



Cabinet

Minute of Decision

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Care in the Community: Welfare Response to Omicron

Portfolio **Social Development and Employment**

On 21 February 2022, following reference from the Cabinet Social Wellbeing Committee (SWC), Cabinet:

Aligning the Care in the Community welfare approach with the Omicron strategy

- 1 **noted** that on 22 November 2021, Cabinet approved an integrated package of welfare and community supports to support COVID-19 positive households, and others who are directed to self-isolate [CAB-21-MIN-0493];

- 2 **noted** that on 14 February 2022, Cabinet:
 - 2.1 agreed to draw down the \$52.0 million in tagged operating contingency;
 - 2.2 agreed to allocate \$31.5 million for an additional 197 Community Connectors;
 - 2.3 invited the Minister for Social Development and Employment to submit an updated paper to SWC;
 - 2.4 authorised SWC to have Power to Act at its meeting on 16 February 2022 to make decisions on the submission;

[CAB-22-MIN-0028]

- 3 **agreed** to continue to fund demand-driven Care in the Community welfare support focused on people who are directed by government to self-isolate and need welfare support, including two groups:
 - 3.1 people who are COVID-19 positive and their households;
 - 3.2 other people who are required by government to self-isolate;

- 4 **noted** that the group identified at paragraph 3.2 will include travellers who arrive in New Zealand and are directed to self-isolate;

- 5 **noted** that the exit strategy for welfare support to people directed to self-isolate is also determined by COVID-19 Protection Framework strategies and any consequential changes to requirements to self-isolate;

- 6 **noted** that with the shift into phase 2 of the COVID-19 Protection Framework, as well as continued uncertainty about expected cases, there is an urgent need for funding to support the community sector to be ready for increased demand;
- 7 **agreed** that people who are not directed to self-isolate under legislation do not meet the criteria for Care in Community welfare support;
- 8 **noted** that all New Zealanders, citizens and permanent residents can also access welfare support through Ministry of Social Development business-as-usual services, other government agency funded services, iwi/Māori, and community networks;
- 9 **noted** that as case numbers increase, testing reduces, and the Ministry of Health rely on a self-service model of Care in the Community, we anticipate more people to go directly to the Ministry of Social Development, community partners, and providers for welfare support while in self-isolation;
- 10 **noted** that regardless of the pathway into the Care in Community welfare approach, a welfare assessment will be carried out to understand needs;

Workforce capacity

- 11 **noted** that the Ministry of Social Development has developed a workforce strategy which covers both agency workforce, and community workforce to help ensure there is sufficient capacity to support the welfare response;

Financial implications

- 12 **noted** that using scenarios for phase 2 (up to 5,000 cases/day) under Omicron could see the overall cost to increase from \$350.5 million to \$407.9 million until June 2023 and under phase 3 (up to 17,500 cases/day) by a further \$299.8 million to a total of \$707.7 million until June 2023;
- 13 **noted** that, following the move to phase 2 on 16 February 2022, additional funding of \$172.3 million to June 2023 is needed to sufficiently scale the whole of system welfare approach, including:
- 13.1 \$26.9 million – discretionary funding for Community Connectors to meet essential wellbeing needs;
 - 13.2 \$86.3 million – food funding to foodbanks and other food organisations;
 - 13.3 \$1.0 million – evaluation of the effectiveness of the welfare response;
 - 13.4 \$58.1 million – contingency;
- 14 **agreed** to provide funding for phase 2 of the Care in the Community welfare system approach as noted in paragraphs 13.1 – 13.3 above;

15 **approved** the following changes to appropriations to give effect to the policy decision in paragraph 14 above, with a corresponding impact on the operating balance and net core Crown debt:

Vote Social Development Minister for Social Development and Employment	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Departmental Output Expense:					
Data, Analytics and Evidence Services (funded by revenue Crown)	-	1.000	-	-	-
Multi-category Expenses and Capital Expenditure					
Community Support Services MCA					
Non-Departmental Output Expense:					
Community Support and Advice	22.700	4.200	-	-	-
Non-Departmental Other Expense:					
Community Response to Adverse or Emergency Events	77.500	8.800	-	-	-
Total Operating	100.200	14.000	-	-	-

16 **agreed** that the changes to appropriations for 2021/22 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;

17 **agreed** that the expenses incurred above be charged against the COVID-19 Response and Recovery Fund (CRRF) established as part of Budget 2020;

18 **agreed** that the \$58.1 million referred to in paragraph 13.4 be held in a new tagged contingency, referred to in paragraph 19;

19 **agreed** to establish a tagged operating contingency of up to the amounts as follows in Vote Social Development, to provide for additional supports for a Care in Community Omicron welfare response:

	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears
Additional supports for a Care in Community Omicron welfare response – Tagged Operating Contingency	35.000	23.100	-	-	-

20 **authorised** the Minister of Finance and the Minister for Social Development and Employment to jointly draw down the tagged operating contingency funding in paragraph 20 above, **subject to** a report to those Ministers outlining:

- 20.1 any updates to the underpinning costing model and assumptions in response to Health setting changes;
 - 20.2 any updates to previous, current, and anticipated demand for the Care in the Community welfare response as a result of the COVID-19 Omicron outbreak;
 - 20.3 how funding already received has been committed and spent to support those self-isolating, thereby demonstrating any need for additional funding;
- 21 **invited** the Minister for Social Development and Employment to report back to Cabinet on whether additional funding is required, should case numbers exceed 5,000 cases/day for a prolonged period or that the Omicron response shifts to phase 3;

Monitoring and Reporting

- 22 **noted** that the Ministry of Social Development have begun regularly reporting on the level and type of demand for welfare support, and additional data will be added where possible;
- 23 **noted** that the reporting referred to in paragraph 22 remains subject to several limitations, including the coverage of demographic information and limited reporting on support from community-based providers, and the ability to reconcile if needs have been fully met.

Michael Webster
Secretary of the Cabinet

Secretary's Note: This minute replaces SWC-22-MIN-0014. Cabinet agreed to establish a tagged operating contingency of \$58.1 million and authorised its drawdown subject to the conditions in paragraph 20.