

TITLE	School Meals Managed Catering Service
FOR CONSIDERATION BY	The Executive on Thursday, 29 July 2021
WARD	None Specific;
LEAD OFFICER	Deputy Chief Executive - Graham Ebers
LEAD MEMBER	Executive Member for Finance and Housing - John Kaiser

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

The report presents the procurement business case for School Meals and Kitchen Maintenance traded services contract and requires Executive approval as the estimated value of the proposed contract is greater than £500,000.

The scope of the services includes provision of meals, directly supplied to schools by the appointed supplier, and maintenance of school kitchen's equipment managed by Council's officers. This traded service is available to all schools across the Borough at an annual subscription fee payable by the schools to the Council. The current contract is due to expire in July 2022.

RECOMMENDATION

That the Executive approves the proposed business case for procurement of a new contract for school meals and kitchens maintenance to commence in August 2022, noting that the updated traded services offer will no longer deliver the same level of income but still represents a viable option.

EXECUTIVE SUMMARY

The School Meals Managed Catering Service is a pre-procured and centrally managed corporate Contract, which includes the supply of school meals and repair and maintenance of school kitchen's equipment, including replacement of catering equipment currently provided to 34 schools within the Borough.

The Council has been offering this service for 13 years, however, since many schools became academies over the last few years, more and more of them prefer to adopt the solution recommended by the academy trust managing them, which have resulted in a significant reduction in the number of schools subscribing for this service over the years.

As a result of Covid-19 pandemic and various other factors, the level of performance of the current contract dropped down over the last year leading to overall dissatisfaction with the quality of the service. This necessitated a thorough review of the traded service and an improved offer introducing a new operational model for schools to consider. Following a consultation with schools, a total of 20 schools have confirmed commitment to use the new traded service from August 2022.

The current contract comes to an end on the 31st July 2022, meaning that procurement of new contract will need to commence in September 2021 at the latest to allow for a compliant procurement process (4 to 6 months) and a mobilisation period of 6 months.

BACKGROUND

The School Meals Managed Catering Service is a pre-procured and Council managed corporate contract, which includes the provision of a school meals service, school meal kitchen maintenance and repair or replacement of catering equipment for 34 schools within the Borough.

34 schools have signed up to the current contract due to expire in July 2022. Each one of them pays an annual subscription fee which forms the budget used to cover the kitchens maintenance cost. Any surplus is carried forward and used over the next financial year for the same purpose. This approach suggests an insurance type scheme which has been operating very efficiently so far without the need of requesting any additional revenue funds to cover deficit for the relevant year. The Council allocates capital budget of £100k annually to this contract via the MTFP.

The school meals service is provided via a procured catering supplier, responsible for the production and serving of the meals, recruitment and management of the necessary qualified staff.

The kitchens repair and maintenance service is coordinated and managed by 2 Contract Officers (0.5 FTE each) employed by the Council, reporting into a Senior Procurement Specialist, using specialists contractors procured by the Operational Property team. The Contract Officers are also responsible for the performance monitoring of the school meals provision element of the contract implemented via regular quality audits at the relevant school sites.

In summary, the current traded service offer includes:

- Procurement and contract management of a suite of service contracts
- Access to a fully managed catering service (outsourced)
- Maintenance of heavy commercial catering equipment (e.g. combi ovens, dishwashers, hot trolleys etc)
- Replacement of heavy catering equipment beyond economic repair
- Replacement and sourcing of light equipment e.g. cutlery, trays, etc
- Management of inspection and treatment costs for pest control
- Catering site quality audits
- Coordination of high-level kitchen cleans including return to School following COVID/School holidays
- Coordination of associated kitchen management service Contracts:
Duct cleaning, Gas inspections, Ventilation filter cleans, PAT testing, Fire equipment maintenance, Facilities repair (floor, water pipes), Kitchen drain blockages
- Menu designed to align to legislative requirements
- Project management of kitchen improvements
- Provision of helpdesk service to report equipment breakdown etc.

Despite the current Traded Service Contract being very comprehensive, and the various services covered by the Contract articulated in the SLA, feedback received suggests that Schools believe the existing Contract is expensive, particularly for smaller Schools.

This perception is more prevalent in 'servery only' schools, who currently pay the same Traded Service buy-back rate as the schools with kitchens.

The procurement business case contains a comprehensive options analysis which suggest that a new contract with the same scope can be procured under the updated traded services offer, however, the income generated by the Council will reduce significantly and therefore the opportunities to invest in improvement of the service will also reduce.

BUSINESS CASE

The business case is provided as a standalone document supporting this paper.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£0	Yes	Revenue and capital
Next Financial Year (Year 2)	£0	Yes	Revenue and capital
Following Financial Year (Year 3)	£0	Yes	Revenue and capital

Other Financial Information

This Contract is offered as a buy-back service to Schools; revenue budget is based on the buy-back charges. The Council allocates capital budget of £100k to this contract via the MTFP.

The Contact is intended to deliver an income which the Council could utilise in further enhancing the services offered to schools and local communities.

Stakeholder Considerations and Consultation

Public consultation is not required. Consultation with schools has been completed and feedback from schools incorporated into the updated traded services offer.

Public Sector Equality Duty

Equalities assessment is not required due to the nature of the service – this is a traded service provided to schools. All schools have been offered the opportunity to opt in.

Climate Emergency – *This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030*

The contract is not directly linked to the climate emergency measures agreed, however, the service is aligned with the food recycling introduced across the schools and the catering provider is required to fully cooperate with the commercial waste supplier employed by the Council.

List of Background Papers

Procurement Business Case

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