agreement, Confidence and Supply Agreement, or the Speech from the Throne?	No
Agency contact	Barbara Annesley, Principal Analyst, Child Poverty Unit, Department of the Prime Minister and Cabinet Jennifer Fraser, Senior Policy Manager, Investing in Educational Wellbeing, Ministry of Education
Responsible Vote Analyst	Claire Turner

Funding

9(2)(f)(iv)

1. Executive Summary

1.1 Executive Summary

Short summary of the proposed initiative and expected outcomes.

This initiative will establish a tagged contingency to enable provision of lunches to all students in the twenty per cent of state schools with the highest concentrations of disadvantage. The initiative will be developed in consultation with the school sector and health and food experts in the second half of 2019, with implementation in schools from Term 1 2020. Technical development will be supported by funds not included in the tagged contingency.

Food insecurity and hunger are manifestations of poverty, with impacts on child and youth wellbeing, health and nutrition, and educational outcomes. The initiative will be designed to reduce food insecurity and hunger by providing healthy, sustainable lunches in schools to disadvantaged children and young people. This initiative is expected to reduce child poverty, improve educational and health outcomes, and complement existing food initiatives in schools.

A universal approach within targeted schools ensures there is no stigma associated with receiving lunch, and adaptable implementation models will reflect the self-governing nature of schools and the diverse needs of local school communities.

This initiative is strongly aligned to the Government's priorities of improving child wellbeing and reducing child poverty. It will have an impact on the measures of material hardship in the Child Poverty Reduction Act (2018) through reducing food insecurity and reducing the household expenditure in low income households spent on school lunches.

A tagged contingency is being sought through Budget 2019 to enable the provision of lunches in schools from Term 1 2020. If deferred until Budget 2020, given school term dates, funding wouldn't be available until 1 July 2020 at the earliest.

2. The Investment Proposal

2.1 Description of the initiative and problem definition

What is this initiative seeking funding for?

This initiative will provide tagged contingency funding to enable the development (in the second half of 2019) and implementation (from beginning of Term One, 2020) of an approach to providing free lunches to all students in the twenty percent of state schools with the highest concentrations of disadvantage.¹ An approach targeting schools with the most disadvantaged students maximises the initiative's impact, while managing cost.

Approximately 500 state schools are in scope for the initiative. Of these, approximately:

- 50 per cent are in main urban areas (population 30,000+)
- 30 per cent are in rural areas (population <300)
- with the remainder in secondary and minor urban areas (populations 10,000-29,999 and 1,000-9,999, respectively).

75 per cent of the target schools are primary schools.

Of the students within the target schools, approximately:

- 60 per cent of students are Māori, and
- 20 per cent of students are Pacific peoples.

This school-based approach to providing lunch to all students within targeted schools ensures the programme is non-stigmatising for students. Feedback from nationwide engagement on the Child and Youth Wellbeing Strategy indicates that even when

¹ A child comes from a "disadvantaged" background if they are in the 25 per cent of households that are most materially deprived, measured against a standard basket of goods. The 20 per cent of schools "with the highest concentration of disadvantage" are those schools with the highest proportion of their students who are disadvantaged. At least one in two students are disadvantaged in every school in the target set of schools for this initiative.

	<p>available, some students do not access free lunches due to the stigma attached to needing a 'free lunch'. Officials and stakeholders will design and develop an initiative allowing for flexibility in the implementation approach, reflecting the self-governing nature of schools and the diverse needs of individual school communities.</p>
Why is it required?	<p>Food insecurity is a real issue for many New Zealand children. The 2015/16 New Zealand Health Survey found that around 19 per cent of children were living in households that were food insecure (severe or moderately).² Poverty (both inadequate income and material hardship) is the primary cause of food insecurity.</p> <p>Evidence shows that food insecurity and hunger impact negatively on a range of aspects of children's learning, health and development, and general wellbeing.</p> <p>Unlike many countries (such as the UK, United States, Sweden, Finland, Japan), New Zealand does not have a state funded school lunch programme. A number of charities, social enterprises, community organisations and individual schools in New Zealand have established lunch and breakfast programmes to address an identified need.</p> <p>This initiative fills a gap in quality school lunch provision as:</p> <ul style="list-style-type: none"> • many existing programmes receive no government support, and rely heavily on volunteers and donations in order to be sustainable—financial support will improve the sustainability of existing programmes • some programmes risk stigmatising students by only providing lunches to individuals who providers identify as in need—universal-within-school approaches reduce stigma and also reach students with unidentified needs • the quality of food provided through existing programmes varies—a more systematic approach will increase equity of outcomes and nutritional impact • the lack of oversight or systematic evaluation of the impact of many programmes—better information will allow government to make better wellbeing investment decisions in the long run.
2.2 Options analysis and fit with existing activity	
What other options were considered in addressing the problem or opportunity?	<p>Option 1: Increase the incomes of households facing food insecurity, and rely on them to use this additional money to purchase sufficient food to provide children's lunches. Welfare-related Budget 2019 proposals, if successful, will increase the incomes of some households with children. Depending on other competing household costs, it is possible that some of these households will utilise this additional income to reduce food insecurity. However, these bids do not provide additional income to non-beneficiary low-income families, nor do they directly address food insecurity amongst children and young people by providing them with healthy and nutritious food.</p> <p>The Welfare Expert Advisory (reporting back in 2019) is looking further into income adequacy and measures of hardship assistance.</p> <p>Option 2: Expand the Breakfast in Schools programme. This option is not preferred as it relies on children arriving at school prior to the start of the school day, meaning that it cannot be a fully universal programme that reaches all children in participating schools. Breakfast programmes also meet a different need and nutritional requirements from school lunches.</p> <p>We will work with existing providers to determine the future of their services – this has not yet been done owing to budget sensitivity rules. KickStart is the only existing breakfast programme that receives funding support from Government, although it is primarily funded by Fonterra and Sanitarium and relies heavily on volunteers to prepare and serve the breakfast. A two year roll-over of funding for KickStart Breakfast is the subject of a separate budget initiative.</p>

What other similar initiatives or services are currently being delivered?	<p>We expect this initiative will support and expand the coverage of existing programmes by providing a more secure funding base and enabling them to be delivered to all (rather than some) students in participating schools.</p> <p>The Government currently provides funding to Fruit in Schools, which is available to all decile 1, 2, and some decile 3 primary and intermediate schools (547 schools total, cost \$8.125m) on an opt-in basis, alongside curriculum resources about healthy eating. This programme does not provide food in the quantities required to meet food insecurity of disadvantaged children.</p> <p>The Government provides funding contributions to two other food initiatives, neither of which provide quality school lunches in sufficient quantities to meet identified needs. These are not funded past June 2019 and are the subject of Budget bids proposing a two-year funding extension.</p> <ul style="list-style-type: none"> KidsCan (\$0.350m of government funding) provides food, raincoats, shoes and hygiene products to students in participating Decile 1 to 4 schools. KidsCan lunches are not suitable as everyday lunches as they do not include any fresh food. We expect provision of a universal lunch programme in the target set will remove demand for KidsCan lunches in those schools, but the funding and support could be directed elsewhere such as disadvantaged children in less disadvantaged schools. The KickStart Breakfast programme (\$1.200m) provided by Fonterra and Sanitarium is available to any school on an opt-in basis (986 participating schools as at August 2018). Breakfast programmes meet a different need and nutritional requirements from school lunches.
	<p>s 9(2)(f)(iv)</p> <p>Sport New Zealand has submitted a 2019 Budget bid seeking to improve educational outcomes in relation to physical activity and nutrition. This will broadly contribute to poverty goals by increasing children's health.</p>
What other, non-spending arrangements in pursuit of the same objective are also in place, or have been proposed?	Nil.
Strategic alignment and Government's priorities/direction	This initiative aligns with the Government's goal to reduce child poverty and improve child wellbeing.
2.3 Outcomes	
Overall outcomes expected from this initiative	<p>Overseas food in schools programmes are designed to reduce household expenditure and hunger among participating children.</p> <p>This initiative will support child and youth wellbeing in a number of ways, including by:</p> <ul style="list-style-type: none"> reducing food insecurity among children from low-income households reducing household and child material hardship and the manifestations of, and stigma associated with poverty improving diet and nutrition, contributing to improved short and long-term health outcomes (for example reduced obesity, reduced micronutrient deficiency), and improving education outcomes (such as improved attendance, engagement, behaviour, concentration and cognitive functioning and measured educational attainment).

The initiative will be designed to ensure:

- wider psychosocial benefits for students, and support for stronger connections between schools and communities
- opportunities for students to build knowledge and skills relating to food preparation and healthy eating
- increased employment opportunities and growth for local economies, particularly in regional and rural areas.

2.4 Implementation, Monitoring and Evaluation

How will the initiative be delivered?

Contingency funding is sought to provide food in schools from Term 1 2020. This will allow service design and development in 2019 to inform the business plan to joint Ministers for draw-down approval in October 2019.³

We have identified a range of potential delivery models

Delivery of this initiative needs to be sufficiently flexible to reflect specific needs and preferences of target schools. Options include:

Option	Description	Advantage	Disadvantage
Continuing/expanding existing provision	As noted above, a number of schools already provide lunches to their students to reduce food insecurity.	Likely to be fastest to implement.	Less sustainable as reliant on unpaid labour and donations. Hard to scale well.
External contracting (market)	Contracting for school lunch catering with specialist commercial providers	Approach to liability clear and flexible.	Potential for longer supply chains, which may affect types of food served. Will need to provide profit margin, raising cost.
External contracting (community)	As market contracting, but with community providers such as marae or local venues.	Community buy-in. Low or no profit margins. Local employment opportunities.	Provision likely more varied than market approach.
Daily onsite preparation of food	Using existing facilities in schools (e.g. school canteens) to prepare food onsite.	Shortest supply chains. Less displacement of in-school sales.	Exposes schools to liability. Largest need for capital spending.

We have identified a range of service design considerations that need further work

A number of technical service design matters will need to be resolved in consultation with experts and stakeholders in the second half of 2019 to ensure the Government's approach is fit-for-purpose and adaptable. Key considerations for inclusion in the business plan include:

- Refining the delivery model: Food provided should be nutritious and fit for purpose. There are a number of possible delivery models, as discussed above. We will also consider what alternatives exist for schools unable to make their own arrangements, and the need to ensure equity in access to food provision.
- Avoiding displacing existing providers: Provision of government funding to free school lunch programmes may displace existing funding and in-kind resourcing,

3 We recommend joint Ministers be Child Poverty Reduction, Finance, Education and Children.

with particular implications for students from low-income households attending schools not covered by this initiative. Schools will be able (and encouraged) to draw on existing providers, relationships and resources from within their communities, to deliver a programme that best meets their students' needs.

- Developing the contracting approach: Contracting for food services could be done by individual, clusters or regional groups of schools, depending on the delivery model.
- Modelling partnership: Where appropriate, schools will be encouraged to seek partnerships with providers to achieve economies of scale and to reduce the administrative burden on schools. Officials will provide procurement advice as appropriate to school needs. The Government will also work with local government for relevant regulatory support.
- Whether to seek sponsorship: The Government will also consider the role of private companies and philanthropy as sources of funding and in-kind support.
- Managing interactions with other programmes: Schools are the site of other interventions, such as Social Workers in Schools and School Based Health Services; the collective impact on teaching and learning needs to be managed. This includes community programmes.
- Managing waste: Depending on the delivery model, provision of food in schools has the potential to create significant food and packaging waste which needs to be addressed and may not be able to be managed by existing facilities.
- Ensuring student uptake: Officials need to consider how to ensure a high level of uptake. Aside from maintaining food quality, we also know—for example—that schools with higher concentrations of disadvantage tend to report lower overall attendance rates, and this initiative should complement efforts to reduce this inequity.

The Ministry of Education will support school boards to implement this initiative by providing resources to schools to ensure best-practice and accountability when contracting external providers, including to meet any requirements under the Vulnerable Children Act 2014. Regulations and guidelines will be key to the success of the initiative, and will be developed in consultation with relevant stakeholders and experts.

Officials will seek input from experts in areas such as health, nutrition, food production and distribution, from school representatives, and from other key stakeholders (including students and parents) to further develop this initiative. A wider range of inputs will ensure the implementation approach are informed by evidence, expertise and user needs.

A variety of specific risks need to be managed in the service design process, including:

- legal liability and student safety in relation to food-related adverse events (including allergic reactions, food-borne illnesses). Consultation with, for example, Allergy NZ, will form part of the service design.
- commercial risk in relation to contracts that schools already have with food providers (such as tuck shops, food delivery services)
- the risk of inequities in the lunch provision by target schools, stigmatising schools receiving free school lunches, or students with allergies within those schools (arising from being given different food)
- managing Budget secrecy through the service design process
- avoiding further unnecessary administrative costs for schools or placing additional burdens on teachers.

There are key strategic risks requiring management

Many of the above considerations introduce risks that can be mitigated throughout the service design process. However, several key risks require special attention to manage.

- There is uncertainty about how the independent review of Tomorrow's Schools could affect implementation of this initiative. Our approach is based on a current assumption that schools are responsible for how they choose to implement the

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	<p>initiative. The approach will be developed with potential changes to the school system in mind.</p> <ul style="list-style-type: none"> • Our costing assumptions are conservative and based on a “minimum viable product” of cold lunches in schools. It includes the cost of food on a per student basis, based on the daily costs of the Swedish model. It does not account for property modifications (which would be significant if the Swedish model is preferred), hot food, transport, or the cost of waste management. Nor do the figures allow for significant implementation issues. There is therefore a risk that more funding will be required as a pre-commitment against Budget 2020. • The pace of service design for implementation in 2020 is a significant risk. While we will be able to meet this timeline, there are numerous risks relating to the smoothness of implementation and ensuring all key dependencies are met.
How will the implementation of the initiative be monitored?	<p>Accountability and monitoring are key aspects of service design, to support implementation of this initiative in schools.</p> <p>There will need to be clear alignment between the mechanisms used for monitoring and accountability, and the approach to implementation. These matters will be the subject of further detailed work in the second half of 2019, following the appropriation of contingency funding for provision of free school lunches in schools with high concentrations of disadvantaged students.</p> <p>We are considering a number of funding mechanisms for this initiative. For example, funding could be provided to schools as a pool of money that schools in the target set opt-in to receive, with tailored accountability rules appropriate to the provision of food. Further exploration of mechanisms and details for implementation will occur as part of service design.</p>
Describe how the initiative will be evaluated	<p>An evaluation plan will be important to understand the effects of the program, including the management and resolution of risks or potential to scale.</p> <p>A process evaluation (including take-up across and within schools, any identified implementation challenges, matters relating to the adequacy of resourcing, guidance and support provided) will test the effectiveness of the service design process and identify key learnings from implementation.</p> <p>An outcome evaluation will determine the initiative's impact on short-term education, health, social and other wellbeing measures (for example, expenditure savings for households, reduced hunger amongst participating students, school attendance, and student behaviour, as well as longer term outcomes (for example, student achievement, relevant health measures such as micro-nutrient deficiency, obesity, bone health, and dental caries). We intend to evaluate these outcomes qualitatively through the monitoring process, and quantitatively by comparing target schools' student's wellbeing within the IDI pre- and post-intervention, and across target and non-target schools. This comparison will take place at the two-year point after implementation begins. Officials will refine the evaluation process as part of service design.</p>


3. Wellbeing domains – People's experience of wellbeing over time

Domains	Impact(s) description	Who are affected?	Magnitude of impact	How big?	Realised in	Evidence base	Evidence quality
Primary: Income and consumption (positive)	<p>Reduced food insecurity for children from low income families.</p> <p>Food insecurity is about lack of secure access to sufficient, safe and nutritious food that can ensure normal growth and development, as well as an active and healthy lifestyle.</p>	<p>Children attending schools with the highest concentrations of disadvantage.</p> <p>Students from disadvantaged households are more likely to experience food insecurity, hunger or inadequate dietary intake, which can have negative impacts on children's immediate and long-term educational, health and psycho-social outcomes.</p>	<p>There is a limited number of rigorous studies from which to estimate the magnitude of the impact of this programme. Many of these studies consider the impact of school food programmes on a narrow set of outcomes. In addition, the variability in the nature of school food programmes means it is difficult to extrapolate from the findings about these programmes.</p> <p>Nevertheless, the evidence suggests immediate and discernible effects on children's short-term hunger, and reduced household expenditure (see the 'evidence base' column for further details). We expect this to have an impact on measures of material hardship, primarily through a reduction in food insecurity and household expenditure on food.</p> <p>The evaluation of the pilot of the UK Universal Infant Free Schools Meals (UIFSM) programme found that the estimated economic resource costs of the policy are smaller than the value of financial and time savings for families (by an estimated net present value of £887m, over a 10-year period). The researchers concluded that UIFSM is a potentially cost-effective educational intervention on these terms, but that this depends on seeing the impacts observed in the FSM pilots replicated, on achieving economies of scale in production, and on maintaining quality in school food provision.</p>	High for households in low income and facing material hardship	Less than five years	<p>Evidence of food insecurity amongst NZ households with children</p> <p>The 2012/13, 2014/15 and 2015/16 New Zealand Health Survey included a child food security questionnaire of eight items, enabling monitoring of moderate and more severe food insecurity. The 2015/16 survey showed that:</p> <ul style="list-style-type: none"> 22% of children live in households that report that 'food runs out in our household due to lack of money often or sometimes'. 11% of children (around 100,000) live in households that report they 'often or sometimes made use of special food grants or food banks when [they] don't have enough money for food'. For children in households in the most deprived quintile of neighbourhoods (using NZDep 2013 rankings), 41% of parents reported food running out often or sometimes in 2015/16, 6 times the rate for those in the least deprived quintile, after adjusting for the child's age, sex and ethnicity. <p>MSD figures show that 88,000 beneficiary families with children received Special Needs Grants (SNGs) for food in the year 2018 (June). While there has not been a large recent increase in the number of families receiving food SNGs, the number of grants per family has increased. It's unclear whether this is driven by rising need or an easier application process (e.g. some can do this online or by phone now) or both. Additionally, the Salvation Army (Johnson, 2108) and the Auckland City Mission (Hutt, 2018) report increased numbers of families obtaining charitable food parcels.</p> <p>NZ research suggests food insecurity is associated with a wide range of indicators of poor health and wellbeing for adolescents (even when controlling for area level deprivation and demographic characteristics). These include obesity, poorer mental health, more unjustified school absences. International research suggests food insecurity is associated with less healthy eating, poorer mental health and worse education outcomes. Poor nutrition and family stress are likely to contribute to these poorer outcomes.</p> <p>Evidence on impact of school food programmes on hunger and household expenditure</p> <ul style="list-style-type: none"> In the evaluation of the UK's Universal Infant Free Schools Meals (UIFSM) programme (in place since 2014) parents cite significant financial benefits as a result of UIFSM and have appreciated the time that has been saved from not having to make packed lunches. Median reported weekly time saving was 50 minutes and median weekly savings were £10 per week. Free school breakfast programmes had positive effect on children's short-term hunger ratings. (Mhurchu, et al, 2012) Evidence shows New Zealand school breakfast programmes reduce student hunger. A 2012 pilot by Institute of Fiscal Studies in the UK found that in education authority areas where all primary children were offered free school lunches found that it resulted in savings of about £11.50 per week for a family with one child - about a sixth of the £70 that similar families spend on food each week. (Dearden and Farquharson, 2017). Using data from four longitudinal panel surveys, Huang, Jin and Ellen Barnidge (2016) found that participation in the US National School Lunch Programme (NSLP) is associated with a reduction of food insufficiency risk by nearly 14%, and plays a significant role to protect low-income children and their families from food insufficiency. 	High
Primary: Knowledge and Skills	Improved attendance, behaviour, attention, and cognitive functioning, leading to improved educational achievement	All students in schools with the highest concentrations of disadvantaged students, but particularly those who are facing food insecurity in their home environment.	<p>Two international studies find significant additional academic progress as a result of school food programmes, with stronger effects for students from low socio-economic backgrounds (see evidence base column).</p> <p>The recent evaluation of the New Zealand Fruit in Schools programme found a positive relationship with engagement in school.</p>	Moderate to High, depending on programme design (e.g. food quality, take-up)	<5 years	<p>Hunger in the classroom is linked to lower attainment, and poor student behaviour.</p> <ul style="list-style-type: none"> Studies, ranging from methodologically weak to RCTs, have found providing nutritious food to children has some positive effects on attendance, concentration, memory, mood, test scores, and mental wellbeing (OCC, 2013). Sensitivity analyses conducted with children who attended the programme more frequently (at least 50% of the time it was available) demonstrated a significant effect of the breakfast programme on school attendance among this subgroup. (Mhurchu, et al, 2012). A 2012 pilot by Institute of Fiscal Studies in the UK found that in education authority areas where all primary children were offered free school lunches, Year six students made around 2 months additional progress over a 2 year period, compared to students in other areas without universal free school lunches. Anderson et al (2017) found that students at schools that contract with a healthy school lunch vendor score higher on state achievement tests, with larger test score increases for students who are eligible for reduced price or free school lunches. An evaluation of the government funded Magic Breakfast initiative in the UK found that children in breakfast club schools had better educational outcomes (around two months' progress over the control group) and better behaviour (Education Endowment Foundation, 2016). 58% of Principals of schools receiving Fruit in Schools said that students were more engaged at school and they believed that concentration and academic outcomes would suffer if the programme were to be stopped (Watts 2018). 	

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Primary: Health	Improved health outcomes as a result of better dietary and nutritional intake.	All students in schools with the highest concentrations of disadvantaged students, but particularly those who are facing food insecurity in their home environment.	<p>Most studies find no, low or modest health benefits for children and young people who participate in school food programmes. These mixed are attributable to a range of factors but particularly quality of food provided, the frequency with which students consume the meals, and the difficulty of attributing causality between the food provided and consumed, and the outcomes measures.</p> <p>There is, however, robust evidence regarding the role and value of nutritionally balanced and healthy school lunches for children's overall health, and the contribution that free school meals can make to students nutritional and energy intake.</p> <p>No cost benefit analyses were identified in this area.</p> <p>The recent evaluation of the New Zealand Fruit in Schools programme found a positive relationship with health outcomes.</p>	Low to modest	Timeframe for realising benefits depends on health outcomes being measured.	<p>Evidence of need</p> <ul style="list-style-type: none">• The number of children hospitalized with malnutrition in NZ is low (~100/year in 2014-16), however many children admitted to hospital have a micronutrient deficiency (Johnston, 2017). Of particular concern in New Zealand children is the low intake of iron, calcium and vitamin D.• New Zealand research with adolescents and adults experiencing food poverty has found associations with multiple chronic health conditions, poor self-rated physical and mental health (Carter K et al, 2011). However, research in the USA suggests that children may be protected from poor nutrition when their family experiences food insecurity due to parents giving their food to children (Bhattacharya et al 2004). <p>Evidence of the impact of school food programmes on health outcomes</p> <ul style="list-style-type: none">• An evaluation of NZ's KickStart breakfast found that students attending the programme had reduced (by roughly one-sixth) hospital outpatient visits for dental surgery, although causal impact could not be proven (MSD and OT, 2018).• Results of studies of the United States National School Lunch Programme (NSLP) have tended to be inconclusive regarding the effectiveness of the programme in improving health outcomes (particularly reducing obesity). For example, Campbell et al (2011) found that children attending schools not participating in the NSLP have dietary outcomes that are not significantly different from those that do participate in the programme.• Weber Karen, and Tzu-An Chen Cullen (2017) found that almost one-half (47%) of a day's energy intake was provided by the meals provided through the United States free school breakfast and lunch programmes. For the major food groups, the contribution of school meals ranged from between 40.6% for vegetables to 77.1% for milk. Overall, the research found that these two free meals make an important contribution to low-income children's daily dietary intake.• Principals of schools receiving Fruit in Schools reported fewer cases of school sores and skin infections (30%) and improved dental health (28%).
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3.1 Wellbeing capitals – Sustainability for future wellbeing

 Capitals	Describe the impact and its magnitude	Realised in <5/ 5–10/ 10+ years
Financial/Physical	Decrease. Cost to the Crown of funding the initiative. Increase. Positive benefits for the financial capital available to families to meet basic needs, by reducing expenditure on school lunches.	<5 years.
Human	Increase. By reducing hunger and improving dietary quality and intake, school food programmes can help support cognitive and behavioural improvements that lead to increased educational attainment and skill acquisition. These benefits can be realised in the short-term, while also having longer-term impacts.	<5 or 5–10 years. Depending on outcomes measured.
Natural	Maintain/decrease. Potential implications for natural capital (such as minimising the environmental impact of food and packaging waste) will be considered as the details of the approach are developed.	N/A.
Social	Increase. Depending on their detailed design, school food programmes have the potential to build social capital, both within schools, and between schools and their wider communities. Reductions in material hardship will also lead to improved social outcomes for affected students at an individual level.	<5 years.

3.2 Risk and resilience narrative

Does the initiative respond to or build resilience?

This initiative contributes to an education system that supports the needs of the most disadvantaged students, and seeks to achieve equity in learning opportunities and outcomes.

Reducing child poverty and increasing child wellbeing among the most disadvantaged students will have long-term impacts associated with reducing stigma, reducing hunger, and supporting better educational attendance and outcomes.

4. Costing understanding and options

9(2)(f)(iv)



4 9(2)(f)(iv)



9(2)(f)(iv)



5. Collaboration

5.1 Collaboration and evidence	
What type of cross-agency/cross-portfolio initiative is this?	This is a cross-agency initiative, developed by the Child Poverty Unit in the Department of the Prime Minister and Cabinet and the Ministry of Education.
Agencies and Ministers that have been engaged in initiative development	<p>In addition, the following agencies have been involved in development of this initiative:</p> <ul style="list-style-type: none"> • The Child Wellbeing Unit, the Department of the Prime Minister and Cabinet • The Ministry of Health • The Ministry of Social Development. <p>The following Ministers have been consulted or engaged in the development of this initiative (for example received briefings, or had briefings referred to them for their information):</p> <ul style="list-style-type: none"> • Minister for Child Poverty Reduction • Minister of Finance • Minister of Education • Minister for Children • Minister of Health • Minister of Social Development • Associate Minister of Education and Health
Impact of cross-agency collaboration	<p>As a result of collaboration, officials have more comprehensive understanding of the current government funding arrangements for food in school (sitting across the Ministries of Health and Social Development) and related policies and programmes (for example, food education, gardening and health promotion programmes that support healthy eating environments in education settings).</p> <p>This collaboration has also ensured a sound understanding of wider policy and operating context for this initiative, and the implications this has for the objectives, parameters and programme design.</p> <p>It has also highlighted the critical importance of involving external expertise and stakeholder perspectives in the detailed development of the approach, once the tagged contingency has been secured in Budget 2019.</p>
Risks and challenges	None identified arise from collaboration.

Appendix A: References and supporting information

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Appendix B: Intervention logic

