

Report Title:	School Catering – request to go to tender
Contains Confidential or Exempt Information?	NO - Part I
Member reporting:	Cllr Airey, Lead Member for Children's Services
Meeting and Date:	Cabinet – 24 August 2017
Responsible Officer(s):	Kevin McDaniel
Wards affected:	All

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REPORT SUMMARY

- 1 The Council has traditionally supported schools by procuring and managing a contract for the delivery of school meals.
- 2 The school meals contract expires on 31 July 2018 and this report requests permission to seek proposals for a new contract to run from 1 August 2018.
- 3 There is a demand for a central catering contract from smaller schools, particularly to fulfil the legal duties to provide free school meals to eligible pupils including Universal Free School Meals for Key Stage One pupils.
- 4 The cost of the catering contract and the procurement exercise are paid for by schools via the traded service arrangement.

1 DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Cabinet notes the report and approves:

- i) The procurement of a new catering contract for schools.

2 REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 The Council currently manages a contract for the delivery of school meals which serves 42 schools including one secondary school and four middle schools. Other schools manage their own individual contracts.
- 2.2 Although more schools wish to manage their own contract in future, there is still a need for a borough managed contract. Other schools have opted to manage their own contract, largely due to the uncertainty about whether or not there would be a new central contract. The current contract expires on 31 July 2018 and a new contract needs to be in place by 1 August 2018. Procurement will take several months so needs to begin now.
- 2.3 There are at least 12 primary schools who would like to be part of a new borough led contract – we are still waiting for 8 schools to make a final decision. The benefits to schools are:

- Many primary schools do not have the time and resources in place to carry out the procurement exercise and to manage a contract themselves.
- Catering contracts require specialist knowledge of nutritional standards.
- The financial benefits of group purchasing.
- Additional support in extreme circumstances, as the supplier has a contractual obligation to provide meals at each school in the contract regardless of staff sickness or premises difficulties: i.e. one kitchen would provide meals for another kitchen if necessary.

2.4 The cost of managing the contract and the cost of meals is covered by the schools who buy back into the traded services Contract Management Service.

2.5 The cost of procuring this contract is covered by the management fee charged to schools this financial year.

Table 1: Options

Option	Comments
Carry out a procurement exercise for a school meals catering contract. Recommended	Supports schools in the delivery of school meals including free meals for eligible pupils. No cost to the Council.
Do Nothing Not recommended.	Small schools do not have the capacity to manage a catering contract alone, particularly in relation to nutritional standards and emergency situations This would cost schools more because each would have to carry out their own procurement exercise. Arrangements may not be in place in time for September 2018.

3 KEY IMPLICATIONS

Table 2: Key implications

Outcome	Unmet	Met	Exceeded (8 schools undecided)	Significantly Exceeded	Date of delivery
A catering contract is available for schools to provide school meals.	No central contract is let.	12 schools.	14 schools.	20 schools.	1 August 2018
Schools are able to fulfil their duty to provide free meals for eligible pupils	No central contract is let.	1500 per day	1700 per day	2000 per day	1 September 2018

4 FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 Although the value of this contract is likely to be over £500,000, all contract costs are funded by the schools who buy back into the service, resulting in a cost neutral commitment for the council.
- 4.2 Any procurement costs to the Council are covered by the management fee paid by schools for this academic years catering contract – total £61,000.

Table 3: Financial impact of report's recommendations

REVENUE	2016/17	2017/18	2018/19
Addition	£0	£0	£0
Reduction	£0	£0	£0
Net impact	£0	£0	£0

CAPITAL			
Addition	£0	£0	£0
Reduction	£0	£0	£0
Net impact	£0	£0	£0

5 LEGAL IMPLICATIONS

- 5.1 All Key Stage One pupils are entitled to Universal Free School Meals
- 5.2 Families receiving income support or other relevant benefits are entitled to a Free School Meal.
- 5.3 The current catering contract cannot legally be extended. Given the likely value of the contract, it must be procured in compliance with EU procurement processes.

6 RISK MANAGEMENT

Table 4: Impact of risk and mitigation

Risks	Uncontrolled Risk	Controls	Controlled Risk
School meals are not provided for pupils legally entitled	High	A corporate contract is awarded	Low
No suppliers bid for the contract	Medium	Consultation day with potential suppliers to ensure a suitable list of tenderers.	Low
Contract does not meet schools'	Medium	There are two school	Low

Risks	Uncontrolled Risk	Controls	Controlled Risk
School meals are not provided for pupils legally entitled requirements.	High	A corporate contract is awarded	Low
		representatives on the panel to ensure school needs are met.	
Contract is not in place in time for 1 August 2018		Procurement exercise begins immediately	

7 POTENTIAL IMPACTS

7.1 No Equality Impact Assessment (EQIA) has been undertaken.

8 CONSULTATION

8.1 Schools were consulted prior to Christmas 2016 about their intention for catering arrangements in academic year 2017/18. Over half the schools indicated that they wanted to remain part of a centrally arranged contract while others indicated a desire to make their own arrangements. Therefore 22 schools remained in the new one year arrangement for 2017/18.

8.2 All schools – both in and out of the contract – were consulted in June 2017 about their intentions for catering arrangement from August 2018 and were asked to confirm whether they wished to be included in the procurement exercise for a centrally managed contract. 12 schools have confirmed their commitment to remain in a centrally arranged contract.

8.3 A supplier event day was held on 9 August 2017 in order to ascertain the current state of the market and to ensure a suitable list of tenderers..

9 TIMETABLE FOR IMPLEMENTATION.

Table 5: Implementation timetable

Date	Details
September 2017	Issue Invitation to Tender
March 2018	Contract approval
1 August 2018	Contract starts

10 APPENDICES

10.1 None

11 BACKGROUND DOCUMENTS

11.1 None

12 CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Commented & returned
Cllr Dudley	Leader of the Council		
Councillor Airey	Lead Member	21/07/2017	22/07/17
Alison Alexander	Managing Director	21/07/2017	22/07/17
Russell O'Keefe	Executive Director	21/07/2017	
Kevin McDaniel	Head of Schools and Education Services	21/07/2017	22/07/17
Rob Stubbs	Head of Finance	21/07/2017	
Lyn Hitchinson	Procurement Manager	21/07/2017	

REPORT HISTORY

Decision type: Key decision June 2017	Urgency item? No
Report Author: Ann Pfeiffer	