

**BUSINESS CASE (REVENUE)**

Provision of Food Vouchers

**Contact Details**

|                             |   |
|-----------------------------|---|
| <b>Responsible Officer:</b> | <b>Rachel Silcock</b>                         |
| <b>Job Title:</b>           | <b>Community Empowerment Operational Lead</b> |
| <b>Service:</b>             | <b>Public Health</b>                          |
| <b>Directorate:</b>         | <b>Public Health</b>                          |

**Project Details**

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|---------------------------------|---|
| <b>Estimated Project Value:</b> | <b>£4,000,000 over 2 years</b>  |
| <b>Source of Funding:</b>       | <b>Household Support Fund (DWP)</b>   |
| <b>Timescale:</b>               | <b>April 1<sup>st</sup> 2023 for 1 year + option to extend for 1 further year</b> |

**Executive Summary**

In December 2020 the government launched a Winter Grant scheme to fund Local Authorities to support families entitled to Free School Meals and other vulnerable children with food and essentials during the school holidays. The Winter Grant Scheme was replaced by the Household Support Fund (HSF) in October 2021 and funding has continued in 6 monthly payments since then. In the Autumn Statement, November 2022, the government announced a further extension of the HSF from April 2023 to March 2024.

From the start of the Winter Grant Scheme, the City Council has used a proportion of this grant funding to provide families entitled to Free School Meals and other vulnerable children (as nominated by schools) with a voucher to purchase food during each week of the school holidays.

The current contract for these eVouchers is ending on March 31<sup>st</sup> 2023. A procurement process is needed to ensure that there is a contract in place for a provider of food vouchers during the next HSF funding period and that the Council is receiving the best value for money from the provider of eVouchers.

## Project Information

In December 2020, during the emergency phase of the COVID-19 pandemic, the government recognised that families of Free School Meals children were not receiving any support towards the cost of food during the school holidays. Funding was therefore provided automatically to Local Authorities to cover this gap, firstly through the Winter Grant and then subsequently from October 2021 to the current financial year through the Household Support Fund.

Plymouth City Council currently has a contract with Wonde to provide food e-vouchers that can be cashed in a range of supermarkets. This contract ends on March 31<sup>st</sup> 2023.

The total number of children eligible for vouchers changes according to the number of children registered for free school meals each year. However, over the last 3 years this has been approximately 12,000 children. There are 13 school holiday weeks a year and in the year 2022 – 23 vouchers to the value of £13 per week per child have been provided for each week. The total cost of this is therefore around £2,028,000 per annum. The total amount paid by the Council for the vouchers depends on the agreement between the provider and the supermarkets. The provider will negotiate a price to bulk buy vouchers and is therefore able to pass on some of the savings to the City Council.

The government's Crown Commercial Services (CCS) have carried out a re-procurement process in 2022 which resulted in 5 providers of vouchers being placed on a new Framework. The proposal in this Business Case is to issue a Request for Quotation to these 5 providers and to select the one that offers best value for money as well as a good range of local supermarkets for families to choose to cash their vouchers. Another requirement will be to explore the possible use of Vouchers with local Community Larders/ Food Clubs in the City. Using the CCS framework gives assurance that these providers have achieved required Quality and Safety Standards, including obtaining relevant insurances.

This proposal links to the Child Poverty agenda for the city and also A Bright Future 2021 – 26 in supporting children to stay safe and well, through the provision of adequate nutrition.

## Objectives

Continued funding from central government for the Household Support Fund (HSF) was confirmed in the Autumn Statement 2022, to support vulnerable households during the financial year 2023/24 for 12 months with food and energy costs. Specific government guidance on priority groups has not yet been received for this next round (Round 4) of HSF funding, however, families with children have been a priority for each previous round of HSF. In addition to this, research into food insecurity in the city (March 2022) has highlighted that families with children on low incomes are very vulnerable to food insecurity. The City Council has therefore previously committed funding from each round of HSF towards providing food for vulnerable families during the school holidays.

The most effective way of distributing funds to vulnerable families to support with food costs is via e-vouchers and this method has been tried and tested over previous school holidays in Plymouth.

The goal is to ensure that there is a contract in place for a provider of eVouchers from April 2023 to March 2024, so that if the City Council again commits funding to Free School Meals families for this period there is a method for delivering this support.

This procurement does not prevent the City Council from deciding not to use the HSF funding in this way during the 2023 – 24 financial year.

## Scope

This will be a mini competition conducted in accordance with the Crown Commercial Services Payment Solutions framework agreement RM6248. The framework agreement has been set up in accordance with the Public Contract Regulations 2015. All Suppliers who are on the framework will have given the following assurances:-

- ISO/IEC 27001
- Cyber Essentials Plus
- Professional Indemnity Insurance with cover (for a single event or a series of events and in the aggregate) of not less than five million pounds
- Public Liability Insurance with cover (for a single event or a series of events and in the aggregate) of not less than five million pounds
- Employers Liability Insurance with cover (for a single event or a series of events and in the aggregate) of not less than five million pounds

The Request for Quotation (RFQ) will only be open to Suppliers who have been successfully elevated to the framework.

The RFQ will be evaluated by a team of evaluators from the City Council's Children and Young People's Commissioning team, Public Health and Finance teams. The evaluation and selection of the successful provider will be based on both price and quality. The aspects of quality being evaluated will include the timeliness of the service, the ease of using the platform including providing printed vouchers where people don't have access to online vouchers, the range of food suppliers and the social value offered by the provider

## Constraints

The new provider of food vouchers must be in place in time for vouchers to be issued by the May half-term in 2023. This will require the RFQ to be issued in March and evaluated in early April for a contract to be awarded by Mid-April 2023. The contract award needs to be delegated to the Director for Public Health in order for this timescale to be achieved, especially during a pre-election period.

## Options Appraisal

### **Option 1: Do Nothing**

This is not an option as the Council has been awarded grant funding to support vulnerable households, of which families with children on low incomes are a target group based on local intelligence. To not use or accept this funding would be to the detriment of Plymouth families.

### **Option 2: Deliver food parcels**

Food parcels - PCC (CATERed) does not have the capacity or capability to deliver a cost effective solution due to the practicalities that would be required to produce and distribute food parcels.

### **Option 3: Provide cash payments or post office vouchers**

This option would require a significant amount of preparatory work which couldn't be carried out in time for May half-term. Additionally, the procurement of pre-payment cards would incur service charges.

### **Option 4: Procurement of a new Voucher provider by RFQ**

This option would ensure that the system of food vouchers that has been in place for over 3 years and is familiar to families and schools would be able to continue, subject to the Council agreeing that food vouchers are included in the HSF framework for Round 4.

### Preferred Option: Option 4

#### Provide a brief explanation why this option is preferred


The government has recently confirmed that there will be a fourth round of HSF. Due to the current contract with the Voucher provider coming to an end on March 31<sup>st</sup> 2023, a new procurement process is required. It is important that a contract is let to cover the period of the next round of HSF from April 1<sup>st</sup> 2023 to March 31<sup>st</sup> 2024 to ensure there is a single provider of food vouchers for every school holiday and to avoid disruption and confusion for both Council and school staff. The process has to be well understood and in place in plenty of time before the school holidays to allow good communications between the schools and parents

### Recommended Decision

#### It is recommended to

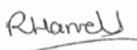
- To approve the business case
- To approve the commencement of a mini competition conducted in accordance with the Crown Commercial Services Payment Solutions framework agreement RM6248.
- To delegate the award of contract to the Director of Public Health

### Project Officer

|  |   |              |                                |
|--|---|--------------|--------------------------------|
| <b>Name:</b>                           | Rachel Silcock  |              |                                |
| <b>Job Title:</b>                      | Community Empowerment Operational Lead  |              |                                |
| <b>Additional Comments (Optional):</b> |   |              |                                |
| <b>Signature:</b>                      |  | <b>Date:</b> | 14 <sup>th</sup> February 2023 |

### Authorisation of Business Case

### Head of Service / Service Director

|  |   |              |                                |
|--|---|--------------|--------------------------------|
| <b>Name:</b>                           | Ruth Harrell  |              |                                |
| <b>Job Title:</b>                      | Director of Public Health   |              |                                |
| <b>Additional Comments (Optional):</b> |   |              |                                |
| <b>Signature:</b>                      |  | <b>Date:</b> | 17 <sup>th</sup> February 2023 |