

PLYMOUTH CITY COUNCIL

Subject: Contract Awards for Food for School Meals and Community Meals
Committee: Cabinet
Date: 17 June 2014
Cabinet Member: Councillor McDonald
CMT Member: Carole Burgoyne (Strategic Director for People)
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Ref: 1060965
Key Decision: Yes
Part: I

Purpose of the report:

To consider the approval of contracts to supply food and catering consumables within the Education Catering Service to enable and support the delivery of the statutory provision of school meals (Free School Meals, Paid for Meals and Universal Infant Free School Meals) to 67 infant, junior, primary and special schools as well as a number of primary and secondary academies across the City.

Furthermore, the contracts supply the food and ingredients for production of freshly prepared, hot community meals for the vulnerable and elderly.

See Part II for the detailed contract award report.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

Through the tendering and award of these contracts the Education Catering Service fulfils the Council's Brilliant Co-operative Plan, Vision and objectives:

Pioneering Plymouth: the service is viewed nationally as a model of best practice for provision of school food and its procurement of locally sourced, seasonal and regional ingredients. The service was the first local authority caterer to be awarded the Gold Catering Mark by the Soil Association's Food for Life.

Growing Plymouth: the service now and in the future has demonstrated the benefit to the local and regional economy through its procurement of fresh, local and seasonal produce. This creates employment and wealth to be re-invested in to the city. As recognised by the independent report by the New Economic Foundation in 2012 which identified that the Social Return on Investment (SORI) into the local and regional economy was £3.04 for every £1.00 spent.

Caring Plymouth: the service provides statutory free school meals across the City and to pupils in school settings with specific dietary needs. The service also provides community meals to a number of adults as referred by Adult Social Care

Confident Plymouth: good food, leading to better nutrition (across all ages) leads to better attainment and future prospects. For children and young people the provision of these contracts allows the Council and schools to play a vital role in setting the health and well-being agenda leading to greater employment opportunities and fulfilled lives. For others, community meals allows for the Council and service to support citizens to retain their freedoms and independence.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land:**

None. The budgets for the provision of school food are delegated to schools and the service is a traded service with food costs borne from Free School Meal income (via the Dedicated Schools Grant), income from Paid for Meals and, from September 2014, from revenue funding for Universal Infant Free School Meals (UIFSM).

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

This proposal will support the Council's aims and objectives of minimising Child Poverty through support to schools of maximising take-up of free school meals thereby maximising household incomes and increasing employment opportunities for families. The recommended award of contracts supports local businesses, producers and, therefore, local employment and the well-being of local families and household incomes.

Equality and Diversity:

Has an Equality Impact Assessment been undertaken? Yes

Recommendations and Reasons for recommended action:

The award of these contracts, as well as meeting the terms of OJEU and procurement law, through the criteria set out in the tender documentation, supports and maintains the Council's co-operative value of "Growing Plymouth". Each of the proposed food suppliers are either family-run businesses based in Devon and Cornwall or a company with a strong local and regional presence and distribution base.

As a result of these contracts, with each of the suppliers sourcing and delivering from within and across the peninsula, the spend into the local and regional economy will be up to £1.8m and, with the introduction of Universal Infant Free School Meals (UIFSM) from September 2014 it is estimated that this will increase by a further £0.5m.

It is recommended, therefore, that contracts are let with the suppliers that have scored the highest in each Lot. This detail is contained in the Part II Detailed Contract Report.

Lot 1 representing Fresh Meat, Offal, Poultry and Fish

Lot 2 representing Ambient Dry and Chilled foods

Lot 3 representing Frozen Foods

Lot 4 representing Dairy and Bakery Products

Lot 5 representing Fresh Fruit and Vegetables

Lot 6 representing Non-Food and Disposable Items.

These contracts support the continued direct employment of 250 frontline staff in schools across the City as well as producers, growers and distributors from across the region.

These award of these contracts fully support the local and regional economy and fulfilling the Brilliant Co-operative Council aims of Pioneering, Growing, Caring and Confident Plymouth.

Alternative options considered and rejected:

A failure to award contracts will result in the service and schools being unable to provide the statutory duty of the provision of Free School Meals, a Paid for Meal upon request an Universal Infant Free School Meals. For elderly or vulnerable citizens in receipt of the community meals service a failure of supply would be hugely damaging and result in services needing to be procured from elsewhere.

Published work / information:

None

Background papers:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Equality Impact Assessment	x									

Sign off:

Fin	MH14 15.01	Leg	LT 20435	Mon Off	RSN 20434	HR		Assets		IT		Strat Proc	MC/SP U/360/C P/0514
Originating SMT Member: Judith Harwood													
Has the Cabinet Member(s) agreed the content of the report? Yes													

1.0 Introduction

- 1.1 Education Catering Service currently provides upwards of 8,000 meals per day across the city and the past year has seen significant partnership work with individual schools and substantial percentage growth in individual schools.
- 1.2 The service was the first local authority caterer in the country to be awarded the Soil Associations Gold Standard Food for Life Catering Mark in recognition of our menus and use of using fresh seasonal menus and scratch cooking as well as Compassion in World Farming's Good Egg Award for using Free Range Eggs.
- 1.3 The service is a Fairtrade champion, supporting the City's Fairtrade status and works with schools through it's Fairtrade Schools Group to provide support with educational activities with support from our local suppliers and, in conjunction with School Nutrition Action Groups (SNAG) work to increase awareness of Fairtrade and the number of Fairtrade items and ingredients used on school menus
- 1.4 The service is nationally recognised as the Local Authority Caterer of the Year 2013 by EDUcatering magazine and the wider school food and contract catering industry
- 1.5 The service, and therefore these contracts, provides schools food to 67 schools including nursery, maintained infant, junior and primary, special and secondary schools as well as academies, trust and foundation schools. (Prospective contractors were advised that the status of each establishment may change during the life of this contract (e.g. from maintained to academy) and that this may have an effect on the food and nutrient standards applicable).
- 1.6 Public Health England have recognised our work through their "Healthier and More Sustainable Catering: a toolkit for serving food to adults" in respect of best practice guidance for our provision of community meals.
- 1.7 The provision of school is a statutory duty which, following delegation of budgets in 2013, sits with Governors of schools and academies rather than the Council. However, the 67 schools receiving services from the Education Catering Service as the Council's school food provider have pooled budgets and asked that the services be centrally provided.
- 1.8 Centrally procured contracts providing for more cost effective and efficient procurement, economies of scale, control and management of food quality and food standards, traceability and then menu development and nutritional analysis and allergen awareness.
- 1.9 The statutory provision is for a nutritionally compliant two-course Free School Meal for those pupils and students registered as eligible under set Government criteria, a Paid for Meal upon request and, from September 2014, Universal Infant Free School Meals for all pupils aged 5-7 (i.e. in Reception, Year 1 and Year 2).

2.0 Current status of contracts

- 2.1 Current contracts for the Provision of Food and Catering Products were let in October 2009, with an initial contract period of three years followed by two one-year extensions. Therefore the final extension will expire on the 30th of September 2014.
- 2.2 Through the new contract, the Council is looking to continue to procure the Provision of Food and Catering products for the preparation and service of nutritionally compliant, hot, healthy, appealing and appetising menus and school food to children and young people of all ages in a wide variety of school settings and academic establishments and for community meals.

3.0 Expectations and future opportunities for growth

- 3.1 Prospective suppliers will have known the importance of the provision of high quality school food which, as well as nutrition, is an essential aspect of the pupils' education and personal development and longer term health and well-being and attainment.
- 3.2 Within the scope and remit of procurement legislation and OJEU we identified that we were looking for prospective suppliers to support the service in (a) the maintenance of the Gold Standard Food for Life Catering Mark (<http://www.foodforlife.org.uk/>) and also as (b) a founder member of the Sustainable Food Cities network (<http://sustainablefoodcities.org/>) our work towards achieving this accreditation over the life of the contract.
- 3.3 The introduction of Universal Infant Free School Meals from September 2014 delivers an expectation of a very significant increase in meals per day alongside our drive to further improve services and increase paid meal take up across all sectors.
- 3.4 In line with levels of take-up in previous FSM Pilots in Durham and Newham it is anticipated numbers of meals provided will increase significantly. The average take-up levels in pilot areas was 87% whilst in Tower Hamlets and Islington who are currently provided FSM to all pupils take-up is circa 100%. For Plymouth we are planning for an anticipated increase of up to 3,000 meals per day.
- 3.5 We have made our expectations of potential contractors clear and asked them to demonstrate their readiness and business continuity for this but to also positively demonstrate how they will support the aims and objectives of the service and wider council.
- 3.6 The future offers exciting and innovative opportunities for the service, Council and the successful contractors and partners to work together with schools to deliver on the actions within the national School Food Plan and proposed new Food and Nutritional Standards to deliver freshly prepared and cooked hot meals to children and young people that are nutritious, appetising, appealing, flavourful and affordable and with individual schools will transform the education of food and what children eat.

- 3.7 The service also now provides the Community Meals to referred clients and paying customers across the City, providing home cooked meals from scratch delivered hot and ready to eat in the clients home. These meals are prepared and cooked in and collected from a number of schools kitchens to assist with maximisation of labour, management of food costs and, logistically, to reduce deliveries and eco-footprint. The Community Meals service is a seven day 52 week service and work is underway to expand this element of the business both for the traditional lunch time meal offer and a cold tea-time meal option.

4.0 Proposed new contracts

- 4.1 Contracts for the provision of food and food related items contained within these Lots required to be let and commence on the 1st October 2014. The contract will be for a period of 3 years, with the option to extend for a further two x 1 year periods.
- 4.2 Through the procurement of these contracts and services successful contractors will work with the service, schools and the wider council to support the health and well-being of citizens of all ages and combat health and other related problems through the provision of healthy ingredients to enable the delivery of food and menu choices that meet the required standard which appeal to our customers and available at affordable prices.
- 4.3 To ensure that the contracts were open and available to as many potential suppliers as possible including SME's the work was split into four geographical city zones and also into Lots as follows:
- Lot 1 representing Fresh Meat, Offal, Poultry and Fish
 - Lot 2 representing Ambient Dry and Chilled foods
 - Lot 3 representing Frozen Foods
 - Lot 4 representing Dairy and Bakery Products
 - Lot 5 representing Fresh Fruit and Vegetables
 - Lot 6 representing Non-Food and Disposable Items
- 4.4 The detailed contract award report is in Part II but it was a two-stage Restricted Procedure, the Council's preferred tender procedure for high value procurement as detailed Contract Standing Orders.
- 4.5 Nine companies responded to the PQQ and, with next stage selection based on value for money 45% and quality basis 55%, along with the number of requirements matched (All requirements specified were expected to be met) six companies were invited to tender.
- 4.6 Tenderers were provided with a "shopping list" of requirements for each Lot based on current range of produce and related to expected annual quantities.

5.0 Evaluation of risk

- 5.1 The procurement of fresh, local and seasonal produce and ingredients is vital to the continued provision of high quality, and valued school food to children, young people and also the vulnerable or elderly who are assessed as eligible to receive a community meal.

- 5.2 Food provided via centrally procured contracts in this way allow for access to and supply of high quality ingredients which meet all food hygiene, storage and transport regulations.
- 5.3 Schools, stakeholders and customers across the age range and their families can be assured of products, produce and ingredients that adhere to, amongst other elements, the highest standards of animal welfare, Red Tractor Assured, Allergen information and labelling, Free Range Eggs and full traceability. Providing for safe food in a safe environment.
- 5.4 The use of electronic invoicing to an identified number of Level 3 Suppliers via DCal also produces significant savings in terms of ordering and payment of invoices via Council Lodge Cards.
- 5.5 The level of local employment within the food supply and delivery chain cannot be under-valued and adds to the Social Return on Investment (SORI) generated.

6.0 Conclusion

- 6.1 Working to fully support the model and ideals of the Brilliant Co-operative Council the award of these contracts secures for the provision of fresh, local, seasonal food, produce and ingredients from proposed suppliers who all have a presence in Devon and Cornwall.
- 6.2 With developments in the school food service to increase take-up plus the introduction of UIFSM from September 2014 and community meals these contracts will further significantly increase the contract spend into Plymouth and increase employment both in the food supply chain (wholesale) and food service delivery (customer facing).
- 6.3 As a result of these contracts, spend into the local and regional economy will be between £1.6 - £1.8m per year and, with the introduction of UIFSM from September bringing an anticipated increase in meals served of 30%, this is likely to grow by a further £0.5m per year.
- 6.4 These contracts secure the employment of farmers, growers, producers and food distributors from across the region and, in schools, 250 frontline catering staff.