

REPORT TITLE: School Meals and Shire Hall Catering Services - Framework Agreement

Cabinet Date	23 rd June 2021
Cabinet Member	Cllr Lynden Stowe
Key Decision	Yes
Purpose of Report	<p>To make recommendation that the primary and special school meals county framework agreement is re-procured and that the Shire Hall catering service is included within the new framework.</p> <p>To get delegated authority to go out to tender and award the framework to the winning contractor.</p>
Recommendations	<p>Recommendations: That Cabinet delegates authority to the Executive Director of Corporate Resources in consultation with the Cabinet Member for Finance and Change to:</p> <ol style="list-style-type: none"> 1. Conduct a competitive procurement process in respect of a Framework Agreement for: <ul style="list-style-type: none"> (a) Lot 1 the supply of school meals in 170 primary, secondary and special schools in Gloucestershire. (b) Lot 2 the supply of catering services at Shire Hall only. (c) Lot 3 the supply of school meals in 170 primary, secondary and special schools in Gloucestershire and also the supply of catering services at Shire Hall. <p>The proposed Framework Agreement shall continue for a period of 4 years.</p> 2. Award such Framework Agreement to the preferred tenderer; 3. Award a Call-Off Contract under such Framework Agreement on behalf of each participating school for the supply of school meals. The proposed Call-Off Contracts shall continue for a minimum period of 2 years and include options to extend their terms for a further period of not more than 4 years; 4. Award a Call-Off Contract under such Framework Agreement for the supply of catering services at Shire Hall. The proposed Call-Off Contract shall continue for a period of 4 years.

Reasons for recommendations	<p>Since September 2014 Schools have a legal obligation to provide free school meals to disadvantaged pupils in reception, Year 1 and Year 2</p> <p>All meals must meet the national food standards.</p> <p>A county contract is likely to deliver health and social benefits for pupils and offer better value for money for schools and parents.</p> <p>A good meal service is likely to lead to higher registration of entitlement to free school meals, increasing income to schools from the Pupil Premium.</p> <p>The existing contract is a successful one and there is a strong likelihood of good quality tenders being received.</p> <p>The catering at Shire Hall may not be sustainable as a stand-alone contract.</p>
Resource Implications	<p><u>Call-off Contracts under the proposed Framework Agreement for the supply of school meals:</u></p> <p>The total aggregate value of all call-off contracts for the provision of school meals in 170 primary, secondary and special schools in Gloucestershire over 6 years (based on providing approximately 17,000 meals per day over an average of 190 school days per year) is estimated as being in the region of £45 million. (This is based on each call-off contract continuing beyond the minimum period of 2 years, using the option to extend their terms for a further period of 4 years.) Funding for free school meals will be received by the Council via the Dedicated Schools Grant from the Education and Skills Funding Agency (EFSA) devolved to schools. Funding for all other aspects of the school meal service will be met by the parents of pupils attending participating schools.</p> <p>The Council's costs in managing the contract are recovered through the price charged to schools for free meals. There is therefore very limited financial risk to the Council. A monitoring service is currently offered to schools which carries a redundancy liability for the Council.</p> <p><u>Call-off Contract under the proposed Framework Agreement for the supply of catering services at Shire Hall:</u></p> <p>The pre-Covid value of the Shire Hall catering is £1 million over 4 years. However, this figure will probably reduce, as the medium and long term staffing levels at Shire Hall may only be 25-40% of the pre-Covid levels.</p> <p>The costs associated with Shire Hall catering will be recovered from sales.</p>
Background Documents	<p><u>Provision of School Meals for Primary and Day Special Schools</u></p>

Statutory Authority	<ul style="list-style-type: none"> Sections 512, 512ZA, 512ZB, 512A and 533 of the Education Act 1996, as amended Section 114A of the School Standards and Framework Act 1998 2007 No. 2359 The Education (Nutritional Standards and Requirements for School Food) (England) Regulations 2007, as amended by S.I. 2008/1800 and S.I. 2011/2190 ('the School Food Regulations'). NICE guidelines on childhood obesity
Divisional Councillor(s)	
Officer	Name: Rob Barnes Tel. no: 01452 328804 Email: rob.barnes@gloucestershire.gov.uk
Timeline	Procurement Process July 2021 - November 2021 Evaluation Process December 2021 – February 2022 Contract Award – March 2022 Mobilisation April 2022 – July 2022 Contract Commencement 1 st August 2022 Service Commencement 5 th September 2022

Background

- 1.1 The reason for proposing to procure a new 4 year county-wide framework agreement from July 2022 and then award call-off contracts thereunder on the basis described above, is because:
 - A contract which provides an opportunity for the Council and all schools in Gloucestershire to call-off school meals and catering services is likely to deliver health and social benefits for pupils and offer better value for money for schools and parents through economies of scale.
 - A good meal 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.
 - A catering service is required for staff returning to work at Shire Hall.
- 1.2 There is no requirement for the Council to broker a school meals contract for schools; however, it is proposed that Gloucestershire County Council continues to act as an enabler to support primary and special schools in providing a viable lunch time meals service. Providing school meals promotes good nutritional health in all pupils; protects those who are nutritionally vulnerable and promotes good eating behaviour. The provision of a school meals service supports the achievement of public health outcomes and reduces inequalities in health. In addition, providing quality free school meals (FSMs) increases the number of families which register for FSMs and thereby helps schools increase the resources available to support vulnerable children with increased levels of pupil premium funding.
- 1.3 The proposed course of action will enable the Council to continue to facilitate the County Primary and Special School Meals service, which provides hot school meals cooked onsite in the majority of schools, and where necessary provide a delivered meals service for schools which do not have kitchen facilities. By providing a county framework contract schools can join together to benefit from the economies of scale and reduced management responsibilities which create a viable school meals service. A county framework contract supports lower costs for both free and paid meals, whilst providing good quality meals in our schools to ensure the most vulnerable children can access a nutritious lunchtime meal, and enables the provision of a catering service at secondary schools and Shire Hall.
- 1.4 The current contract has received high satisfaction ratings from schools and pupils. Moreover, there has been a steady increase in the number of schools taking part. There is positive reputational impact for the Council in managing the framework contract with a strong likelihood that that would continue.
- 1.5 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 kitchen maintenance.
- 1.6 Catering staff are currently employed by the incumbent supplier, namely, Caterlink for schools, hence their employment is likely to transfer pursuant to the TUPE Regulations if a new contactor is awarded the proposed framework contract.

1.7 The Shire Hall catering contract was awarded to AiP on a nil cost basis and the initial term of that contract has now expired.

2 Why provide school meals and a service at Shire Hall

2.1 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 meal can also help improve children's concentration, achievement and behaviour¹.

2.2 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.

2.3 The School Food Trust was established in 2005 after Jamie Oliver, a noted celebrity chef in England, called attention to unhealthy school food in a popular television programme. The Trust's mission is to "transform school food and food skills, promote the education and health of children and young people and improve the quality of food in schools," including that provided for lunch and breakfast, as well as that offered through vending machines, snacks, classes, and special events. The nutrient-based standards set upper limits for fat, sugar and salt, and lower limits for protein, carbohydrates, fibre, vitamins and minerals. The food-based standards specify foods to include, limit, or exclude. Schools are responsible for implementing the standards.

2.4 National Institute of Clinical Excellence (NICE) produced guidelines on childhood obesity.

2.5 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.

2.6 Emergency Provision

Being part of a larger contract provides schools with resilience which they have drawn on during this recent pandemic. This has included the ability to receive food from other kitchens and alternative food options provided such as hampers to free school meal pupils at home.

2.7 Including Shire Hall catering will provide a service for staff in a Covid-safe environment, as well as providing catering for official hospitality.

3. Current Contracts

3.1 The Gloucestershire Primary and Special School Meals contract provides over 17,000 meals per day in 173 schools. The current contract was let in August 2015 following a consultation to develop a new service that:

- provided either hot meals cooked on site or hot delivered meals

- provided specific dietary requirements such as gluten/dairy and egg free menus along with vegetarian and vegan options
- delivered the Government food and nutrient-based standards
- provided a menu with a higher specification for food quality and locally sourced produce
- gave additional hours for kitchen staff to freshly prepare meals
- had a pre-ordering system
- had an online payment system for parents
- increased marketing initiatives
- included ongoing staff training
- improved monitoring of school meal quality
- maintained a sustainable and affordable price to parents
- had incentives and responsibilities placed with schools to drive up school meal uptake
- achieved economies of scale and cross-subsidies to ensure hot meals were maintained in small schools.

The winning contractor Caterlink has developed a successful service, increasing meal uptake from 10,000 to over 17,000 meals per day. They have achieved the 'Silver Food for Life Award'.

3.2 The benefits of this school meals contract are:

- provision of a free school meals service for all schools that require them
- increase in number of pupils registering for FSM, thereby increasing Pupil Premium funding available for schools
- improving public health outcomes and reducing inequalities in health
- economies of scale and cross subsidies for large and small schools
- dedicated specialist management team with small overhead costs
- one specialist nutritional analysis function
- improved purchasing power
- training for catering staff
- meets legal and health and safety requirements
- hot meals cooked on site and a delivered service for schools without kitchen facilities
- educational benefits by increasing children's concentration, improving their behaviour in class, and improving their chances of doing well and achieving their best at school
- provides pupils with the opportunity to learn to eat communally, to eat with a knife and fork at a table.

3.3 Population outcomes:

- The most vulnerable children eat nutritious lunchtime meals
- Children's concentration, achievement and behaviour are improved
- Children's health is improved.

3.4 Service outcomes for school meals contract are:

- Provision of hot school meals for primary and special schools
- Provision of a FSM service and an affordable paid service
- Hot meals cooked on site or delivered service to schools
- Meets nutritional standards
- Quality, sustainable, value for money

- Emphasis on locally sourced produce
- Quality contract management and monitoring.

3.5 The Existing Shire Hall catering contract is subject to a 6 month notice period from either party. Notice to terminate will be given in January 2022. Due to Covid, the volume of sales is expected to fall by 60-75%. In this event, our external catering advisor informs us that it is unlikely that a caterer would consider providing the service, unless it was part of a larger contract.

Options

OPTION 1: To procure a framework agreement and call-off contracts there under for the supply of school meals in Gloucestershire including the catering services at Shire Hall

OPTION 2: To procure separate framework agreements and call-off contracts there under for the supply of (a) school meals in Gloucestershire or (b) catering services at Shire Hall or (c) School Meals and catering Services at Shire Hall. (This option is the recommended option)

OPTION 3: Not to provide a county school meals contract and schools make their own arrangements. This option could result in a number of schools not being able to (or choosing not to) continue providing school meals. Schools individually organising their own meals service may also lead to price variations and increases in paid and free school meals.

OPTION 4: Not to provide a catering service at Shire Hall. This option means that if catering is required for meetings, it will have to be brought in by an external caterer (after a tender process) and is likely to be of higher cost to the Council.

Risks

- That there are an insufficient number of schools (and schools with host kitchens) that join the new framework and this increases the cost of the school meals price.

Should numbers of schools affect viability of the framework, the tender process would be reviewed to accommodate these changes.

- 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 framework 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.

- In respect of Shire Hall, that caterers may seek a small subsidy if there are insufficient sales to generate adequate gross profit to fund salaries and overhead costs.

- That given a choice of Lots on which to tender, contractors bidding for the school meals may not wish to bid for Shire Hall. This could result in Shire Hall receiving a less economical tender price which may make it unsustainable.

As part of a larger contract, the management fee and central costs will be lower.

Financial implications

- Free school meals are funded by the Government
- Paid meals are funded by the parents
- Shire Hall catering is funded by the user

Climate change implications

Carbon Emissions Implications? Yes

The successful contractor will be required to achieve the Silver Food for Life Award. This is a standard which shows that school food is healthy, ethical, and uses some local and organic ingredients.

The most significant environmental benefit referred to is the supporting of local businesses in purchasing locally produced, seasonal food. This demonstrates a reduction in traffic and the carbon emissions associated with it due to decreased transportation distances.

Which in turn demonstrates a reduction in damage from carbon emissions Reduction in greenhouse gas emissions, air pollution and congestion from local supply

Our current contract achieves 78% local produce purchasing.

Where possible food will be cooked on school premises. Where meals need to be transported this will be planned to minimise impact on the environment.

The Authority has a commitment to improve kitchen facilities to ensure that where there is demand that an onsite facility can be provided.

A significant amount of the major equipment we supply and install in the schools kitchen have been sourced for their environmental benefits:

Rational Combination oven

Rational have been awarded the Energy Star label with their ovens consuming up to 70% less energy than standard cooking equipment. The oven not only use less power but cooks quicker, reducing produce shrinkage, product wastage & working time.

Foster Refrigeration

The Eco Pro range of cabinets are fitted with their award-winning +stayclear condenser which helps increase product life, reduce energy consumption and improve food safety. The refrigerant gas is a Hydrocarbon, which is climate friendly with zero ozone depletion.

Fosters are the first UK refrigeration manufacturer to obtain ISO 14001 which demands that Fosters must comply with current directives to ensure that any impact on the environment is continually being reduced.

Hobart Dishwasher

The double insulated body and 4 sided fully enclosed hood of the dishwasher keeps steam and energy inside the system giving energy saving up to 3 kW and releasing less heat and humidity in the kitchen area.

Additionally, the units are designed to minimise the consumption of water and detergents.

Falcon Induction Oven Ranges

Induction by its very nature only operates when the pan is on the induction zone, reducing the energy use and greatly reducing the radiant heat that is otherwise emitted into the kitchen. This also reduces the extraction flow rates to keep the kitchen environment comfortable. Falcon have also been awarded ISO 14001 certification.

Various Cook Centres

Also built by rational, these appliances are built with unique heating technology combines power with precision. It's intelligent cooking controls, which think, learn and support. Cooking up to 4 times as fast, requires up to 40 % less energy with space gain compared to conventional cooking appliances and on the largest units can up to 68kw saving per service. It also benefits from minimal use of cleaning chemicals and time

Vulnerable to climate change? Yes

Equality implications

The tendering process will ensure that those involved in the procurement and implementation are aware of the needs of those with protected characteristics across the workforce and suppliers.

This will include consultation with interested sites and also with potential providers and this dialogue may identify other areas of impact to consider.

The proposals will involve Contractors in selecting employees from the full range of the current workforce covering age & gender. Contractors/Suppliers will be required to demonstrate they comply with the Equality Act 2010, this will be evaluated through the ITT stage of the process.

All Contractors will be required to provide details of their company policies related to Equality & Diversity which will be used in the overall evaluation.

Data Protection Impact Assessment (DPIA) implications

DPIA required due to volume of personal data being processed. Working with IMS to identify personal data risks.

Social value implications

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. Provides free school meals for vulnerable children, improving health and educational outcomes.

Research has shown that a school meal can also help improve children's concentration, achievement and behaviour.

The successful contractor will be asked to work with local employment schemes such as Gloucestershire Colleges Kickstart programme supporting the young unemployed. The Kickstart Scheme is a new incentive from the government for 16 to 24 year olds and provides them with 6 month job placement.

Consultation feedback

- A consultation process to help shape the future of the primary and special school meal service in Gloucestershire was planned for January 2021, to be conducted with schools and pupils. A range of questions around management, price, quality and meal options were to be asked. However, due to a third lockdown and school closures, this has not been possible. Consultation will be taking place during the period April to May 2021. The feedback from this will be used to inform the development any future service and support the production of a new contract specification.
- Consultations take place with 2 stakeholder groups: schools, and pupils.

Planned consultation with schools

Schools will be asked the following:

- If they wish to be included in any further county school meals contract.
- For comments on issues such as minimum meal uptake, waste recycling and subsidy of school meal price.
- An honest opinion on the current service: what works well and what doesn't.

Pupil consultation

Pupils will be asked to respond to an online pupil survey asking the following questions about their current meal service:

- It allows them to eat healthily usually or most of the time
- The amount of food is good or very good
- Taste of the food is good or very good
- Look of the food is good or very good
- Dining environment is good or very good
- The length of time for lunch is good or very good

Previous consultation undertaken

During February and March 2020, all schools in the Caterlink contract were asked for feedback on the service provided by Caterlink. 72 schools replied: 41% of the total.

The results from these were as follows:

- Food quality: 97% adequate
- Food hygiene: 98.5% adequate
- Repairs/maintenance etc.: 98.5% adequate

Contractor management support (Caterlink): 89% adequate

Officer recommendations

It is recommended that Cabinet approves Option 2 on the basis that:

- A county framework agreement will enable schools to access a viable school meals service to deliver their statutory obligations of providing free school meals to eligible pupils and paid meals for parents that request them. A county school meals framework agreement for primary and special schools will ensure they benefit from economies of scale and shared specialist management of a catering service by the Council. If a framework agreement is not put in place, then many schools may not be able to provide an affordable paid meal service and the costs of providing a free school meal may rise.

- The advantage to the Council of procuring the proposed county framework agreement will be confidence that the most vulnerable pupils are receiving the health and social benefits of eating a hot school meal. A good meal service is also likely to lead to higher registration of entitlement to free school meals, this will increase the income to schools from the Pupil Premium and schools will have more resource to support the most vulnerable children.
- As the existing framework agreement for school meals in Gloucestershire is run as a successful traded service, there is a strong likelihood of good quality tenders being received.
- Given the reduced numbers, the Shire Hall catering contract may not be sustainable if tendered as a separate contract.

Performance Management/Follow-up

- The proposed framework agreement and all call-off contracts awarded under it 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.
- The Council's 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 contractor and joint training has improved the quality of this performance management system.
- 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.
- The new 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.