Catering for Children & Young People in Education

All Wards

Cabinet Portfolio: Cabinet Member for Children and Young People: Councillor Paul McGlone

Report authorised by: Executive Director, Children and Young People’s Service: Phyllis Dunipace

Executive summary

This report is for Cabinet to note the delegated decision, to set out the findings of the CYPS Evaluation Panel that led to the recommendation on the selection of a catering contractor for the school meals service. The subject of this report is principally in relation to the school meals service which is available to all children and young people in Lambeth schools although provision is also made for catering services to support children’s centres and extended services in schools. The report sets out the process and the membership of the evaluation panel which demonstrates the robust procedure and the involvement of schools.

This achieves the Lambeth Labour 2006 manifesto commitment to “ensure that school meals are healthy and nutritious to boost children’s learning and well being”.

Summary of financial implications

There are no implications for the council budget. The cost of this contract will be fully funded by Dedicated Schools Grant [DSG] and utilise budget that would otherwise have been devolved to those schools included in the contract.

Recommendations

(1) To note that the decision to award the Contract to Harrison Catering Services Ltd was agreed by Executive Director of Children and Young People’s Service under delegated powers on 18 February 2009, following approval at the Strategic Procurement Board on 4 February 2009 and Schools Forum on 23 February 2009.

(2) To note that the new contract is to start from September 2009 for an initial period of five years, extendable for an additional five, and is for an initial annual contract value of £4.2m, which is fully met by Dedicated Schools Grant (DSG)

(3) To note that the Head of Children and Young People’s Service Contracts unit has been selected by the School Food Trust as the School Food Ambassador for Lambeth which will involve sharing good practice and working across disciplines and with our partners.

(4) To note that a whole School Food Policy has been developed by Children and Young People’s Service Contracts Unit in December 2006, for schools to adapt to meet their individual need.
## Consultation

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<th>Department or Organisation</th>
<th>Date sent</th>
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<td>Chris Ashton</td>
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<td>26.01.09</td>
<td>02.03.09</td>
<td>Throughout</td>
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<tr>
<td>School Resources Committee</td>
<td>Jenny Woodrow, Chair</td>
<td>25.11.08</td>
<td>02.12.08</td>
<td>Throughout and specifically section 5.7</td>
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<tr>
<td>Owen Barclay</td>
<td>Legal and Democratic Services</td>
<td>09.03.09</td>
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<td>Councillor Paul McGlone</td>
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<td>02.03.09</td>
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## Report history

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<th>OR/AND: b) proposal affects significantly two or more wards</th>
<th>Authorised by Cabinet member: 09.03.09</th>
<th>Date report drafted: 25.11.08</th>
<th>Date report sent: 11.03.09</th>
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<td>Report no.:</td>
<td>351/08-09</td>
<td>Report author and contact for queries: Sue Farr, Head of CYPS Children’s Contracts Unit 020 7926 9675 <a href="mailto:sfarr@lambeth.gov.uk">sfarr@lambeth.gov.uk</a></td>
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1. **Context**

1.1 The current contract for school meals is ending in August 2009. This present contract has allowed the school meals service in Lambeth to be developed to achieve high standards of quality, take up and service satisfaction.

1.2 The majority of primary, special and nursery schools across the borough have chosen to be included in this contract. The number of schools now included in the contract has grown since the start and now provides services to 64 Primary, Special, Children’s centres and Education units.

1.3 The contract does not provide for Secondary schools to whom the budget and responsibility was compulsorily delegated in April 2000.

1.4 Schools will be committed to the contract for the full term other than where there is proven poor performance at a single school that can not be rectified. All schools that are currently in this contract have agreed to that condition and it has not been necessary for a single school to invoke this.

1.5 The Children and Young People’s Service (CYPS) Children’s Contracts Unit led on the tender and evaluation. Schools Resources Committee, a Sub Committee of Head teachers Council, acted as the Schools Steering Group and formed part of the evaluation panel. In addition representatives from across the Lambeth school community were included and made a positive contribution to the evaluation.

1.6 This process has been planned and managed to ensure that there was sufficient time to gain the appropriate approvals and award the contract so that there would be a full term to mobilise the contract. The contract is to start on 5 September 2009 for a period of five years with the option to extend for periods up to a further five years.

1.7 Healthy food is growing in importance and scrutiny. Government’s Nutritional Standards for school meals were introduced in three stages and came into effect from September 2006. With school meals being given such public profile it is being monitored carefully. School food impacts on a wide range of issues and therefore needs to be developed in the context of other national initiatives. The provision of healthy meals at school for children supports the school in meeting the “Be Healthy” outcome for children.

1.8 Quality school meals also support the Healthy Schools agenda and enable the school to respond positively to national initiatives to tackle childhood obesity.

1.9 The School Food Trust in its commitment to improve school food has stated “We believe that this transformation of school food and food skills is critical to the health of a generation of children and will have a significant impact on our economy. Obesity in children is rapidly increasing, children’s knowledge of where food comes from has diminished and cooking skills across communities are declining. Unless we act now the next generation faces a bleak future of ill-health.”
1.10 This procurement was not included in the Forward Plan in error as it was concluded that this decision would have been made by a body which is separate to the Council. However whilst schools governing bodies will be making the decision on behalf of their school to enter into this contract it has now been confirmed that this award is a key decision and should have followed Council procedures.

1.11 The decision taken by EDCYPS is valid and has been published on Decisions on-line

2. Proposals and reasons

2.1 A central contract ensures that all of the Government’s nutritional standards are met.

It also ensures that the provision is developed in context and joined up with other schools needs such as links to the curriculum, extended schools agenda and the for schools to have a Whole School Food Policy. The CYPS Contracts Unit supported schools with this by developing a Whole School Food Policy.

2.2 The central contract is a very economical way of providing a quality service. The contract attracts quality providers, due to the large number of schools who are in the contract, and provides great leverage for negotiating a bespoke specification that meets as many of the specific needs of Lambeth’s schools.

2.3 Tenderers were invited to submit a proposal and a price that would demonstrate how they would provide the school meals service which met the Council’s aims and objectives and the high specification maintained by Lambeth.

2.4 The process to select the current provider was recognised by the National Audit Office as best practice. This selection process has been used with this tender and the same high quality applied to the process and the service specification.

2.5 The evaluation and selection process was scrutinised by officers from the Corporate Procurement Unit who were impressed by the record keeping and the depth of the planning and as a result of this will lead to a review of processes and guidance in defining the role Corporate Procurement will play in future major projects.

2.6 Tenderers were required to respond to 17 method statements that were specifically designed to test the tenderers understanding of the service and their ability to deliver to the high standards required of Lambeth schools.

2.7 The main criteria for evaluating the proposals was notified to tenderers and was based upon:

- Value for Money
- Improvement and Development of the service
- The use of mainly fresh food
• Meeting and monitoring nutritional standards
• Flexibility to allow the needs of individual schools to be met
• Training and Induction

2.8 The overall score for the recommended Tenderer is 70%. This score exceeds that of the other tenderers by 15% and 20% respectively.

2.9 Cabinet is advised that through a positive partnership with Harrison Catering Services Ltd, the meals service in Lambeth has been developed to achieve high levels of take up, quality and satisfaction. This recommendation will allow this partnership to continue without disruption to the service.

2.10 The CCU has consulted with schools on the delegation of the school meals budget, which has confirmed the need for a centrally managed contract. Funding for school meals is retained within the schools block, other than for those schools that have opted for funding. The majority of schools have expressed an interest (64) to be included in this new contract and there are high expectations from schools. This will be confirmed through a formal consultation following notification of the award. It is not expected that this number will reduce.

2.11 The Council has a duty to provide school meals that meet Governments Nutritional Standards. Food based standards, which were introduced in September 2007 and nutrient based standards introduced in September 2008. A key requirement of the Contractor is a system to measure this. This has been demonstrated through the tender and a pilot which has been carried out prior to the formal establishment of the standard. The menus in Lambeth are fully compliant.

2.12 Those schools in the centrally managed contract benefit from the resource and the expertise within the CYPS Contracts Unit which has an overview of the service, keeps abreast of changing legislation and monitors and manages the contract on their behalf.

2.13 This contract will also provide for meals at Children’s Centres, Education units and makes provision for services for extended schools and other catering required and funded direct by schools.

2.14 The business of Harrison Catering Services Ltd is founded on the principles of good food. Their core objectives are food, people and communications and the evaluation panel is satisfied that there are no circumstances that this company would risk these principles.

3. Comments from Executive Director of Finance and Resources

3.1 This contract is expected to be managed from existing DSG grant allocation from DCSF within Inclusion and Standards Division.
3.2 The funding will remain within the Council and the lead officer will be expected to monitor and manage the contract bearing in mind risk management at all stages.

3.3 It is essential that there is sufficient rigour within procurement to ensure that value for money is achieved for the Council for the duration of the contract.

3.4 The current contract is for 64 schools and education units and is currently valued at £3.8m. The cost of this contract will be fully funded by Dedicated Schools Grant [DSG]. The contract costs are recovered by income from paid meals; the full cost of free meals recovered from schools budget allocation with the balance being the subsidy element of paid meals fully funded by DSG.

3.5 The tendered price from September 09 and allowing for the current price until August 09 is £4.2m for school meals based on the current take up of meals. This price reflects the anticipated risk associated with increases to food and fuel prices. Prices are based upon a price per meal for primary (£2.25) and secondary age pupils (£2.39), with separate pricing for meals in children’s centres. Children centres will be responsible for the direct cost of these services, as will all schools for costs in relation to extended and other services and adult meals.

3.6 The contract makes provision for the cost price to be increased annually in line with inflation. The selling price to parents is increased annually in September which historically has been in line with the inflated cost price.

3.7 The Experian reports have evidenced that Tenderer had the lowest risk of failure (1%) against the highest at 79%.

3.8 This tender offers the best price reduction, with bands of 500 per day, if the take up of school meals should increase above 10,500 meals a day and increasing to 11,500.

3.9 The evaluation has been based upon the highest unit price that the CYPS would currently pay which is in accordance with current levels of take up. Tenderers were asked to submit banded prices, which would provide an opportunity to reduce the unit price in the event that take up increased. There is real potential for this given that the take up of meals in Lambeth has consistently risen and is now 70% which is against a national trend of 43% and 57% in Inner London. Also the Primary Places Strategy, Primary Capital Programme and Building Schools for the Future all have the potential to increase take up, as school places increase. This offers the best option for CYPS in the long term.

4. Comments from Director of Legal and Democratic Services

4.1 The Contract was awarded by the Executive Director under her delegated powers on the 18 February 2009 following approval by the Council’s Procurement Board and the Schools Forum. The Council has the power to enter into a contract with another person where a statutory provision confers a function on it under the provisions of section 1 of the Local Government (Contracts) Act 1997.

4.2 Under section 512 of the Education Act 1996 the Council may provide registered pupils with meals either at the school premises or at other premises where
education is being provided. Except where it has a duty to provide free meals the Council may:

(a) charge for anything provided by them under subsection (1), and
(b) charge every pupil the same price for the same quantity of the same item.

4.3 The Council has a duty to provide free school meals where parents are in receipt of income support, job seekers allowance or under part IV of the Immigration and Asylum Act 1999, State Pension Credit or certain levels of Child tax Credits. This duty is transferred to the governing body where the schools budget share has a provision for the supply of meals.

4.4 The Schools Standards and Framework Act 1998 at section 144 and the Education (Nutritional Standards for School Lunches) (England) Regulations 2000 set nutritional standards and at a price that is affordable so as to maximise take up.

4.5 Where it is responsible for providing meals the Council has a duty to maintain kitchens to meet the required Health and Safety, Food Safety, hygiene and EC regulations.

4.6 The tender was carried out in accordance with the provisions of the Public Contracts Regulations 2006, the “Regulations”. Under the Regulations this services is described in Schedule B and the Council did not have to publish a contract notice in the Official Journal of the European Union calling for tenders. It did have a duty to comply with the Regulations in respect to the technical specification and the publication of a contract award notice. The European Commissioners have issued advice saying that part B contracts and contracts that fall below the thresholds should be competitively tendered to provide fairness, transparency and to ensure that there is no discrimination against an applicant from another EU member state. It should be noted that transparency should extend to a description of the evaluation criteria and the evaluation methodology, setting out the relevant weightings, showing the range, minima and maxima or if not applicable the criteria in descending order of importance.

4.7 The Council was obliged by the provisions of the Local Government Act 1988 to provide a written explanation to any person who has been excluded from a list of persons entitled to tender for work to the Council or has not been award work for which they tendered within 15 days of a written request so to do.

5. Results of consultation

5.1 Schools have been represented on the Evaluation Panel and through Resources Committee.

5.2 The CYPS Children’s Contracts Unit led on the tender and evaluation. Schools Resources Committee acted as the Schools Steering Group and formed part of the evaluation panel.

5.3 The Evaluation panel comprised a combination of 21 people which is made up of 5 CYPS Officers, 8 Head teachers, 2 Governors, 3 School business managers, 2
school curriculum staff, 1 school meals supervisor and included officers from Early years and Change management. In addition two officers from CYPS Resources Division carried out the finance evaluation

5.4 The specification has been drafted in consultation with all schools and reflects the outcome of this consultation.

5.5 The contract requires that children and young people are consulted and included in the development of services. This tenderer has made explicit proposals for this.

5.6 School Governors will be briefed on the decision through Working together in the Summer edition 2009.

5.7 Schools Resources Committee noted at the meeting on 2 December that the consultation and evaluation was carried out in an extremely fair and thorough way. The Contracts Unit led with great clarity and engaged a range of stakeholders throughout the process. All stages were clearly communicated to Schools Resources Committee enabling the committee to make an informed decision on the final recommendation.

6. Organisational implications

6.1 Risk management:

6.1.1 The tendered price reflects the anticipated risk associated with increases to food and fuel prices

6.1.2 The risk of low take up goes against the past experience in Lambeth schools. The tender includes the continued commitment to working in partnership to promote healthy eating in schools to ensure on-going take up in schools. The Primary Place Strategy, Primary Capital Programme and Building Schools for the Future all have the potential to increase take up.

6.1.3 The risk of not managing a central contract in schools will have a major negative impact on take up in schools and increased prices

6.2 Equalities impact assessment:

6.2.1 An Equalities Impact Assessment was carried out and through Resources Committee was endorsed as exemplary and addressed all the issues in relation to the service. Through the partnership the action plan will continue to be addressed with a view to ensuring that all children and young people are provided with a service to meet their needs.

6.2.2 The service is specified to ensure that it is accessible to all pupils and that it meets the needs of all pupils and has regard for specific requirements of individuals of groups.

6.2.3 Provision is made for special dietary, medical, ethical and ethnic needs and the Contractor will be required to work with CYPS to ensure that the CYPS Pupil
Food Passport is used and monitored throughout the child’s time in Education in Lambeth.

6.2.4 Building on the work that CYPS did in partnership with The Livity Special School a Special Dietary Needs Handbook is being drafted by CYPS and will be available for all schools to use to ensure that the needs of all children are understood and met. Pupils with special needs are catered for including the appropriate food and equipment. The specific development of a service for children and young people in special schools in Lambeth was recognised by OFSTED when inspecting one special school as making a positive contribution.

“They (pupils) appreciate the very high standard of food and social interaction opportunities at lunch times where they make choices and be as independent as possible. They acquire essential learning and personal skills that help to prepare them for when they transfer to secondary education” “The quality of the arrangements and food at lunchtimes is outstanding and fully support pupils’ personal health and development”

6.2.5 Lambeth has contributed to a working party led by the Government Office for London and the School Food Trust toward a guidance document for implementing standards for special schools. This is to be launched on 20th March 2009 where Lambeth has been invited to address the conference which will also include a case study of The Livity School, Lambeth.

6.2.6 Catering staff in special schools have been trained to communicate with pupils using recognised means of communication, such as, Makaton and PECS.

6.2.7 In line with Government standards selling prices are set at a level that are affordable to maximise take up and make the service accessible.

The expectation that prices are set at a level that should not have an adverse effect on take up was set by legislation when compulsory food based standards were introduced. It has been apparent in other Boroughs where large price increases, considerably above inflation have been applied that this has had a negative effect on take up. Whilst some Boroughs have considerably higher prices than Lambeth this is also reflected in take up, e.g.

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Southwark Council has not procured a central contract for school meals but has delegated all budgets to individual schools that has led to varying selling prices at individual schools

6.2.8 Identification of pupils in receipt of free meals is prevented as far as is practicable.

6.2.9 A Vegetarian option is provided daily and all general ingredients used in the service are suitable for vegetarians.
6.2.10 Provision of meals is a key anti-poverty service and it is recognised that for many children this is their main meal of the day.

6.2.11 It is important to note that the eligibility criteria for free meals has changed in recent years which has resulted in some families that would have previously qualified no longer being eligible. Only families on Income Support, Income Based Job Seeker's Allowance, Guaranteed element of State Pension Credit and Child Tax Credit and have an annual gross income as assessed by HM Revenue and Customs which does not exceed £15,575.00 qualify. This is likely to have had a negative effect for many families in Lambeth.

6.2.12 Staff employed in the service are trained to understand the needs of pupils, including their cultural and religious requirements and the food and menu content.

6.2.13 This contract provides employment opportunities for local people, many of whom are women who live in the Borough and work part time. The present School meals contractor has confirmed that 90% of the staff currently employed live locally. Officers will continue to track this systematically during this contract.

6.2.14 The current workforce is known to be made up of principally local people. Work and career opportunities in schools meals are attractive to people with childcare responsibilities and the contract requires demonstrable positive development opportunities for all.

6.2.15 Tenderers were required to demonstrate compliance with the Councils Equal Opportunities and Safeguarding policy which formed part of the evaluation and the ongoing monitoring of the contract.

6.2.16 The Tenderer was able to evidence a positive training programme that supported the development of staff.

6.2.17 Lambeth has high levels of obesity amongst our children and young people. CYPS Officers have developed a working party with PCT colleagues in health and sport to address this issue in partnership. This provides opportunities for Lambeth to influence the wider obesity agenda. The School Meals Contractor will have a key role in this agenda.

6.2.18 The Head of CYPS Contracts unit has been selected by the School Food Trust as the School Food Ambassador for Lambeth which will involve sharing good practice and working across disciplines and with our partners.

6.3 Community safety implications:

6.3.1 The Head of Lambeth Food safety was included in the evaluation and contributed to the overall score of 3, which is good. The CYPS works closely with food safety officers.

6.4 Environmental implications:
6.4.1 The review of the contract specification and the evaluation considered the environmental implications for this service with the opportunity to make future improvements.

6.4.2 The tender included proposals to adopt a “Green Kitchen”, including the minimisation of energy and water, reducing the amount of packaging, controlling the use of chemicals, using biodegradable materials, selecting suppliers who can demonstrate an environmental commitment and minimise food miles.

6.5 **Staffing and accommodation implications:**

6.5.1 The successful appointment of a catering contractor will have no impact on staffing or accommodation. The Contractor will provide an office which is to be located in Lambeth.

6.5.2 This service is currently managed and developed within the Children’s Contracts Unit. This unit works in partnership with the Schools Resources Committee to ensure that the service is developed to meet the needs of all schools.

6.5.3 All staff currently employed in the service will remain in the employ of Harrison Catering Services Ltd, all of whom would have had their jobs protected by the Transfer of Undertaking (Protection of Employment) (TUPE).

6.5.4 The Contractor is required to comply with Safer Recruitment Procedures and all staff employed by the Contractor will be CRB checked.

6.6 **Any other implications:**

6.6.1 The Lambeth school meals service performs to a high standard, providing healthy and nutritious food that meets and exceeds the statutory standards with take up of 70% which is considerably higher than the national trend of 43%.

7. **Timetable for implementation**

7.1 Table below shows the stages, milestones and deadlines for implementing the contract.

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<tr>
<td>2</td>
<td>Consultation with schools to sign up to the contract (requires governing body decision)</td>
<td>April-May 2009</td>
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<td>3</td>
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