

TO: SCHOOLS FORUM  
DATE: 19 JULY 2012

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**SCHOOL MEALS SERVICE**  
**(Director of Children, Young People & Learning)**

**1 PURPOSE OF REPORT**

- 1.1 To advise Schools Forum on the decision and outcome of awarding the school meals contract to ISS Education.

**2 RECOMMENDATIONS**

- 2.1 **That the Schools Forum notes the outcome of the re-tendering of the school meals contract which has been awarded to ISS Education with improved financial and other benefits is NOTED.**
- 2.2 **That following consultation, schools wish to continue to charge the current price per meal of £2.00 is NOTED.**

**3 REASONS FOR RECOMMENDATIONS**

- 3.1 **It is appropriate for the Forum to be aware of, and where relevant, comment on these contractual matters on behalf of schools.**

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 These are set out in the supporting information.

**5 SUPPORTING INFORMATION**

Background

- 5.1 The current Council-managed contract for school meals was tendered in 2006 and expires in July 2012. A total of 28 Primary/Infant/Junior, 1 secondary and 1 Special School participate in the current contract which is with ISS Education. The remaining 5 Secondary and 3 Primary/Infant/Junior in the borough make their own arrangements for school meals by a combination of individually tendered contracts and in-house delivery.

Procurement

- 5.2 The Procurement Plan for the school meals service was endorsed by the Executive Member for Education in October 2011, and in December 2011 Schools Forum gave feedback on the draft specification.
- 5.3 The contract was jointly procured with West Berkshire Council to make it more attractive in the marketplace and to achieve economies of scale. Officers from both Councils collaborated to produce a joint specification and Invitation to tender. There will however be separate contracts for each authority to ensure each can effectively manage the service on behalf of its own schools.

## Unrestricted

- 5.4 School meals is considered to be a Part B service, and not subject to the Public Contract Regulations (2009) requiring advertisement via the Official Journal of the European Union (OJEU). The contract was therefore procured using a two-stage restricted procedure, with advertisement on the South East Business Portal, which attracted expressions of interest from 12 suppliers.
- 5.5 From this a tender list was drawn up with 5 contractors, all of whom demonstrated that they had appropriate resources and experience of working in schools. Tenders were let in January 2012 and responses were received from all 5. Schools Forum will recall that in 2006 when the contract was last tendered the market was such that no tenders were received. The 2006 contract had to be negotiated at a cost plus profit basis, and the subsequent subsidy payable by schools, though reduced, has continued to be an ongoing burden.
- 5.6 Tenders were evaluated against the pre-defined criteria by a joint Bracknell Forest/West Berkshire team including school representatives, based on a 40/60 Price/Quality ratio. All 5 tenders were of a high standard, and all 5 contractors were interviewed.
- 5.7 ISS Education scored highest on quality whilst also offering the lowest cost option for Bracknell Forest schools. ISS is our current provider, which also avoids the disruption of mobilising a new contractor.
- 5.8 In February 2012 the Executive agreed to delegate the decision to award the contract to the Director of Children Young People & Learning in consultation with the Executive Member for Education to allow more time for consultation with schools, and the award decision was taken in April 2012.

### The New Service

- 5.9 This procurement has been successful in that it has also resulted in a number of significant improvements and benefits for Bracknell Forest schools, including:
- The contractor has provided a signed compliance statement that all of the features of the specification will be met, and this will form part of the contract documentation.
  - The new contract can be delivered at a zero subsidy by schools, which amounts to an overall saving of £90k per annum when compared to the current contract.
  - Moreover the primary meal cost payable by schools from September 2012 will be £1.91, which is £0.09 below the current meal price charged to parents. Schools were consulted about how this surplus should be managed. 30 schools responded to the question with only two schools wishing to charge a lower price than the current £2.00 per meal price, the majority of schools opting to retain the surplus. Based on latest take-up figures, the aggregate surplus would amount to £32k per annum.
  - There is also an additional 1% rebate back to schools as part of the contract. Based on latest take-up figures, the aggregate rebate payable to schools would amount to £7k per annum.
  - The service from July 2012 will be to the higher Food for Life Silver Standard.
  - ISS will provide and manage an on line pre-payment facility for parents
  - Parents will also be able to pre-order on-line on behalf of their children

## Unrestricted

- Pupils will also pre-order their meals each morning via the interactive whiteboard
- There will be a new and more efficient financial management system
- ISS will work with schools to market the service to parents to increase meal take-up
- ISS will continue to be responsible for providing light equipment
- Heavy kitchen equipment continues to be a school responsibility but the Council will continue to offer a management service for repairs/replacements through the SLA.

5.10 The new service will be open to all Bracknell Forest schools to buy into through a Service Level Agreement (SLA). The enhanced benefits available on the new contract has resulted in two schools that previously contracted out of the service now buying back.

5.11 For secondary schools ISS is offering a cafeteria style menu tailored to the needs of the individual school. ISS are keen to expand their market and increase the number of secondary schools in the contract, so this should be seen as an opportunity to any secondary schools that are currently reviewing their catering arrangements.

5.12 The new contract will be awarded for an initial period of 5 years from July 2012 with the option to extend by up to a further 4 years at 2 yearly intervals thereafter. A break clause has been included within the contract which gives schools the right to terminate the Agreement by giving 6 months written notice expiring on each anniversary of the Agreement.

### New School Meals Kitchen

5.13 On a related matter Schools Forum will wish to note that the new school meals kitchen at Cranbourne Primary school provided through the Education Capital Programme opened in January 2012. The new kitchen provides a full on site fresh cook service. This removes the need to transport school meals from another school site, with a consequential increased the quality of the meals provided to the children.

## **6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### Borough Solicitor

6.1 No legal issues arise from the recommendation made by this report.

### Borough Treasurer

6.2 The financial implications arising from this report are set out in the supporting information. The application of the £0.09m saving on payments to the contractor and the other new income streams to relevant schools will need to be considered as part of the 2013-14 budget setting process.

### Impact Assessment

6.3 Not required.

Strategic Risk Management Issues

6.4

Issue	Comment
The financial risk of the contractor going bankrupt is assessed as LOW, because independent financial checks have been obtained by the Chief Technical Accountant.	The contractor is also required to have a minimum level of insurance cover and renewal certificates will be obtained through the duration of the contract.
The risk of poor performance is assessed as LOW, because ISS are our current provider and schools are aware of and are satisfied with their past performance.	ISS's allocation of resources and competence have been assessed as adequate to ensure delivery to the specified standard. The Council will continue to provide a contract monitoring and management service through the SLA.
The risk of insufficient number of schools participating, making the contract unviable is assessed as LOW.	The majority of schools have expressed an interest in the new contract.
The risk of school meals take up not increasing is assessed as MEDIUM.	The meal price charged will be a significant factor in take up in the current economic climate. This will need to be carefully balanced to incentivise/maximise meal take up.

**7 CONSULTATION**Principal Groups Consulted

- 7.1 In June 2010 Schools and Schools Forum were consulted and agreed that the Council should re-tender the service on behalf of schools.
- 7.2 Schools and Schools Forum were again consulted over the draft specification in the 2011 Autumn term. A written questionnaire was sent to all schools about the features they would like to see in the specification.
- 7.3 The Headteachers and Governing Bodies at the participating schools have all been consulted to seek their agreement to participate in the tender process.
- 7.4 In 2011 Schools and Schools Forum were again consulted over the draft specification in the 2011 Autumn term.
- 7.5 Overview and Scrutiny Panel were also consulted on the draft specification during the 2011 Autumn Term as part of an independent review of school meals.
- 7.6 In June 2010 Schools and Schools Forum were consulted and agreed that the Council should re-tender the service on behalf of schools.
- 7.7 The Tender Evaluation Team was drawn from both Bracknell Forest Council & West Berkshire Councils and included school representatives.

Method of Consultation

- 7.8 A combination of letters, meetings with interested parties, presentations, formal questionnaires and reports.

Representations Received

- 7.9 Feedback from the various groups above was applied to make up the written specification for the service prior to the letting of tenders. The consultation post-tender has been to seek final agreement from individual schools on their participation in the new contract. As at mid June 2012, 32 schools had indicated that they will participate, an increase of two schools compared to the current contract.

Background Papers

Previous reports to Schools Forum and the Executive.

Specification and tender documents.

School consultation results on participation in the contract and meal price from September 2012.

Contact for further information

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