

**Committee:** Children and Young People Overview and Scrutiny Panel

**Date:** 22 November 2023

**Wards:** All

**Subject:** School Meals in Merton

**Lead officer:** Jane McSherry, Executive Director of Children, Lifelong Learning and Families

**Lead member(s):** Cllr Brenda Fraser, Cabinet Member Children’s Services, and Cllr Sally Kenny, Cabinet Member Education and Lifelong Learning

**Contact officer:** Murray Davies – CLLF Contracts, Procurement and Interim Capital Manager

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**Recommendations:**

A. Members of the panel to discuss and comment on the contents of the report.

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**1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

1.1 The report provides members of the panel with information on the provision of school meals within the borough at all phases of education.

**2 DETAILS**

Background and Funding

2.1 The provision of school meals is governed by the School Food Regulations 2014 which are mandatory for all maintained schools, academies and free schools and require compliance with the requirements of National School Food Standards - <https://www.gov.uk/government/publications/school-food-standards-resources-for-schools> to ensure the provision of healthy and nutritious meals.

2.2 Section 512 of the Education Act 1996, as amended, places a duty on maintained schools, academies and free schools to provide free school meals to pupils of all ages that meet the criteria for eligibility. Funding for Free School Meals (“FSM”) is provided as part of the Dedicated Schools Grant.

2.3 The provision of meals to other pupils is not a statutory function but funding is provided by government in the form of the Universal Infant Free School Meal (“UIFSM”) grant to all primary schools (and special schools, where relevant) to provide free school meals to pupils up to the age to 7, i.e. for

those in reception, years 1 & 2 classes, who are not eligible for FSM. The current level of funding for UIFSM is £2.53 per day.

- 2.4 In addition, for the academic year 2023-24, the Mayor of London has provided all London Boroughs with funding to enable the provision of Universal Free School Meals (“UFSM”) to pupils in schools serving primary age groups covering years 3,4,5 & 6. The level of funding has been calculated on the basis of a meal price set at £2.65 per day.

#### Overview of provision within Merton

- 2.5 Under statutory schemes of delegation, the provision of schools meals is delegated to schools’ governing bodies. Notwithstanding that, the council has for many years procured a central catering contract for primary and special schools. 36 (out of 44) primary schools and all 5 special school sites currently participate in the council’s contract. Of the remaining 8 primary schools, 6 operate their own catering functions (either directly or as part of their wider organisation) and the remaining 2 have meals provided by the caterer engaged by their multi-academy trust.
- 2.6 For secondary schools, arrangements vary with some operating their own catering teams (Ursuline, Wimbledon College), others contracting with catering providers (3 Harris Academies & St Mark’s Academy) under contracts established by their academy trusts. The remaining 3 secondary schools have catering provided through a contract arranged by the council (Raynes Park, Ricards Lodge & Rutlish). Up to 2022 this was through the PFI (Private Finance Initiative) contract but a change to the contract has meant schools now have control of school meals.
- 2.7 Catering for the Melbury College site at its Canterbury Campus is provided by the council’s caterer as extension of its provision at the Civic Centre and Chaucer Centre. Lunches for pupils attending the Melbury College – Lavender Campus (MMES) are provided from the in-house catering team at Singlegate Primary School (part of the Be Different Federation)

#### Catering Contract for Primary & Special Schools

- 2.8 The council procures school lunchtime meals service on behalf of 36 primary schools and 3 special schools (at 5 locations) across 42 sites providing just under 7800 meals each day for pupils in 2022/23 academic year. Although there is no requirement for the council to offer this service, by doing so it allows schools to deliver their statutory obligation to provide school meals for free school meal eligible pupils and promotes consistent quality and nutrition.
- 2.9 The council’s catering service has been provided under contract for many years through a range of contractors – the current provider is Caterlink who were appointed following an open tender process in the summer of 2021 with the award of contract approved by Cabinet on 22 March of that year. They are part of a larger group, WSH Investments Limited, and have a significant involvement in the school catering market; they operate school catering contracts with a number of other authorities in London.

- 2.10 Their contract runs for an initial term of 3 years to July 2024 with an option (which, subject to approval, officers are proposing to exercise) to extend for a period of up to 2 further years.
- 2.11 Schools 'buy back' this service through the council's schools' service level agreement.
- 2.12 The council provides specialist input to support school leaders in managing the catering provision – a dedicated contract officer monitors both the school catering and cleaning contracts. The support provided is at no additional cost to the schools as the contractor contributes to the cost through an annual charge.
- 2.13 The provision of a centralised contracted service also contributes to wider objectives for the council e.g. the reduction of carbon emissions and the promotion of healthy diets for child through offering nutritional balanced and sustainable menus. Officers worked extensively with colleagues from Future Merton and the climate emergency action plan steering group to review requirements when developing the service specification. We included provisions to promote sustainable as nutritionally balanced meal choices. Caterlink's provision complies with the Soil Association's Food for Life Silver standard which promotes local sourcing of ingredients as well as the use of organic foodstuffs/Marine Stewardship Council certified fish and compliance with high standards of animal welfare.
- 2.14 Caterlink also included within their bid significant Social Value commitments notionally worth £641,445.59.
- 2.15 The contract is for the provision of school meals at a standard price per meal for a range of primary and special schools in accordance with an agreed menu offer. The initial meal price in accordance with Caterlink's bid was £2.23 but this has risen with inflation to £2.60 for the 2023/24 academic year. However, incorporated within the meal price is a charge back to each school to reflect the fact the caterer makes use of their utilities and waste services – these are paid at 4p and 5p per meal respectively so the net charge to schools is £2.51.
- 2.16 The caterer is required to provide a flexible 2 option menu offer over a three-week cycle to give a degree of choice to schools in determining the food offer. The menu changes twice per year.
- 2.17 The menu is required to include a daily vegetarian or vegan option and includes at least one 'meat free' day. As from Easter 2022, the council asked Caterlink to include the option of a second 'meat free' day. A recent evaluation for the new winter/spring menu has shown that the majority of schools supplied by our catering contractor have kept a second meat-free day each week in addition to their existing 'meat free' Mondays.
- 2.18 As noted above, the food offer is tied to National School Food Standards as well as clear contractual requirements around the quality and storage of produce, etc. The council has a very detailed specification dealing with all elements of the service including the use of additives, managing allergens, etc.

- 2.19 An annual fee is charged to the contractor to meet the cost of the council's contract monitoring – this replaced a contribution from schools under arrangements prior to 2016.
- 2.20 It should be noted that there is no direct cost to the council for the provision of the school catering service. Meals charges are paid from 3 sources:
- The cost of Free School Meals is paid by schools from the provision within their Dedicated School Grant budget allocations;
  - Universal Infant Free School Meals are provided to children up to age 7 and charges are again paid by schools but from a separate government UIFSM grant; and
  - Mayor of London's Universal Free School Meal funding for the cost of meals provided to those pupils in Key Stage 2.
- 2.21 The council undertakes day to day monitoring of service provision through a dedicated Contracts Officer in CLLF Contracts and School Organisation. In line with our SLA (Service level Agreement) with schools, each site is visited on a termly basis and a monitoring report produced for the school and the catering provider. The caterer's performance is given a RAG in relation to each school and they are required to provide an action plan setting out how they will address any issues/concerns identified.
- 2.22 Regular monitoring meetings are held between the council's monitoring officer and Caterlink's dedicated Operations Manager for the Merton contract. Meal take-up is reported monthly and, on a termly basis, Caterlink provide a formal report detailing their overall performance and key metrics.
- 2.23 The contractor also undertakes school surveys the results of which are fed back to the council. Satisfaction with the service, as reported from school surveys, remains good and meal take up is growing slightly each year.
- 2.24 However, the council's regular on-site monitoring indicates that, while in many cases the standard of catering provision is good, there remain areas for improvement on some sites. In this regard, issues with the capability of staff and the shortage of suitable personnel – in particular, recruiting suitably experienced cook managers is an ongoing challenge.
- 2.25 There has been notable improvement over the last year from Caterlink with the introduction of the new operations manager. This has seen a welcome step change in engagement with schools and much greater cooperation with the council's contract officer.
- 2.26 In terms of social value, the contract has created employment opportunities for local parents with 12 taken on in the first year of the contract by Caterlink in cooperation with the council's Towards Employment team.
- 2.27 Based on monitoring and feedback from schools, officers consider that the contract is performing well but with there is room for improvement to provide the quality and consistency desired for all pupils.
- 2.28 However, officers believe that the council's approach to procuring this service through an open tender process has ensured that the selected

caterer offers good value for money and delivers against the demanding service specification developed through several iterations of the process.

#### Mayor of London's Universal Free School Meals Offer

- 2.29 As from September 2023, for the duration of the current academic year, pupils in year groups 3-6 will be able to enjoy a school meal paid for from funding provided by the Mayor of London. The Mayor has provided funding to each London Borough to fund these meals for which parents would otherwise have needed pay as part of wider work on the cost of living crisis - <https://www.london.gov.uk/who-we-are/what-mayor-does/priorities-london/free-school-meals>
- 2.30 Merton will receive total funding of £3,027,157 from the Greater London Authority reflecting anticipated take up of 90% by eligible pupils at a notional meal price of £2.65 per day.
- 2.31 The council has worked with Caterlink and provided advice to schools on the Mayor's initiative and the necessary measures to accommodate increased meal numbers.
- 2.32 Based on initial feedback, meal numbers provided in schools served by the council's contract with Caterlink have increased by around 1500 meals per day.
- 2.33 Officers are working with schools to develop a better understanding the take up of UFSM and are conducting a survey based on meals consumed on school census day. This will inform the level of funding required for each site and provide the basis for further discussions with school leaders on the distribution of the available funds to support schools and families with the challenges of the current financial climate.

#### Catering Contract for Secondary Schools

- 2.34 The council had not offered a central contract for secondary schools prior to 2021. Historically, catering had been provided by schools either with their own in-house teams or through external caterers either directly contracted or, in the case of the four schools within the council's PFI contract, with the provision of meals included as part of the arrangements with the main contractor.
- 2.35 For the other secondary schools in Merton the existing arrangements continue but, on 12 July 2021, Cabinet approved in principle the removal from the PFI contract of a range of 'soft services' including catering provision as part of a wider settlement with the contractor, NewSchools(Merton) Limited.
- 2.36 The council then undertook an open tender exercise during the summer/early autumn of 2021 and, as a consequence, selected Harrison Catering Services Limited to provide the school meals service for 3 of the PFI schools from January 2022. The award of contract was approved by Cabinet on 8 November 2021. The fourth PFI school, Harris Academy

Morden, transferred its catering provision to the caterer appointed by the Harris Federation instead.

- 2.37 The contract with Harrisons runs for an initial term of 3 years to December 2024 with an option to extend for a period of up to 2 further years.
- 2.38 The catering service in the 3 PFI schools operates on a cafeteria style menu so, in addition to the standard meal offering (including a vegetarian option), pupils are able to purchase a range of sandwiches and hot 'snack' items such as pasta pots, pizza slices and healthy beverages.
- 2.39 The contract provisions for the catering in these schools is based on the PFI contract specification which is more limited in scope and gives greater flexibility to the caterer to design the service while still requiring that the catering offer includes provision for vegetarian and cultural requirements. The caterer is required to comply with National School Food Standards in relation to their main menu offer although sales of these dishes generally form a smaller percentage of overall sales.
- 2.40 Harrisons' records indicate that they are serving approximately 400 free school meals each day across the 3 PFI with significant additional income from 'cash' sales for those pupils not eligible for FSM. All transactions are actually based on online accounts for pupils so there is no distinction between pupils who pay for food and those supported by FSM funding.
- 2.41 The service varies across the schools to meet individual requirements with different services offered according to the wishes of the school leadership.
- 2.42 The contract is monitored by the council in conjunction with school staff with regular onsite meetings with Harrisons' contract manager. The schools also have direct meetings with Harrisons to discuss operational issues.
- 2.43 Harrisons also provide financial reports on sales. The FSM price in accordance with Harrisons' bid was £2.40 but with inflation this has increased to £2.80 for the 2023/24 academic year.
- 2.44 Feedback from the schools indicates that their level of satisfaction varies according to the performance of the on-site catering manager. One school has had a manager who has been in place for some years and the service works well. The original catering managers for the other two sites left and have been replaced which has seen some improvement in the quality of provision.
- 2.45 Harrisons included within their tender Social Value commitments notionally worth £82,679.44.
- 2.46 The council will be consulting with the three schools as to whether they wish to extend this contract in early next year.

#### General Matters

- 2.47 There are significant inflationary pressures on school meal costs. Over the last 12 months or more, food costs have increased at a rate well above the headline rates of inflation. Staffing pay rates are also increasing significantly

with the rise in living wage rates. Inflationary uplifts have been approved in compliance with the contract.

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