

**Cabinet Member for Community Wellbeing & Deputy Leader**

**Ref No: ES08  
(16/17)**

**Primary Free School Meals (FSM) and Universal Infant Free School Meals (UIFSM) Procurement**

**Key Decision:  
Yes**

**October 2016**

**Part I**

**Report by Executive Director Residents Services**

**Electoral  
Divisions: N/A**

### **Executive Summary**

The Easy Lunch Company school meal contracts (7 in total) for Free School Meals (FSM) and Universal Infant Free School Meals (UIFSM) come to an end on 31 July 2017. The contracts are at the end of their permissible contract periods and the Council is legally required to provide access to a FSM and UIFSM service for all maintained schools. The contract covers 7 Primary phase schools, in the Horsham area.

The combined contracts are currently valued at approximately £554,000 per annum.

The project planning for the letting of the catering contract is underway and project governance arrangements are in place. Participating schools are being consulted regarding their participation in the procurement process and will be fully involved with the process.

The procurement process needs to commence in November 2016 to ensure that catering arrangements are in place by the start of the new school year in September 2017. This will allow a sufficient period to carry out market and school consultations, run the procurement process and award the contract, followed by adequate time for the appointed contractor to mobilise the service in good time. The key procurement milestones that have been shared with schools are set out in appendix 1.

### **Recommendation:**

The Cabinet Member for Education and Skills is recommended to approve:

- (1) The commencement of a procurement process for the provision of Free School Meals and Universal Infant Free School Meals to award a contract for an initial 4 year period with the option to extend for a further 5 years.
- (2) To delegate authority to the Executive Director of Economy, Environment and Infrastructure to let the contract, and to extend if appropriate, in accordance with Standing Orders on Procurement and Contracts, and subject to this being affordable within the limits of the planned budgets.

## 1. **Background**

- 1.1 The current contract arrangements cover the statutory FSM and UIFSM services as well as providing a paid meal service. School governing bodies are responsible for ensuring that the necessary arrangements are in place to deliver FSM and UIFSM and the role of the Council is to provide an optional arrangement that schools can use to meet this need.
- 1.2 The Easy Lunch contracts come to an end on 31 July 2017. The service is a delivered in hot meals service, as the schools using these contracts do not have kitchen facilities.
- 1.3 The current service provided by Easy Lunch comprises a delivered in complete hot meal service, requiring no cooking, or washing up, at the school site. Each school day meals are delivered and served from tables that are erected around lunchtime by the school staff, meals are then served by the school staff. Dirty crockery is collected by Easy Lunch and taken back to their production kitchen facility for washing up. Waste emanating from the lunch service is also removed from the school site and disposed of by Easy Lunch.
- 1.4 Procurement regulations do not allow for the Easy Lunch contracts to be extended further than the current extension period, and must therefore be retendered.

## 2. **Proposals**

- 2.1 Contractors will continue to be required to provide packed meals for school trips and for contingency purposes; however packed meals will not be a permissible option for UIFSM or FSM.
- 2.2 Contractors will continue to be required to provide a paid meal service for those parents who wish to purchase school meals in Key Stage 2 (years 3-6).
- 2.3 The anticipated procurement milestones, attached at appendix 1, which are taken from the more detailed procurement timetable, set out key actions and dates to ensure that the new catering contract arrangements are in place by 31 July 2017.
- 2.4 Following initial consultation with participating schools, consideration is being given to the following proposals:
  - The catering contractor's infrastructure arrangements are kept as local as possible to support local sourcing of goods, local employment, menu flexibility, supported employment, apprenticeships and in order to reduce carbon miles.
  - Schools would like their school meals to be made freshly as closely to their schools as is possible. Regenerated meals would not be in parallel to the schools requirements.

- Schools will employ all serving staff, these staff will be trained by the Contractor in specific food service requirements, including Food Safety and company service standards.

2.5 Following consultation with the schools, it has been agreed that the procurement is undertaken by creating one contract lot, rather than 7 individual contracts. This approach will allow for smaller local contractors to be able to bid for the contract, whilst maintaining the potential to maximise on economy of scale, and make the contract attractive to contractors. The approach also allows for caterers specialising in delivered in hot school meals to bid for these schools and ensure we gain the required outcomes for this complex type of catering service.

2.6 The participating schools are; St. Marys CoE, Horsham; Castlewood Primary School, Horsham; Shelley Primary School, Horsham; Ashurst CoE Primary School, Steyning; Slinfold CoE Primary School, Horsham; Shipley CoE Primary School, Horsham; and Trafalgar Community Infant School, Horsham.

### 3. **Alternative Options Considered**

3.1 The current contract arrangements cannot be extended and the Council has no option other than to undertake a procurement process as FSM and UIFSM provision are a statutory legal requirement. This has been confirmed by both the Council's legal services and procurement services teams.

### 4. **Consultation**

4.1 The proposed procurement arrangements have been consulted upon with the following groups:

4.2 **Internal** – Officers in procurement, County Catering Service, legal services, commercial finance, the learning service, Executive Director of Economy, Environment and Infrastructure.

4.3 **External** - The Council undertook a market consultation in February 2015 to inform a previous school meals procurement process. In response to adverts placed in catering publications, five companies completed a questionnaire and participated in meetings with the Council to inform the future catering provision. These consultations have been referred to again, to inform this procurement, as they are still relevant to the current procurement.

4.4 **Schools** – Participating schools have been met with on several occasions in order for their views to be taken on board and worked in to the contract specification, aims and objectives. These meetings involving Head Teachers and Business Managers took place in September and October 2016 to identify the changes that they would like to make to the current arrangements and to advice on the most effective ways for schools to engage with the procurement process. An understanding of activities to be carried out by the Council, and school involvement in the process were discussed and agreed.

4.5 **Public** – The Council is proposing to work with schools and the appointed catering contractor to market the new service to parents. This could include changes to the ordering arrangements and menu setting. Consideration is being given to parent involvement in meal tasting sessions that will form part of the bidders' evaluation process. Children and schools staff will be involved with the meal tasting sessions.

## 5. **Resource Implications and Value for Money**

5.1 Funding for the service is met from the Dedicated Schools Grant (DSG) for FSM and Department for Education (DFE) grant funding for UIFSM. The combined FSM and UIFSM service for these 7 schools currently values at approximately £540,000 per annum.

5.2 The participating schools and the aggregated contract value per school for the initial 4 year contract term is;

St. Marys CoE, Horsham £378,534;  
Castlewood Primary School, Horsham £355,212;  
Shelley Primary School, Horsham £498,732;  
Ashurst CoE Primary School, Steyning £125,580;  
Slinfold CoE Primary School, Horsham £243,984;  
Shipleigh CoE Primary School, Horsham £130,961;  
Trafalgar Community Infant School, Horsham £484,380.

5.3 This gives an estimated contract value of £2.3million for the initial 4 year period, with a total contract value of £4.99 million if the contract is extended to the maximum of 9 years.

## 6. **Risk Management Implications**

6.1 The UIFSM grant funding provided for infant classes (year reception – year 2) pupils was initially for a two year period up to 1 September 2016. Post this date the Government have continued with UIFSM funding indefinitely and the service has been set in law. The Children and Families Act 2014 places a legal duty on all state-funded schools in England, including academies and free schools, to offer a free school lunch to all pupils in reception, year 1 and year 2 from September 2014.

6.2 The Government may, in accordance with its own Schools' Food Plan, commissioned and published during the coalition Government, not only continue with UIFSM funding but extend the free school meal provision to primary phase pupils (year 3 to year 6). This could increase meal volumes significantly. The stated Schools' Food Plan enjoys cross party support.

6.3 To ensure that the Council is able to predict future costs bidders will be asked, at the outset, to indicate the price that would apply should the UIFSM service cease, and also the price that would apply should the service be extended to cover the whole of the primary phase.

- 6.4 In order to maximise the potential for capital investment into the service by the contractor, maintain an affordable meal price, and align this contract to other school meals contracts, the contract period will be for an initial four year period with the option to extend for up to a further five years, subject to the necessary approvals.
- 6.5 Both FSM and UIFSM meal requirements are ordered by schools directly with the contractor. The contractor is paid by the schools on the number of meals ordered. The Council receives the UIFSM funding based on take up averaged across two school census days in October and January when schools are requested by the Government to record the number of eligible pupils taking a meal on those two days. The funding is allocated on a £2.30 per pupil basis which is multiplied by the number of school days per academic year (190) to provide the UIFSM budget for each school.
- 6.6 Schools must order accurately the required meal numbers. These measures require schools to communicate directly with the contractor in order to evaluate wastage sheets and historical take up data to inform weekly orders. Schools are required to send the meals order containing the requested meal numbers directly to the contractor on a weekly basis. If accuracy in meal ordering is not maintained, this could create financial risk to school budgets, which will impact on the Council.
- 6.7 In order to manage the risk funding for UIFSM will continue to be provided to schools on the basis of the census numbers. FSM funding is delegated to schools through the funding formula. Schools will continue to be invoiced directly by the contractor for both FSM and UIFSM.

## 7. **Impact of the proposal**

- 7.1 The proposed procurement allows the Council to meet its statutory duty to provide to schools a free school meal arrangement. The proposals could support the Council's priorities relating to giving children the best start in life, apprenticeships, creating employment, supporting local business and carbon reduction.
- 7.2 An Equality Impact Report has been undertaken and is attached at appendix 2.
- 7.3 **Crime and Disorder Act Implications** – No implications.
- 7.4 **Human Rights** – No implications.

**Sean Ruth**  
Executive Director -  
Residents' Services

**Nick Smales**  
Director - Economy, Planning  
and Place

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Appendix 1 Procurement timelines  
Appendix 2 Equality Impact Report

**Background Papers**

None

**Primary School Meals Contract  
Procurement Timetable**

<b>Event</b>	<b>Details</b>	<b>Date</b>
School and project group meeting	Face to face (group)	22nd September 2016
Cabinet Member decision	Submit for decision	October 2016
Schools to confirm involvement in the contract		September 2016
Issue Press Adverts, OJEU Notice and ITT documents published	WSCC website Publish on e-Sourcing portal	30 <sup>th</sup> November 2016
Return of tenders	Bids submitted	12 <sup>th</sup> January 2017
Tender evaluation period, including competitive food tasting with schools		13 <sup>th</sup> January – 6 <sup>th</sup> February 2017
Contract award approved	Received from Executive Director	February 2017
Bidders informed of decision		February 2017
Contract signature process between WSCC/Provider		February/March 2017
Mobilisation period		1 <sup>st</sup> March- 31st July 2017
Contract start		1st August 2017

## Equality Impact Report

<b>Title of proposal</b>	Primary Phase Catering Procurement	
<b>Date of implementation</b>	1 August 2017	
<b>EIR completed by:</b>	<b>Name:</b>	John Figgins
	<b>Tel:</b>	0330 222 22814
1. Decide whether this report is needed and, if so, describe how you have assessed the impact of the proposal.		
<p>The current contract arrangements for these seven primary phase schools end on the 31 July 2017. The contracts cannot be legally extended and the Council is required to retender the service. A Cabinet Member decision is required during October 2016 to commence the procurement process. The Council has a statutory duty to provide arrangements for the provision of a free school meal (FSM) and Universal Infant Free School Meal (UIFSM) service. The current service is also required to consider the special dietary needs for pupils with regard to:</p> <ul style="list-style-type: none"> <li>• Religious beliefs</li> <li>• Food allergies</li> <li>• Medically prescribed special diets</li> <li>• Vegetarianism and veganism</li> </ul> <p>The new contract arrangements will continue to support the special dietary needs for pupils and look to develop the service during the contract period.</p>		
2. Describe any negative impact for customers or residents.		
<p>The introduction of the UIFSM service has led to some parents that are currently entitled to free school meals (FSM) to stop registering. This has impacted on the amount of funding that schools receive via the Pupil Premium and reduced funding for eligible pupils to support their learning and help towards the cost of school trips, buying educational equipment and purchasing school uniforms. The Council will continue to urge schools to promote continued FSM registration to eligible parents.</p>		
3. Describe any positive effects which may offset any negative impact.		
<p>Primary phase schools in West Sussex enjoy hot, nutritious school meals. The meal provides at least two of the suggested five a day portions of fruit and vegetables and meets the Government's school food standards. There is a growing body of evidence to suggest that a nutritious and healthy diet boosts children's performance at school. Children sitting down with their friends to enjoy a hot meal also supports the development of interpersonal skills.</p> <p>The new contract will also require the provider to deliver a paid meal service to Junior aged pupils. This will be a benefit to parents and carers with children who are in this age range.</p> <p>The new arrangements will look to continue to develop the above service and will meet the latest Government requirements for food standards and subsequent amendments.</p>		
4. Describe whether and how the proposal helps to eliminate discrimination, harassment and victimisation.		



The continued delivery of the FSM and UIFSM service under the new contract arrangements support the removal of the perceived stigma around the uptake of free school meals that prevent some parents in receipt of benefits from registering.
5. Describe whether and how the proposal helps to advance equality of opportunity between people who share a protected characteristic and those who do not.
N/A
6. Describe whether and how the proposal helps to foster good relations between persons who share a protected characteristic and those who do not.
N/A
7. What changes were made to the proposal as a result? If none, explain why.
None. The new service will continue to deliver a FSM and UIFSM service that is available to all children within the specified age range and children who require specialist diets will be covered by the new contract arrangements.
8. Explain how the impact will be monitored to make sure it continues to meet The equality duty owed to customers and says who will be responsible for this.
Catering arrangements for special diets along with FSM and UIFSM service provision are monitored in accordance with the contractual arrangements.

**To be signed by an Executive Director or Director to confirm that they have read and approved the content.**

Name	Nick Smales	Date	17.10.16
Your position	Director - Economy, Planning and Place		