## Provision of school meals for primary and day special schools

<table>
<thead>
<tr>
<th><strong>Cabinet Date</strong></th>
<th>12 December 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education and skills</strong></td>
<td>Cllr Jackie Hall</td>
</tr>
<tr>
<td><strong>Key Decision</strong></td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Background Documents</strong></td>
<td>School Meals County Contract Consultation Report 2012</td>
</tr>
<tr>
<td><strong>Location/Contact for inspection of Background Documents</strong></td>
<td>Stephen Hetenyi 01452 425355 <a href="mailto:stephen.hetenyi@gloucestershire.gov.uk">stephen.hetenyi@gloucestershire.gov.uk</a></td>
</tr>
<tr>
<td><strong>Main Consultees</strong></td>
<td>School Pupils Parents Schools Catering Professionals GCC Commissioning Board Lead Members</td>
</tr>
<tr>
<td><strong>Planned Dates</strong></td>
<td>Cabinet Decision – December 2012 School sign up - March 2013 Advertise Tender - May 2013 Award Contract - January 2014 Contract starts - April 2014</td>
</tr>
<tr>
<td><strong>Divisional Councillor</strong></td>
<td>All</td>
</tr>
<tr>
<td><strong>Officer</strong></td>
<td>Kirsty Pritchard Outcome Manager, Vulnerable Children <a href="mailto:kirsty.pritchard@gloucestershire.gov.uk">kirsty.pritchard@gloucestershire.gov.uk</a></td>
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### Purpose of Report
To seek Cabinet approval for the conduct of a compliant competitive tender process for the award of a 7 year contract (an initial term of 5 years with an option to extend for a further 2 years) for the future provision of school meals in primary and day special schools within Gloucestershire with an estimated value of £21m over 5 years rising to £30m over 7 years.

### Recommendations
- That the Cabinet authorises the Commissioning Director: Children & Families to:
  1. conduct a competitive tender process for the award of a seven year contract (for an initial term of 5 years with the option to extend for a further 2 years) for the future provision of school meals in primary and day special schools within Gloucestershire with an estimated value of
| Reasons for recommendations | £21m over 5 years rising to £30m over 7 years.  
2. upon conclusion of the competitive tender process to enter into a contract with the preferred provider who is evaluated as offering the Council best value for money for delivery of the services. In the event that the preferred provider for the contract is either unable or unwilling to enter into that contract with the Council then authority is given to enter into such contract with the next willing highest placed suitably qualified provider. |
|-----------------------------|---------------------------------------------------------------------------------------------------------------|
| Resource Implications       | A county contract is likely to deliver health and social benefits for pupils and offer better value for money for schools and parents. 
A good meals service is likely to lead to higher registration of entitlement to free school meals, increasing income to schools from the Pupil Premium. 
The existing contract is a successful one and there is a strong likelihood of good quality tenders being received.  
The total value of the 5 year school meal contract (based on providing approximately 10,000 meals per day in 180 schools) is estimated as being in the region of £21 million rising to a value of £30 million if the contract were to be extended to a 7 year term. Funding for this school meals service is currently met from a paid service to parents and a free school meal service funded through the Dedicated Schools Grant delegated to schools. 
The full cost of the contract is borne by schools. The council’s costs in managing the contract are recovered through the price charged to schools for free meals. A monitoring service is currently offered to schools which carries a small redundancy liability (under £100,000) for the council. 
The service is provided through a mixed economy of school kitchens, host school kitchens and a delivery service to satellite school sites. The kitchens and large equipment belong to the schools. As part of the traded service buy back into this county contract schools without a kitchen contribute towards the maintenance of the host kitchens. 
Catering staff are currently employed by Edwards and Ward will be subject to TUPE transfer if a new contactor were awarded the contract. |
1 Background

The council has arranged and managed a contract to deliver school meals to over 160 schools since April 2009.

Under the government’s school funding reforms, from April 2013 all school will have full financial responsibility for school meals; no funding may be retained at local authority level. At the same time local authorities assume responsibility under the Health and Social Care Act 2011 to champion health.

2 Current Contract

2.1 The Gloucestershire Primary and Special School Meals contract provides over 10,000 meals per day in 180 schools. The current contract was let in April 2009 following a consultation to develop a new service that provided either hot meals cooked on site or hot delivered meals and met the Government’s food and nutrient-based standards. The other key features are:

- food is locally sourced
- an online payment system for parents
- incentives for schools to drive up school meal uptake

2.2 The winning contractor, Edwards and Ward, has developed a successful service, increasing meal uptake from 8,000 to over 10,000 meals per day. They have achieved the ‘Gold Food for Life Award’ and increased the number of schools in the contract from 158 to 180 (a 14% increase). Children report improvements in the taste, look and amount of food since the beginning of the contract (Online Pupil Survey 2006-2012).

2.3 The benefits of a countywide contract have been:

- a free school meals service is available for all schools that participate
- an increase in the number of pupils registering for free school meals thereby increasing Pupil Premium funding available for schools
- improved public health outcomes and reduced inequalities in health
- economies of scale enabling a viable service for smaller schools
- the development of a specialist nutritional analysis function
- legal and health and safety requirements are met and monitored
- a delivered service for schools without kitchen facilities.

2.4 The current contract includes a subsidy on paid meals originally funded by government grant. It is assumed this would not be a feature of a new contract unless consultation with schools reveals a willingness to fund it themselves.

3 Why provide school meals

3.1 Everyone needs a healthy diet, but for children it is especially important. Eating
healthily improves the short-term health of children, allows them to grow and develop properly, and helps to avoid chronic disease later in life. Research has shown that a school meals can also help improve children’s concentration, achievement and behaviour.

3.2 Health and nutrition are an important part of the curriculum. There is increasing recognition of the importance of healthy eating to public health and children must be educated so they can make informed healthy eating choices now and in the future. It is important that the lessons of the classroom and the meals provided in school do not carry contradictory messages.

3.3 Meals are socially important and food is part of our cultural heritage. Learning to eat communally will help children to play a responsible and valuable role in society later in life. Developing an appreciation of food and its simple pleasures can greatly improve one’s quality and enjoyment of life.

4 Outcome Specification

4.1 The detailed specification will be worked up in consultation with schools. But the key requirement is that a new contract supports the following population outcomes:

- The most vulnerable children are able to eat a nutritious meal at lunchtime
- Children’s concentration, achievement and behaviour is improved
- Children’s health is improved.

4.2 The core service outcomes for school meals contract are:

- Provision of a hot school meals for primary and special schools
- Provision of a FSM service and an affordable paid meal service
- Hot meals cooked on site or delivered service to schools
- Meets national nutritional standards
- Emphasis on locally sourced produce
- Quality contract management and monitoring.

5 Consultation Feedback

A consultation process to help shape the future of the primary and special school meal service in Gloucestershire has been conducted with the 3 main stakeholders. 60 schools, 525 parents and 8172 pupils responded to the consultation surveys. A range of questions around management, price, quality and meal options were asked. The feedback from this will be used to inform the development of any future service and support the production of a new contract specification. The outcome of consultations to date is summarised in Annex A. The key points are:

- 80% of schools indicate that they wish to be included in any future county school meals contract.
- 88% of parents state that the ‘quality of food’ is good or satisfactory and 87% stating ‘value for money’ as good or satisfactory. Parents who opt for school meals say it is because they want their child to have a hot meal at lunchtime.
81% of parents prefer to pay online.
Feedback from pupils via the Online Pupil Survey has improved markedly since 2006 with 75% of respondents reporting that the service allows them to eat healthily usually or most of the time.

6 Options

6.1 There are two main alternative options to a county-wide contract:

- Not to provide a county school meals contract, with schools making their own arrangements
- To tender on a sub-county level e.g. in line with primary school partnerships

6.2 There is no requirement for the council to broker a school meals contract for schools. However a county level contract:

- Enables the council to promote good nutritional health in all pupils, protects those who are nutritionally vulnerable and promotes good eating behaviour.
- Enables hot meals to be provided, either cooked onsite in the majority of schools and where necessary delivered to schools which do not have kitchen facilities.
- Offers economies of scale and reduced management costs.

At present no organisation other than the council is capable of co-ordinating such a contract.

Contracting at sub-county level is a feasible option but in-depth research in preparation for the current contract was conclusive that it would offer a less comprehensive service at higher cost.

If the council opts not to broker a contract of any kind the likely consequences would be:

- Increased costs for the great majority of schools
- A hot meal service would be unviable in smaller and more rural schools
- A reduction in free meal registration and uptake
- A reduction in the proportion of food locally sourced

Our assessment is that primary and special schools do not have the capacity or expertise to procure a service for more than a handful of schools.

A county-level contract is the only cost-effective way for the council to meet its statutory responsibility to promote educational achievement and good outcomes for all children, and has demonstrable benefits for children and families.

7 Officer Advice

Cabinet could take the view that it is no longer a core function of the Council to broker contracts for schools, particularly when more will move to the academy sector over the life of the proposed contract. But ultimately the school meals service is for children and their families and if schools were to make their own
arrangements there is a strong likelihood that public health outcomes would deteriorate, particularly for vulnerable pupils.

8 Risk Assessment:

8.1 That there are an insufficient number of schools (and schools with host kitchens) that join the new contract and this increases the price of a school meal.

Feedback from schools indicates that the majority of schools wish to be part of any future contract. Should numbers of schools affect viability of the contract the tender process would be reviewed to accommodate these changes.

8.2 That increases in food and fuel prices rise and may necessitate a rise in school meal price and this negatively affects the uptake and viability of the paid service.

The financial structure of this contract is robust and can deal with fluctuations in price changes and demand. As an increase in food and fuel prices would affect all food we anticipate only a small decline in families able to afford a school meal and therefore the risk is low.

8.3 Planned changes to free school meal entitlement with the introduction of the Universal Benefit could change the numbers of free school meals served and affect the viability of the contract.

Government consultation on these changes is currently underway and the results should be known before the tender begins and the implications can be considered. The Department for Work and Pensions guidance says they “will aim to ensure that the benefits are awarded to broadly the same number of people as currently”.

9 Performance Management/Follow-up:

9.1 The proposed school meals contract will be monitored through key performance indicators (KPI) and customer satisfaction surveys. The KPIs are set and used to evaluate the success of particular activities in the delivery of school meals.

9.2 The Councils monitoring function is supported by a web based system, using on-site handheld devices to photograph food and to collect data on food quality, service delivery, hygiene, health and safety, management and support. This tool is now also used by the catering contractors and joint training has improved the quality of this performance management system.

9.3 The KPIs are a set of identifiable key actions used to monitor and identify acceptable and unacceptable standards as per the contract specification. Where standards are not acceptable the appropriate corrective actions are instigated.

9.4 The school meals contractor will also undertake (or procure the undertaking of) a customer satisfaction survey which will include assessing the level of satisfaction among users of services (including the way in which the services are provided, performed and delivered) and, in particular, with the quality, efficiency and effectiveness of the services. The customer satisfaction survey will be used to
assist in the preparation of the Contractor’s Annual Service Report and Annual Service Plan.

Annex A

Gloucestershire School Meals - Consultation Feedback

A consultation process to help shape the future of the primary and special school meal service in Gloucestershire has been conducted with schools, parents and pupils. A range of questions around management, price, quality and meal options were asked. The feedback from this will be used to inform the development any future service and support the production of a new contract specification.

Consultation took place with 3 stakeholder groups: schools, parent and pupils. A consultation report which details the consultation methods and the full set of results has been produced.

Consultation with schools

Sixty schools responded to the written consultation, with 80% of schools indicating that they wish to be included in any future county school meals contract. 7% are looking at other options and 13% have not yet made a decision. Comments on issues such minimum meal uptake, waste recycling and subsidy of school meal price can be used to develop the specification of the contract.

Schools were asked to share an honest opinion on the current service, what works well for them and conversely what aspects do not meet the school needs and are there elements that could be improved. 50% of schools provided positive comments about the service and 32% made no comment. 18% of schools shared concerns which mainly focused on portion size and issues with payment systems.

Consultation with Parents

525 Gloucestershire parents responded to the LACA/ParentPay Market Research Report on School Meals which is conducted to get a comprehensive insight into parent’s current views of school meals. Other recent nationally representative surveys were also considered as part of this parent consultation.

Parent feedback in Gloucestershire shows the service is performing well with 89% stating that the overall impression of the current meal service is good or ok, 88% stating the ‘quality of food’ is good or ok and 87% stating ‘value for money’ as good or ok. Parents who opt for school meals say it is because they want their child to have a hot meal at lunchtime, they want their child to be able to sit with their friends, and because they know the child likes and will eat the food on offer. Parents who provide a packed lunches state that this is because they are confident that their child will eat what is provided, and also because packed lunches are seen to be cheaper and school meals too expensive.

Online payment is stated to be the preferred payment method for school meals, with 81% preferring to pay online, 6% by cash or cheque and 8% through PayPoint. School management of lunchtime arrangements were the other area parents stated as important,
such as being able to sit with friends, having enough time to eat and good communication home so that parents are assured their children are eating and drinking enough.

Pupil Consultation

8172 pupils were consulted about their school meals service in April 2012 as part of the Online Pupil Survey. Since the introduction of the new contract with Edwards and Ward pupil satisfaction with their school meals has increased. The Online Pupil Survey has been conducted biennially since 2006 and the satisfaction reports have risen steadily through this period. It will be important to ensure the specification of any future service continues to build on this improvement.

<table>
<thead>
<tr>
<th>% 2006</th>
<th>% 2012</th>
<th>Online Pupil Survey Response</th>
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<tbody>
<tr>
<td>53%</td>
<td>75%</td>
<td>Allows them to eat healthily usually or most of the time</td>
</tr>
<tr>
<td>12%</td>
<td>57%</td>
<td>The amount of food is good or very good (an additional 27% thought the amount of food was ok in 2012)</td>
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<tr>
<td>48%</td>
<td>66%</td>
<td>Taste of the food is good or very good</td>
</tr>
<tr>
<td>45%</td>
<td>60%</td>
<td>Look of the food is good or very good</td>
</tr>
<tr>
<td>48%</td>
<td>57%</td>
<td>Dining environment in good or very good</td>
</tr>
<tr>
<td>37%</td>
<td>51%</td>
<td>The length of time for lunch is good or very good</td>
</tr>
<tr>
<td>Report Title</td>
<td>Provision of school meals for primary and day special schools</td>
<td></td>
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| Statutory Authority | • Sections 512, 512ZA, 512ZB, 512A and 533 of the Education Act 1996, as amended  
• Section 114A of the School Standards and Framework Act 1998  
| Relevant County Council policy | Gloucestershire’s Children’s and Young People Partnership Plan  
Gloucestershire’s Commissioning Plan |
| Resource Implications | The total value of the 5 year school meal contract (based on providing approximately 10,000 meals per day in 180 schools) is estimated as being in the region of £21 million rising to a value of £30 million if the contract were to be extended to a 7 year term. Funding for this school meals service is currently met from a paid service to parents and a free school meal service funded through the Dedicated Schools Grant devolved to schools.  
The full cost of the contract is borne by schools. The Council’s costs in managing the contract are recovered through the price charged to schools for free meals. A monitoring service is currently offered to schools which carries a redundancy liability for the council.  
The current contract is a successful one with high satisfaction ratings from schools and pupils and with a steady increase in the number of schools taking part. There is positive reputational impact for the council in managing the contract with a strong likelihood that that would continue.  
The service is provided through a mixed economy of school kitchens, host school kitchens and delivery service to satellite school sites. The kitchens and large equipment belong to the schools. As part of the traded service buy back into this county contract schools are asked to contribute towards the maintenance of those kitchens.  
Catering staff are currently employed by Edwards and Ward will be subject to TUPE transfer if a new contactor were awarded the contract. |
<table>
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<tr>
<th>Sustainability checklist:</th>
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<tr>
<td><strong>Partnerships</strong></td>
<td>Schools, Public Health, local food providers</td>
</tr>
<tr>
<td><strong>Decision Making and Involvement</strong></td>
<td>Commissioning Board, 6th September, agreed that Cabinet be asked to tender a new school meals contract from April 2014.</td>
</tr>
<tr>
<td><strong>Economy and Employment</strong></td>
<td>Gloucestershire School Meals Service offers employment opportunities for term time, school hour, employment which suits working parents who are often returning to work after having children. The menu focuses on procuring locally sourced ingredients.</td>
</tr>
<tr>
<td><strong>Caring for people</strong></td>
<td>Provides free school meals for vulnerable children, improving health and educational outcomes.</td>
</tr>
<tr>
<td><strong>Built Environment</strong></td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Natural Environment' including Ecology (Biodiversity)</strong></td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Education and Information</strong></td>
<td>Research has shown that a school meal can also help improve children’s concentration, achievement and behaviour.</td>
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</table>
| **Tackling Climate Change** | Carbon Emissions Implications? Negative  
Vulnerable to climate change? Yes  |
| **Equality Impact Assessment (EIA)** | Has an EIA been completed? Yes  
Was a differential impact identified? Yes/No  
Yes – copy of impact assessment attached.  
No - A copy of the full EIA can be accessed on GLOSTEXT via [www.gloucestershire.gov.uk/index.cfm?articleid=4047](http://www.gloucestershire.gov.uk/index.cfm?articleid=4047)  
Alternatively a hard copy is available for inspection from Jane Cleaver, Democratic Services Unit |
| **Human rights Implications** | N/A |
| **Consultation Arrangements** | Ongoing consultation is built into the contract monitoring.  
Pupils through the Online Pupil Survey every 2 years.  
Parents and Schools through annual Customer Satisfaction Surveys. |